

# Broadband Funding in the Infrastructure Investment and Jobs Act

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# Prior Pandemic-Funding for Broadband

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## CARES Act

- Direct appropriations to new and existing federal broadband programs
- Coronavirus Relief Fund (general assistance to states)
  - VT - **\$17.4M** for broadband
  - ABC Program
  - Recovery Planning

March 27, 2020

## Consolidated Appropriations Act of 2021

- Broadband Infrastructure Program (NTIA)
- Emergency Broadband Benefit (FCC)

December 27, 2020

## American Rescue Plan Act of 2021

- State and Local Fiscal Recovery Funds
  - VT - **\$150M** for broadband
  - VT Community Broadband Board
- Capital Projects Fund (*possibly*)
  - \$113M to VT
  - Recommendations forthcoming

March 11, 2021

# Infrastructure Investment and Jobs Act

Act signed November 15, 2021

- “Access to affordable, reliable, high-speed broadband is essential to full participation in modern life in the United States.”

\$65B for broadband

- Deployment
- Digital Equity
- Affordability



# Broadband Deployment

Last-mile  
Infrastructure

Middle-mile  
Infrastructure

USDA Program  
Appropriations

Private-  
Activity Bonds

Workforce  
Development

Electric Grid  
Modernization

# Last-Mile Infrastructure – BEAD Program

- **Broadband Equity, Access, and Deployment (BEAD) Program**
  - NTIA has 6 months to establish this \$42.45B Program
  - Program will provide grants to states to “bridge the digital divide”
  - Vermont will receive at least **\$100M**
  - Remaining funds distributed based on a formula
    - State’s percentage of nationally unserved locations, generally, and also in high-cost areas
  - Locations are based on **broadband DATA maps** to be published by the FCC in 2022
  - Funds are to “supplement not supplant” state and federal funding

# BEAD Program – Use of Funds

- States may use grant funds to competitively award subgrants for:
  - Unserved (below 25/3 Mbps) and underserved (below 100/20 Mbps) projects
  - Connecting community anchor institutions (1/1 Gbps)
  - Data collection, mapping, and planning
  - Installations or reduced-cost broadband within multi-family residential buildings
  - Broadband adoption (including devices)
  - Any other use determined by the NTIA

# BEAD Program – Priorities and Requirements

- Must prioritize unserved first, then underserved, then community anchor institutions, particularly for “priority broadband projects” [TBD]
- May not exclude cooperatives, nonprofits, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility
- Shall give priority to projects based on:
  - Persistent poverty counties or high-poverty areas
  - Speeds of proposed service
  - Completion data
  - Demonstrated record of and plans to comply with federal labor and employment laws
- Matching requirement (25%) except in high-cost areas
  - Sources include: in-kind contributions; prior pandemic funding for broadband



# BEAD Program – Project Requirements

## Service requirements:

- At least **100/20 Mbps**
- **Latency** sufficiently low to allow reasonably foreseeable , real-time, interactive applications
- Network **outages** that do not exceed, on average, 48 hours over any 365-day period

Offer at least one low-cost broadband service option

Complete buildout within 4 years of receiving subgrant

# BEAD Program – Process and Preparation

- Process for grant applications:
  - Letter of intent
    - Planning funds for a 5-year action plan
  - Initial proposal
  - Final proposal
- Data collection and collaboration requirements
  - Barriers; capacity needed for implementation; identification of each unserved or underserved location and community anchor institution; high poverty areas; oversight; coordination
- Define “low-cost broadband service option”

# Middle-Mile Infrastructure Grant Program

\$1B for construction, improvement, or acquisition of middle-mile infrastructure

NTIA has 6 months to design this grant program, then another 9 months to make awards

## Purposes:

- Reduce the cost of connecting unserved/underserved areas to the internet backbone
- Promote resiliency (alternative network paths)

Matching requirement of at least 30%

Interconnection; nondiscrimination; network management practices

Construction must be completed within 5 years



# USDA Program Appropriations

## ReConnect Program grants and loans (\$1.926B)

- Rural areas where at least 50% of households lack 25/3 Mbps
  - Current program - 90% lacking 100/20 Mbps
- Must provide 100/20 Mbps
  - Current program - 100/100 Mbps
- Matching requirement; waived for projects that serve persistent poverty counties
- Eligible costs include pole attachment fees and replacement costs for shared use of utility poled owned by electric cooperatives

## Rural Broadband Program loans (\$74M)



# Private-activity Bonds for Broadband

Internal Revenue Code is amended to add broadband as an allowable use for qualified private-activity bonds

State and local governments can issue qualified private-activity bonds beginning in 2022 to finance qualified broadband projects for rural areas

Qualified broadband project:

- 50% of households in census block group(s) lacks 25/3 Mbps
- Results in 100/20 Mbps service

# Workforce Needs of the Telecom Industry

Official (GAO) estimate of skilled workers needed – report due in 6 months

Telecom Interagency Working Group within the FCC

- Partner with Secretary of Labor
- Recommendations to address needs and workforce safety
- Report due in one year

States and the Telecom Industry Workforce

- Within one year, Secretary of Labor and FCC will issue guidance for states on:
  - Federal resources
  - Recruitment strategies
  - Safety

# Digital Equity Act of 2021

**Digital equity** – all have IT capacity for full participation in society

**Digital inclusion** – all have access to affordable technologies (devices and service)

**Digital literacy** – skills associated with using technology

## Covered populations

- Low-income households (at or below 150% FPL)
- Aging individuals
- Incarcerated individuals
- Veterans
- Individuals with disabilities
- Individuals with language barriers
- Individuals who are members of a racial or ethnic minority group
- Individuals who primarily reside in a rural area



# Digital Equity Act of 2021 (cont'd)

Establishes 3 sequenced grant programs to promote equity, inclusion, skills among target (“covered”) populations

## State Digital Equity Planning Grant Program

- \$60M formula grant program for states to develop digital equity plan
- Governor selects administering entity

## State Digital Equity Capacity Grant Program

- \$1.44B formula grant program for states distributed annually over 5 years
- To implement digital equity plans

## Digital Equity Competitive Grant Program

- \$1.25B over 5 years to implement digital equity projects
- Eligible entities include political subdivisions, tribal governments, nonprofits, community anchor institutions, local educational agencies, entities that carry out workforce development programs





# Affordability

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Emergency Broadband Benefit Program transitions to new, permanent **Affordable Connectivity Program** - \$14.2B

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Subsidy of \$30/month (reduced from \$50/month)

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\$100 towards purchase of one connected device per household

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Income eligibility increased from 135% to 200% of FPL (additional program eligibility)

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Current Lifeline subscribers can opt-in

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New applicants go through the National Lifeline Verifier

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Consumer choice and protection

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[November 26, 2021 Order](#) and [December 8, 2021 Order](#)

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# Additional Consumer Protection Provisions

## Consumer Broadband Labels

- FCC has one year to adopt rules
- Introductory vs. long-term rates, e.g.

## Speed Report

- GAO shall evaluate FCC's process for establishing, reviewing, and updating upload and download speed thresholds
- Report due within one year

## Digital Redlining

- FCC has 2 years to address equal access to broadband
- Preventing digital and deployment discrimination based on income, race, ethnicity, color, religion, or national origin

## Report on the Future of the Universal Service Fund

- FCC has 9 months to submit report on the universal service goals for broadband



# Final Thoughts

## Act 74 (2021) funding priorities:

- Between ARPA funds and other federal and State funds, the General Assembly anticipates spending **\$250M** for broadband development over the next 3 yrs.

State's statutory goal is 100/100 Mbps to all locations by end of 2024

## VT 10-year Telecom Plan

- 51,000 locations lack 25/3 Mbps
  - Will cost between \$362M and \$439M to bring them 100/100 Mbps (FTTP)
- 185,000 locations have between 25/3 Mbps and 100/100 Mbps