



Broadband Funding in the Infrastructure Investment and Jobs Act

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Table of Contents

Prior Pandemic Funding for Broadband

The Infrastructure Investment and Jobs Act

Deployment

Digital Equity

Affordability

Prior Pandemic Funding for Broadband

CARES Act

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

American Rescue Plan Act of 2021

- State and Local Fiscal Recovery Funds
 - **\$150M** for broadband in VT (for costs incurred by 12/31/24)
 - Vermont Community Broadband Board and Fund
- Capital Projects Fund (possibly) \$113M to VT

27 Dec. 2020

27 Mar. 2020

11 Mar. 2021

Consolidated Appropriations Act of 2021

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

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**
 - \$42.45B
 - NTIA has 6 months to establish Program
 - Grants to states to “bridge the digital divide”
 - VT 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
 - 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:
 - Connecting unserved (below 25/3 Mbps) locations*
 - Connecting underserved (below 100/20 Mbps) locations*
 - Connecting community anchor institutions with 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
 - *Note: “Locations” based on **FCC broadband DATA maps** (2022?)

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 competitive 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)

Provider 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)

- For rural areas where at least 50% of households lack 25/3 Mbps (*Current program* - 90% lacking 100/20 Mbps)
- ISP 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 poles owned by electric cooperatives
- Note – The Consolidated Appropriations Act of 2021 removed “protected borrower status” that had made many areas of VT ineligible for ReConnect grants. (Protected borrower status was applied to VTel based on a 2010 award it received under the RUS Broadband Infrastructure Program to provide wireless coverage throughout much of VT.)

Rural Broadband Program loans (\$74M)

Private-activity Bonds for Broadband

Internal Revenue Code 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

Telecommunications Skilled Workforce Act

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

Telecommunications Workforce Guidance

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

Electric Grid Modernization

- **Smart Grid Investment Matching Grant Program - \$3B**
 - Program established in 2007 - [42 USC 17386](#)
 - Up to 50% match
 - Funding available until September 30, 2026
 - In 2009, VT utilities received \$69M in federal ARRA matching funds under this Program

Digital Equity Act of 2021

Digital equity

All have IT capacity for full participation in society

Digital inclusion

All have access to affordable technologies

Digital literacy

All have 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: Programs

Establishes 3 sequenced grant programs to promote equity, inclusion, skills among “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
- VT share - about **\$7.5M**

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

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

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

Up to \$100 towards purchase of one connected device per household (copay required)

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

Current Lifeline subscribers can opt-in

New applicants go through the National Lifeline Verifier

Consumer choice and protection

[November 25, 2021 Order](#) and [December 8, 2021 Order](#) and [December 30, 2021 Order](#)

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 USF

- FCC has 9 months to submit report on the universal service goals for broadband
- Contribution factor based on % of interstate retail telecom revenue

Final Thoughts

VT 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.

VT'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