

STATE AND FEDERAL BROADBAND SUBSIDIES

Prepared by Legislative Counsel – April 30, 2021

PROGRAM	AMOUNT	DESCRIPTION
Lifeline	\$9.25 monthly	<p>This is a federal program funded by the federal Universal Service Fund</p> <ul style="list-style-type: none"> • Supports wired and wireless technologies for voice or broadband, or bundled voice/broadband • Categorical or income eligibility as follows: <ul style="list-style-type: none"> ○ Supplemental Nutrition Assistance Program (SNAP) ○ Supplemental Security Income (SSI) ○ Medicaid ○ Federal Public Housing Assistance ○ Tribal-specific programs ○ Income at or below 135% of the Federal Poverty Guidelines ○ Veterans Pension and Survivors Benefit Programs • National Verifier and Accountability Database • May not receive more than one Lifeline discount per household • May receive a discount on wireline or wireless service, but not both • A consumer whose household currently is receiving more than one Lifeline service must select a single provider and de-enroll from the other provider's program • 9,353 participants in 2020 (estimated 50,000 eligible); DCF Lifeline Eligibility and Participation Report to General Assembly, January 1, 2021
VT COVID-Response Temporary Broadband Lifeline Program	\$40 monthly, plus \$ for devices	<p>This is a State program established by Act 137 (2020)</p> <ul style="list-style-type: none"> • Up to \$3M in CRF funds appropriated in 2020 - \$921K expended • Program available to Vermont residents who face economic hardship due to the COVID-19 public health emergency and require Internet service in order to support remote learning, telehealth, or telework needs <ul style="list-style-type: none"> ○ Financial Hardship <ul style="list-style-type: none"> ▪ Loss of job/unemployment

		<ul style="list-style-type: none"> ▪ 20%+ reduction in hours ▪ 20%+ loss of income ○ Applicant is not receiving funding for the same purpose ○ Sales force portal; DPS pays participating provider directly (credit on bill) or issues check directly to subscriber (voucher) ○ DPS Overview - April 21, 2021 ● 2-month extension and \$275K appropriation in Act 3 (2021) ● Additional extension and \$1.6M of unobligated CRF appropriated in Act 9 (2021) for covered period beginning March 1, 2021 and extending until funds depleted <ul style="list-style-type: none"> ○ Program expanded to include connected devices
<p>Emergency Broadband Benefit Program</p>	<p>\$50 monthly, plus \$100 for device</p>	<p>This is a federal program established by the Consolidated Appropriations Act, 2021 – 12/27/20</p> <ul style="list-style-type: none"> ● \$3.2B appropriation to provide assistance to households struggling to pay for broadband service during pandemic ● Program will provide: <ul style="list-style-type: none"> ○ A discount of up to \$50/month (providers receive the funds directly from program) ○ A one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute \$10-\$50 toward purchase price ○ One monthly service discount and one device discount per household ● Eligible households must meet at least one of the following criteria: <ul style="list-style-type: none"> ○ Qualifies for Lifeline ○ Receives free/reduced lunch ○ Received federal Pell Grant ○ Experienced a substantial loss of income since 2/29/20 (documented by layoff or furlough notice, application for UI benefits, or similar documentation; or otherwise verifiable through Verifier and Database) and household had a total income in 2020 below \$99K for single filers and \$198K for joint filers; or ○ Meets eligibility criteria for a participating providers’ existing low-income or COVID-19 program

		<ul style="list-style-type: none"> • A household is eligible regardless of whether any member already receives a Lifeline benefit (or other state discount) or has past or present arrearages with a broadband provider • Single benefit per household (similar to Lifeline) • No minimum service standards; discount not limited to low-cost broadband plans • Enrollment begins May 12, 2021 • Program ends when funds are depleted, or 6 months after the DHHS declares an end to the pandemic, whichever comes first • Eligible providers include traditional ISPs and community-owned networks, electric cooperatives, municipalities • Providers must have offered broadband as of December 1, 2020 • Report and Order to Implement EBB Order - Adopted February 25, 2021
Additional federal financial assistance for broadband service	TBD	<p>In addition to State/Local/Capital Funds, the American Rescue Plan Act of 2021 (ARPA) provides financial assistance for broadband service through two funds in particular:</p> <ul style="list-style-type: none"> • Emergency Connectivity Fund (\$7.17B nationally) <ul style="list-style-type: none"> ○ Expands FCC’s e-rate program (schools/libraries) to extend service into communities and households ○ Includes funding for service and devices; reimburses schools and libraries ○ Funding is available for at least one year after the COVID emergency ends ○ Still in rulemaking - FCC Public Notice - released March 16, 2021 • Homeowner Assistance Fund (\$9.96B nationally) <ul style="list-style-type: none"> ○ Qualified expenses include broadband service ○ Treasury's Homeowner Assistance Fund Guidance
<u>POSSIBLE</u> FUTURE SOURCES OF FEDERAL FUNDING FOR BROADBAND SUBSIDIES		
The American Jobs Plan	\$100 billion, nationally for <i>digital infrastructure</i>	<p>Fact Sheet for entire plan issued March 31, 2021</p> <ul style="list-style-type: none"> • \$2.3T package expended over 8 years <p>Revitalize America’s digital infrastructure:</p> <ul style="list-style-type: none"> • Broadband internet is the new electricity

- More than 30 million Americans live in areas where there is no broadband infrastructure that provides minimally acceptable speeds (particularly in rural areas)
- The U.S. has some of the highest broadband prices among OECD countries, millions of Americans can't use broadband internet even if the infrastructure exists where they live
- Inequities and disparities, in urban areas as well

Goal: Bring affordable, reliable, high-speed broadband to every American through a historic investment of \$100 billion. That investment will:

- Build high-speed broadband infrastructure to reach 100 percent coverage. The President's plan prioritizes building "future proof" broadband infrastructure in unserved and underserved areas so that we finally reach 100 percent high-speed broadband coverage. It also prioritizes support for broadband networks owned, operated by, or affiliated with local governments, non-profits, and co-operatives—providers with less pressure to turn profits and with a commitment to serving entire communities. Moreover, it ensures funds are set aside for infrastructure on tribal lands and that tribal nations are consulted in program administration. Along the way, it will create good-paying jobs with labor protections and the right to organize and bargain collectively.
- Promote transparency and competition. President Biden's plan will promote price transparency and competition among internet providers, including by lifting barriers that prevent municipally-owned or affiliated providers and rural electric co-ops from competing on an even playing field with private providers, and requiring internet providers to clearly disclose the prices they charge.
- **Reduce the cost of broadband internet service and promote more widespread adoption.** President Biden believes that building out broadband infrastructure isn't enough. We also must ensure that every American who wants to can afford high-quality and reliable broadband internet. While the President recognizes that individual subsidies to cover internet costs may be needed in the short term, he believes continually providing subsidies to cover the cost of overpriced internet service is not the right long-term solution for consumers or taxpayers. Americans pay too much for the internet – much more than people in many other countries – and the President is committed to working with Congress to find a solution to reduce internet prices for all Americans, increase adoption in both rural and urban areas, hold providers accountable, and save taxpayer money.
- State-by-state fact sheet. [Need for Action in Vermont:](#)

		<ul style="list-style-type: none"> ○ More than 14.5% of Vermont live in areas where, by one definition, there is no broadband infrastructure that provides minimally acceptable speeds. And 66.5% of Vermonters live in areas where there is only one such provider. Moreover, even where infrastructure is available, broadband may be too expensive to be within reach. Over 12% of Vermont households do not have an internet subscription. The American Jobs Plan will invest \$100 billion to bring universal, reliable, high-speed, and affordable coverage to every family in America.
		<p><u>Possible</u> legislative vehicles include:</p> <p>Accessible, Affordable Internet for All Act - \$94B</p> <ul style="list-style-type: none"> ● Comprehensive bicameral broadband infrastructure legislation to expand access to affordable high-speed internet for all Americans ● H.R. 1783; One-Pager Summary ● \$100M to each state; Congressional rules may require reverse actions ● Emergency Connectivity Fund ● Subsidy ● Price transparency <p>Leading Infrastructure for Tomorrow’s America Act (LIFT America Act) – \$312B</p> <ul style="list-style-type: none"> ● Introduced by all 32 Democratic members of the House Energy and Commerce Committee ● Clean energy; energy efficiency, drinking water, <u>broadband</u>, and health care ● Broadband <ul style="list-style-type: none"> ○ \$80B for deployment in unserved and underserved rural, suburban, urban areas ○ \$15B grant for next gen 911 ○ \$5B for low-interest financing of deployment (secured loans, lines of credit, or loan guarantees) ○ \$9.3B for broadband affordability and adoption ● Text Here; Section-By-Section Summary