INFRASTRUCTURE INVESTMENT AND JOBS ACT
NEW FUNDING INITIATIVES

National League of Cities
State Municipal League Executive Directors & Presidents Fly-In
February 2, 2022

NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION

IIJA BROADBAND PROGRAMS OVERVIEW

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1. Broadband Equity, Access & Deployment (BEAD) Program
2. Digital Equity Programs
3. Tribal Connectivity Technical Amendments
4. Enabling Middle Mile Broadband Infrastructure

INFRASTRUCTURE ACT* CREATES ~$65B IN BROADBAND FUNDING

NTIA will administer ~$48B of this new funding

BEAD

$42.45B

Title I - Broadband Equity, Access & Deployment Program

DIGITAL EQUITY

$2.75B

Title III – Digital Equity Act

MIDDLE MILE

$1.00B

Title IV - Enabling Middle Mile Broadband Infrastructure

TRIBAL

$2.00B

Title II - Tribal Connectivity Technical Amendments

FCC to administer ~$14B

$14.2B

Affordable Connectivity Program

USDA to administer $2B

$2.0B

Via the Rural Utilities Service

Private Activity Bonds $600M

$600M

Authorizes State/local gov't to use private activity bonds for rural broadband

** Infrastructure Investment and Jobs Act, Division F, Pub. L. 117-58 (Nov. 15, 2021)*
Note: funding amounts inclusive of all administrative set-asides

BEAD (I/II) | THE "BEAD" PROGRAM WILL PROVIDE ~$42B FOR INFRASTRUCTURE PLANNING AND IMPLEMENTATION

OVERVIEW

Official name: Broadband Equity, Access and Deployment Program

Funding pool: $42.45B

Type of program: State and Territory formula program

Program objective: to close the availability gap, as Congress finds that "access to affordable, reliable, high-speed broadband is essential to full participation in modern life in the United States."

PROGRAM PRIORITIES

1. Unserved locations
   No access to 25/3 Mbps
2. Underserved locations
   No access to 100/20 Mbps
3. Community anchor institutions
   Without gigabit connections

Eligible entity must also prioritize

- Persistent poverty / high-poverty areas
- Speed of proposed network
- Build time
- Demonstrated record on compliance with federal labor & employment laws

OTHER KEY FEATURES

Quality requirements
Specific network requirements are included e.g., speeds of at least 100/20 Mbps

Matching requirement
Eligible entities must ensure that they or a subgrantee provide at least 25% match *(unless waiver granted)*

Low-cost plan requirement
Required to offer a low-cost plan to eligible subscribers *(to be determined by NTIA)*

Note: funding amounts inclusive of all administrative set-asides

DIGITAL EQUITY (I/IV) | THE DIGITAL EQUITY ACT CREATES 3 SEQUENCED PROGRAMS TO PROMOTE DIGITAL INCLUSION

OVERVIEW

Official name: Title III – The Digital Equity Act

Funding pool: $2.75B

Programs' objective: support the closure of the digital divide & promote equity and digital inclusion, so that "individuals and communities have the information technology capacity that is needed for full participation in the society and economy of the United States."

PROGRAM/S PRIORITIES

- **Veterans**
- Individuals living in households **earning at or below 150% of the poverty line**
- **Aging** individuals
- **Incarcerated** individuals
- Individuals with **disabilities**
- Individuals with a **language barrier**
- Individuals who are members of a **racial or ethnic minority group**
- Individuals who primarily reside in **a rural area**

PROGRAMS CREATED

State program

State Planning Grant Program ($60M)

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State Capacity Grant Program ($1.44B)

Comp. program

Competitive Grant Program ($1.25B)

Created once state implementation grants begin being awarded

Note: funding amounts inclusive of all administrative set-asides

DIGITAL EQUITY (III/IV) | FOLLOWING PLANNING PROGRAM, STATES CAN APPLY FOR CAPACITY GRANTS TO IMPLEMENT

State Capacity Grant Program

OVERVIEW

Official name: State Digital Equity Capacity Grants

Funding pool: $1.44B

Type of program: State and Territory formula program

Programs' objective: To support the implementation of State Digital Equity Plans and digital inclusion activities

ELIGIBILITY

Eligibility and administering entity options are **consistent with the planning program**

Note, in order to apply for Capacity Grants, States must have participated in and completed the planning program

ELIGIBLE COSTS & ACTIVITIES

Funds awarded under this program can only be used for the following purposes:

- To update or maintain the State's Digital Equity Plan (no more than 20% of amount awarded)
- To implement the State's Digital Equity Plan
- To award sub-grants to 'eligible entities' to assist in implementation of the State's Plan
- To pursue digital inclusion activities in the State consistent with the Plan
- To report back to the State on related activities
- To determine the efficacy of efforts (no more than 5% of awarded funds can be used)

No more than 3% can be used for administrative purposes

Note: funding amounts inclusive of all administrative set-asides

DIGITAL EQUITY (IV/IV) | ONCE NTIA BEGINS AWARDING STATE CAPACITY GRANTS, COMPETITIVE PROGRAM WILL BE LAUNCHED

Competitive Grant Program

OVERVIEW

Official name: Digital Equity Competitive Grant Program

Funding pool: $1.25B

Type of program: Competitive grant

Programs' objective: Support efforts to promote digital inclusion, achieve digital equity & improve adoption of broadband

ELIGIBILITY

Any of the following, if they are not serving / have not served, as administering entity under state program

- A political subdivision, agency, or instrumentality of a State, including an agency of a State that is responsible for administering or supervising adult education and literacy activities, or for providing public housing, in State
- Indian Tribe/ Alaska Native entity / Native Hawaiian organization
- A foundation, corporation, institution, or association that is a not-for-profit and not a school
- A community anchor institution
- A local educational agency
- Entity that carries out a workforce development program
- A partnership between any of the entities described above, and any additional entities approved by NTIA

ELIGIBLE ACTIVITIES

Must support at least one of the following, <u>to benefit covered population/s</u>

- Develop & implement digital inclusion activities
- Facilitate broadband adoption to provide educational and employment opportunities
- Implement training and/or other workforce development programs
- Make equipment, instrumentation, networking capability, hardware and software, or digital network technology available at low/no cost
- Construct, upgrade, expend, or operate new or existing public access computing centers through CAIs

Max 10% for administration; Max Federal share of any project is 90%; Max 10% for evaluation

Note: funding amounts inclusive of all administrative set-asides

TRIBAL (I/II) | TECHNICAL AMENDMENTS AND NEW FUNDING WILL STRENGTHEN CURRENT TRIBAL CONNECTIVITY PROGRAM

OVERVIEW

Official name: Tribal Broadband Connectivity Technical Amendments

Funding pool: $2.00B

Type of program: Grants to eligible entities with approved applications

Program objective: providing new funds and extending expenditure deadlines for the Tribal Broadband Connectivity Program (established by Consolidated Appropriations Act, 2021, Div. N, Tit. IX, Sec. 905(c))

KEY AMENDMENTS TO PRIOR PROGRAM

1. Adding $2 billion for NTIA to distribute to eligible entities, including to fund previously-proposed programs
2. Relaxing time requirements of original program—after receipt of funding, eligible entities now have up to
   - 6 months to submit applications
   - 18 months to commit the funds to projects
   - 4 years to fully expend the grant funds
3. Allowing infrastructure grantees to expend up to 2.5% total project cost for related planning, feasibility and sustainability studies
4. Preserving unused allocated funds for other Tribal broadband projects instead of reverting back to the Treasury

Note: funding amounts inclusive of all administrative set-asides

MIDDLE MILE (I/II) | $1 BILLION ALLOCATED TO MIDDLE MILE GRANT PROGRAM TO SUPPORT EXPANSION OF NETWORKS

OVERVIEW

Official name: Enabling Middle Mile Broadband Infrastructure

Funding pool: $1.00B

Type of program: Direct competitive grant on technology-neutral basis

Program objective: "Encourage the expansion and extension of middle mile infrastructure to reduce the cost of connecting unserved and underserved areas … and to promote broadband connection resiliency"

PROGRAM PRIORITIES

1 For eligible entities meeting **at least two of five conditions:**

- ❑ Adopt "fiscally sustainable middle mile strategies"
- ❑ Commit to offering non-discriminatory interconnect
- ❑ Identify specific, documented and sustainable demand for middle mile interconnect
- ❑ Identify conditions/resources to speed up project
- ❑ Demonstrate benefits to national security interests

2 **Eligible entities must also:**

- Agree to prioritize connecting to unserved areas, connecting to non-contiguous trust lands, or offering wholesale carrier-neutral service at reasonable rate
- Offer interconnection "in perpetuity … on reasonable rates and terms"

Note: funding amounts inclusive of all administrative set-asides

REQUEST FOR COMMENT (RFC)

NTIA is requesting public comment on a wide range of policy and program considerations associated with the new grant programs authorized and funded by the Infrastructure Investment and Jobs Act (IIJA). Commenters are encouraged to address any or all the questions enumerated in the RFC.

Comments Due: February 4, 2022 by 5:00pm ET

Please Submit Comments through Regulations.gov

DISCUSSION QUESTIONS

1. How are the state municipal leagues working with localities to increase broadband access?

2. How are state municipal leagues engaging with their state broadband offices?

3. How can NTIA encourage states to engage with localities be engaged in the development of their state plans?

4. How are localities identifying unserved, underserved, and unconnected populations within their jurisdictions?

5. What are challenges/obstacles in identifying these populations and what resources from the state and/or NTIA could help address these challenges?

6. Are localities working with community anchor institutions on broadband expansion?

To ask questions about IIJA broadband programs or provide additional feedback:

BroadbandForAll@ntia.gov

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Please join us for our upcoming broadband program public virtual listening sessions!

February 9, 2022 (Topic: Enabling Middle Mile Infrastructure Program)

February 23, 2022 (Topic: Digital Equity Act Programs)

NTIA will also be conducting virtual listening sessions with the State Municipal Leagues on February 10 and February 22 to get additional feedback.

For more information about upcoming listening sessions:
https://broadbandusa.ntia.doc.gov/events/latest-events