

VPS Memo

\$65 Billion Dollars for Broadband Deployment to Unserved and Underserved Areas

INFRASTRUCTURE INVESTMENT AND JOBS ACT SIGNED INTO LAW

Summary

On November 15, 2021, the Infrastructure Investment and Jobs Act (“IIJA” or “Infrastructure Bill”) was signed into law. The majority of the \$65 Billion appropriated for broadband deployment will be administered through the newly formed Broadband Equity, Access and Deployment Program (“BEAD”), which will provide \$42 Billion to individual states and will be overseen by the Commerce Department’s National Telecommunications and Information Administration (“NTIA”). The following is a summary of the BEAD Program and the other specific programs under the IIJA that will provide funding for broadband deployment.

The Broadband Equity, Access, and Deployment Program

The BEAD Program will provide \$42 Billion to the states for broadband deployment. Within 180 days of the bill being signed into law, a notice of funding opportunity will be issued providing additional details, including how to apply for BEAD program funding.

1. Each state will initially receive \$100 Million with the potential for some additional funding to be based on the number of unserved locations in a state based on the Federal Communications Commission’s (“FCC”) Data Collection Maps. An unserved area is an area that does not have broadband at 25 Mbps / 3 Mbps. The funding will not be available until the FCC releases its broadband maps.
2. There will be a challenge process for providers to challenge whether the map correctly identifies an area as an unserved or underserved area.

3. Providers receiving funding must deploy broadband service minimally at 100 Mbps / 20 Mbps and must meet service quality requirements. In addition, providers must offer low-cost broadband plans to eligible low-income subscribers. States must also adopt a 25% matching requirement for funds.
4. Once sufficient funding has been awarded to deploy broadband to all unserved locations within a state, the state can then direct funding to underserved areas, which are defined as areas that do not have 100 Mbps /20 Mbps service available. An additional priority level includes eligible community anchor institutions.

Enabling Middle Mile Broadband Infrastructure Program

The Infrastructure Bill also provides for a Middle Mile Broadband Infrastructure Program that will provide \$1 Billion in grant funds for “construction, improvement or acquisition of middle mile infrastructure.” NTIA will administer the grants on a technology-neutral and competitive basis with funding allocated through 2026.

1. Eligible entities for the grants include states, a political subdivision of a state, a Tribal government, as well as a technology company, an electric utility or utility cooperative, a public utility district, and a telecommunications company or telecommunications cooperative. Also eligible are nonprofits including a foundation, corporation, institution, or association and a regional planning council, a Native entity, or an economic development authority, or a partnership of two or more such entities.
2. An eligible entity must agree to prioritize the following:
 - (A) Connecting middle mile infrastructure to last mile infrastructure that provides or plans to provide broadband service to households in unserved areas;
 - (B) Connecting non-contiguous trust lands, or
 - (C) The offering of wholesale broadband service at reasonable rates on a carrier neutral basis.

Other Broadband Programs Provided For By The Bill

1. Provides an additional \$2 billion to the budget for the Tribal Program, established in the Consolidated Appropriations Act of 2021.
2. Provides an additional \$2 billion for the USDA Reconnect program.
3. Appropriates \$600 million for tax exempt private activity bonds, which state and local governments can use to support broadband deployments.
4. Includes two other broadband funds to address digital literacy and affordability.

Additional Information

For information or if you would like VPS guidance, please contact these members of the Vantage Point Solutions funding opportunities team:

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