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INFRASTRUCTURE INVESTMENT AND JOBS ACT OVERVIEW

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INFRASTRUCTURE INVESTMENT AND JOBS ACT (Public Law No. 117–58)

- Total **$1 trillion** in spending; **$550 billion** in new spending over 5 years
- Broadband title: **$65 billion**
- Passed in Senate on August 10, 2021
- Passed in House on November 5, 2021
- Signed into law on November 15, 2021
- Notices of Funding Opportunity for following programs released May 13, 2022:
  - <u>Broadband Equity, Access, and Deployment Program</u>
    - Notice of Available Amounts to be issued by June 30, 2023
  - <u>Middle Mile Grant Program</u>
    - Grant award notifications to begin issuing March 2023
  - <u>State Digital Equity Planning Grant Program</u>
    - All states (including Washington DC and Puerto Rico) received planning grants in 2022

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Historical Context

$65 billion in funding is unprecedented level of funding for broadband deployment.

CURRENT PROGRAMS:

Federal Communications Commission
1. Connect America Fund Program
2. Schools and Libraries (E-Rate) Program
3. Rural Health Care Program
4. Lifeline Program
5. Rural Digital Opportunity Fund
6. 5G Fund for Rural America
7. Emergency Connectivity Fund
8. Affordable Connectivity Program*
9. COVID-19 Telehealth Program

Rural Utilities Service (USDA)
1. Rural Broadband Access Loan Program
2. Telecommunications Infrastructure Loans Program
3. Community Connect Grant Program
4. ReConnect Program*
5. Distance Learning and Telemedicine (DLT) Grant Program

National Telecommunications and Information Administration
1. Connecting Minority Communities
2. Broadband Infrastructure Program
3. Tribal Broadband Connectivity Grant Program*

Treasury Department
1. Coronavirus State and Local Fiscal Recovery Funds
2. Coronavirus Capital Projects Fund

* These programs received further funding through the IIJA.

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Key Current Federal Broadband Programs

Program	Agency	Funds Allocated	Program Details	Eligible Recipients	Application Window
Schools and Libraries ("E-Rate") Program	FCC	$4.276 billion annual cap	Funds discounts for eligible services for schools and libraries. Generally, funding for two categories: (1) data transmission services and internet access; and (2) internal connections, managed internal broadband services, and basic maintenance of internal connections.	Direct funding to schools, school districts, and libraries Sub-grant funds to private sector providers	FCC announces the application window each year, which typically opens in mid-January and closes at the end of March
Rural Health Care ("RHC") Program – Healthcare Connect Fund Program	FCC	$612 million annual cap	Supports high-capacity broadband connectivity to eligible health care providers. Eligible services include internet access, dark fiber, business data, traditional digital service line (DSL), and private carriage services.	Direct funding to qualified rural health care providers Subgrants to private providers	Funding windows open on December 1; most funding decisions are made by the following December
ReConnect Program	USDA	$363.5 million (FY2023)	Offers funding for broadband infrastructure to connect rural residents, businesses, farms, and educational and public safety facilities.	No restriction on type of recipients	Application window expected to open in first half of 2023

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State and Local Fiscal Recovery Funds – ARPA

| Funds Allocated	Administering Agency	Eligible Recipients	Timeline
$350 billion	**U.S. Treasury Department**	Grants awarded to states and municipalities No restrictions on eligibility for subgrantees at federal level	• Treasury released Interim Rule in May 2021 and the Final Rule in January 2022 • States and municipalities began receiving funds in 2021; appx. $139 billion obligated as of September 30, 2022 • All funds must be obligated by end of 2024 and expended by end of 2026

- Program allows states and municipalities to draw SLFRF funds for projects falling under 4 eligible use categories: (1) replacing lost public sector revenue; (2) supporting public health and economic response to COVID-19; (3) providing premium pay for eligible workers; and (4) investing in key infrastructure, including **broadband access, affordability, and reliability**.
- As of September 30, 2022 (latest public reporting information), approximately $3.88 billion was obligated to broadband-related projects.
- For broadband infrastructure projects, subgrantees must offer last-mile service with speeds of symmetrical 100 Mbps, unless an exemption applies, but even then, required to provide 100/20 Mbps but scalable to symmetrical 100 Mbps.
- Subgrantees must also (a) participate in the FCC's ACP or equivalent; and (b) comply with BABAA requirements.

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Coronavirus Capital Projects Fund – ARPA

| Funds Allocated	Administering Agency	Eligible Recipients	Timeline
$10 billion	**U.S. Treasury Department**	Grants awarded to states No restrictions on eligibility for subgrantees at federal level	• State Grant Plans and Program Plans were due September 24, 2022 • Treasury has been approving and releasing funds on a rolling basis (first award on June 7, 2022; most recently, February 21, 2023) • All funds must be expended by end of 2026

- Program allows states and municipalities to draw CPF funds for capital asset projects designed to address critical community needs and directly enable work, education, and health monitoring.
- Broadband infrastructure projects are one of few presumptively eligible projects and almost all CPF funding expected to go to state broadband deployment programs.
- As of February 21, 2023 (latest award announcement from Treasury), approximately $4.85 billion has been released by Treasury across 33 states.
- Like SLFRF, subgrantees must offer last-mile service with speeds of symmetrical 100 Mbps, unless an exemption applies, but even then, required to provide 100/20 Mbps but scalable to symmetrical 100 Mbps.
- Subgrantees must also (a) participate in the FCC's ACP or equivalent; and (b) comply with BABAA requirements.

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Infrastructure Investment and Jobs Act: Broadband Overview
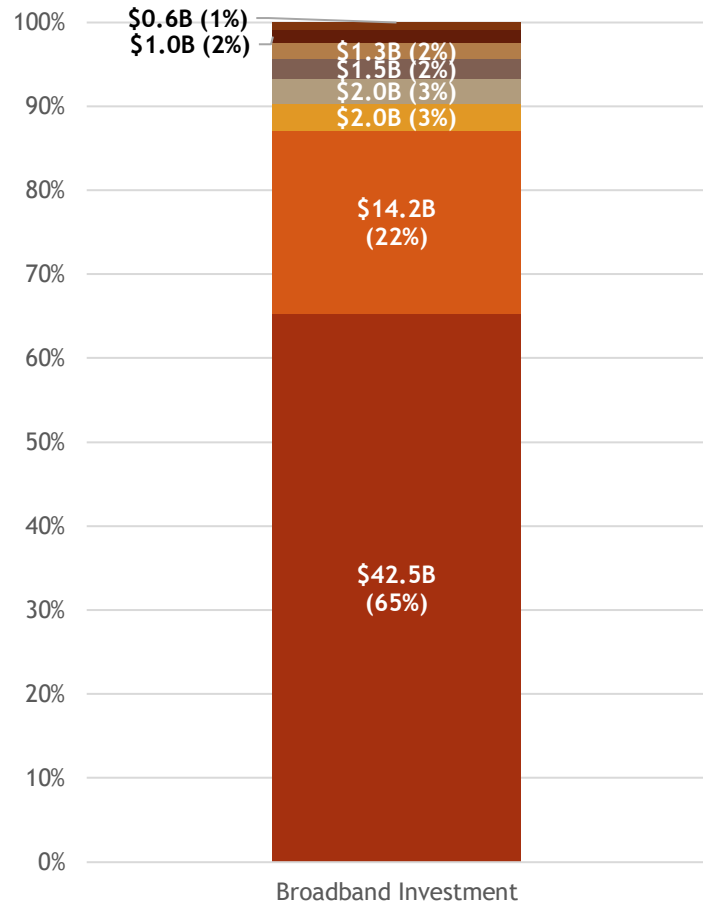
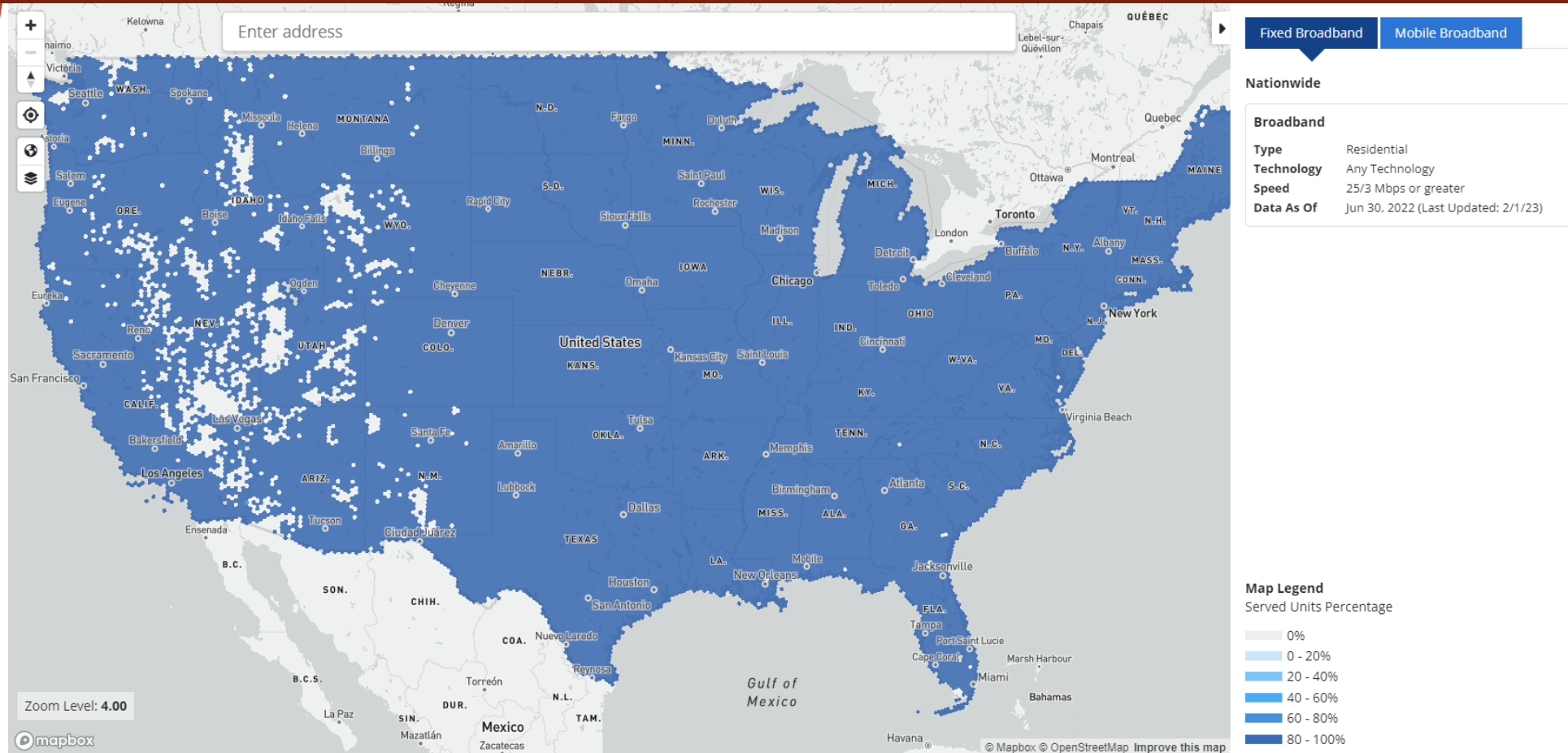| Allocation	Amount	Agency
Private activity broadband bonds	$0.6B allocated	--
Enabling Middle Mile Broadband Infrastructure Program	$1.0B allocated	NTIA
Digital Equity Competitive Grant Program	$1.25B allocated	NTIA
State Digital Equity Capacity Grant Program	$1.5B allocated	NTIA
ReConnect Program	$2.0B allocated	USDA
Tribal Broadband Connectivity Program	$2.0B allocated	NTIA
Affordable Connectivity Program	$14.2B allocated	FCC
Broadband Equity, Access, and Deployment Program	$42.45B allocated	NTIA

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The Digital Divide
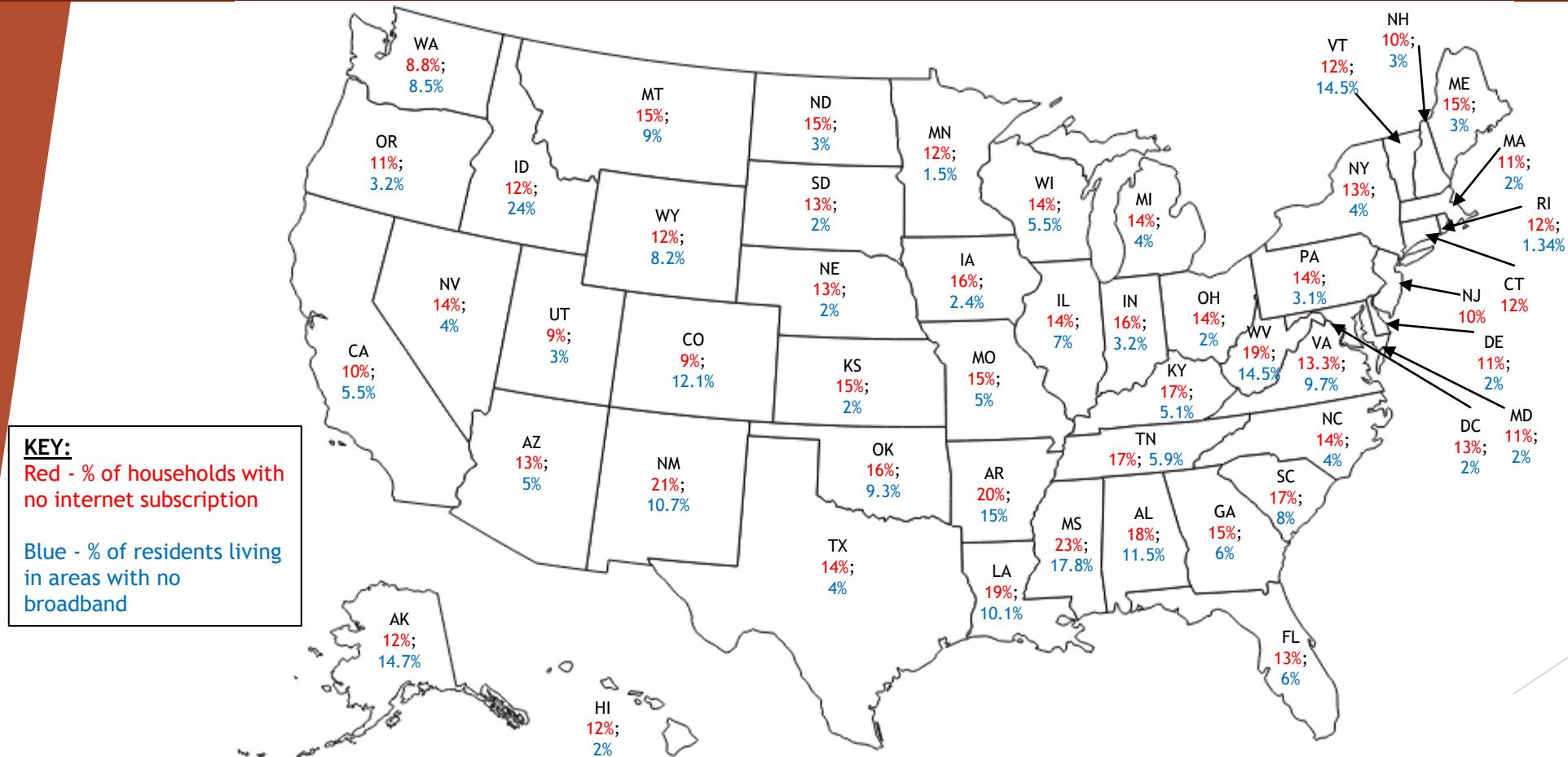
KEY:
Red - % of households with no internet subscription

Blue - % of residents living in areas with no broadband

WA 8.8%; 8.5%
OR 11%; 3.2%
ID 12%; 24%
MT 15%; 9%
ND 15%; 3%
MN 12%; 1.5%
WI 14%; 5.5%
MI 14%; 4%
NY 13%; 4%
VT 12%; 14.5%
NH 10%; 3%
ME 15%; 3%
MA 11%; 2%
RI 12%; 1.34%
CT 12%
NV 14%; 4%
UT 9%; 3%
WY 12%; 8.2%
SD 13%; 2%
NE 13%; 2%
IA 16%; 2.4%
IL 14%; 7%
IN 16%; 3.2%
OH 14%; 2%
PA 14%; 3.1%
NJ 10%
DE 11%; 2%
CA 10%; 5.5%
CO 9%; 12.1%
KS 15%; 2%
MO 15%; 5%
KY 17%; 5.1%
WV 19%; 14.5%
VA 13.3%; 9.7%
MD 11%; 2%
DC 13%; 2%
AZ 13%; 5%
NM 21%; 10.7%
OK 16%; 9.3%
AR 20%; 15%
TN 17%; 5.9%
NC 14%; 4%
SC 17%; 8%
TX 14%; 4%
LA 19%; 10.1%
MS 23%; 17.8%
AL 18%; 11.5%
GA 15%; 6%
FL 13%; 6%
AK 12%; 14.7%
HI 12%; 2%

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FCC's National Broadband Map

Broadband Equity, Access, and Deployment (BEAD) Program

State Allocations Estimate

State	MLB BEAD Allocation Estimate	State	MLB BEAD Allocation Estimate
Alabama	$ 1,008,941,461.19	Montana	$ 625,447,909.15
Alaska	$ 538,172,266.26	Nebraska	$ 451,454,317.78
Arizona	$ 1,087,762,259.53	Nevada	$ 323,533,647.44
Arkansas	$ 952,123,370.78	New Hampshire	$ 172,888,336.12
California	$ 2,291,772,645.72	New Jersey	$ 326,989,621.68
Colorado	$ 827,385,280.36	New Mexico	$ 761,234,940.42
Connecticut	$ 141,270,564.15	New York	$ 751,009,032.75
Delaware	$ 136,409,610.87	North Carolina	$ 1,340,651,203.61
Florida	$ 1,641,064,264.24	North Dakota	$ 186,044,460.89
Georgia	$ 1,438,942,034.96	Ohio	$ 1,073,928,123.90
Hawaii	$ 192,361,332.31	Oklahoma	$ 1,272,919,181.88
Idaho	$ 746,293,059.46	Oregon	$ 645,761,594.76
Illinois	$ 872,193,267.00	Pennsylvania	$ 1,298,741,241.77
Indiana	$ 710,968,428.02	Rhode Island	$ 120,341,338.55
Iowa	$ 636,143,230.01	South Carolina	$ 748,432,435.65
Kansas	$ 585,810,772.94	South Dakota	$ 270,893,052.26
Kentucky	$ 804,273,267.00	Tennessee	$ 593,643,381.49
Louisiana	$ 860,417,869.82	Texas	$ 3,082,580,563.25
Maine	$ 501,113,287.25	Utah	$ 385,540,244.54
Maryland	$ 392,328,089.25	Vermont	$ 325,369,252.17
Massachusetts	$ 286,592,021.73	Virginia	$ 1,031,950,657.29
Michigan	$ 1,268,286,809.50	Washington	$ 1,163,206,573.34
Minnesota	$ 920,100,232.66	Washington DC	$ 115,160,491.41
Mississippi	$ 1,148,602,216.23	West Virginia	$ 836,161,395.58
Missouri	$ 1,580,896,392.07	Wisconsin	$ 1,641,167,081.49
		Wyoming	$ 282,499,687.51

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Broadband Equity, Access, and Deployment (BEAD) Program
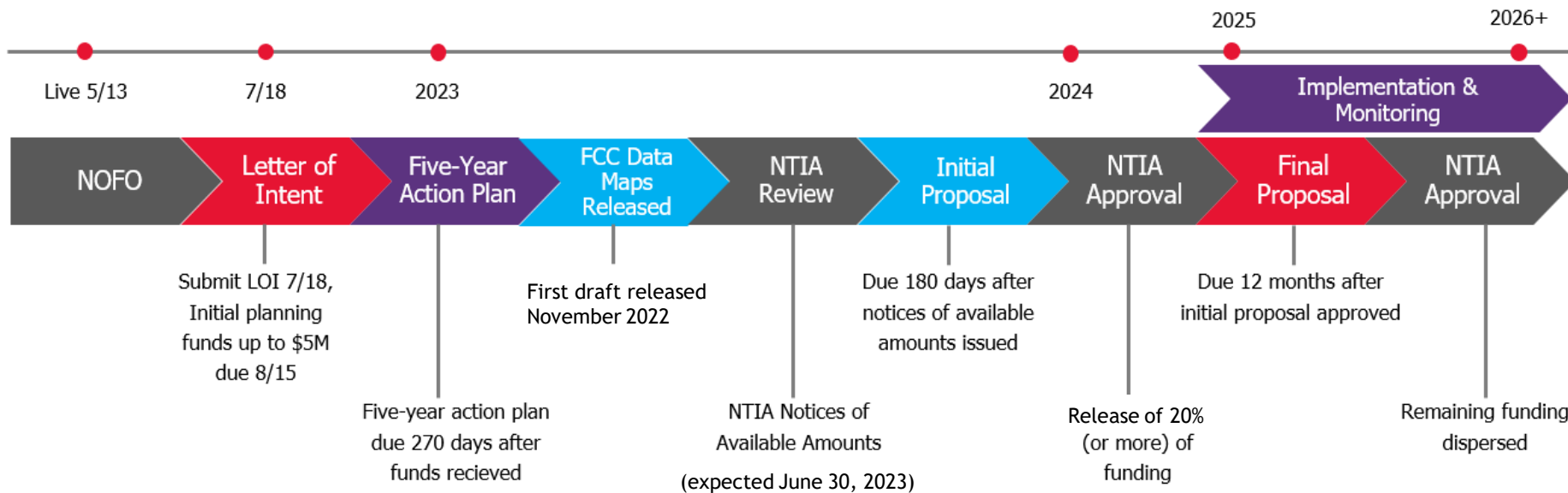

State Bead Allocation Estimate

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Broadband Equity, Access, and Deployment (BEAD) Program

Funds Allocated	Administering Agency	Eligible Recipients	Expected Timeline
$42.45 billion	**NTIA**	Grants awarded to states No restrictions on eligibility for subgrants	• NOFO released May 13, 2022 • All planning grants issued to states in 2022 • States likely to receive funds for deployment projects beginning 2024

- Project objective is to close the availability gap as "access to affordable, reliable, high-speed broadband is essential to full participation in modern life in the United States"
- Last mile broadband infrastructure deployment, with some middle mile deployment allowable
- Eligible uses of funds:
  - Deployment to unserved and underserved areas
  - Connecting community anchor institutions
  - Data collection, broadband mapping, and planning
  - Installation of broadband equipment or providing reduced-cost broadband to multi-family residential buildings
  - Broadband adoption programs

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Broadband Equity, Access, and Deployment (BEAD) Program

Estimated Program Timeline

- NOFO — **Live 5/13**
- Letter of Intent — **7/18** — Submit LOI 7/18, Initial planning funds up to $5M due 8/15
- Five-Year Action Plan — **2023** — Five-year action plan due 270 days after funds recieved
- FCC Data Maps Released — First draft released November 2022
- NTIA Review — NTIA Notices of Available Amounts (expected June 30, 2023)
- Initial Proposal — Due 180 days after notices of available amounts issued
- NTIA Approval — **2024** — Release of 20% (or more) of funding
- Final Proposal — Due 12 months after initial proposal approved
- NTIA Approval — Remaining funding dispersed
- Implementation & Monitoring — **2025** ... **2026+**

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Broadband Equity, Access, and Deployment (BEAD) Program

Stage	Deadline*	Description
~~Letter of Intent~~	~~July 18, 2022~~	• ~~States must submit a letter of intent to participate in the BEAD program~~
~~Request for Initial Planning Funds~~	~~August 15, 2022~~	• ~~States may request Initial Planning Funds either when they submit LOI or afterwards~~ • ~~Initial Planning Funds may be used for limited purposes, including: (a) Data collection; (b) technical assistance to potential subgrantees; (c) establishing broadband offices; etc.~~
Five-Year Action Plan	270 days from receipt of Initial Planning Funds	• These Plans will inform and be closely integrated into each state's Initial and Final Proposals
Program Fund Allocation & Notice of Available Amounts	June 30, 2022	• NTIA will calculate and notify each state of its estimated amount of funding ("Notice of Available Amounts")
Initial Proposal	180 days from Notice of Available Amounts	• Initial Proposals must identify each unserved and underserved location within the state
Challenge Process	Before Final Proposal submission	• All states must administer a challenge process so service providers can challenge a state determination that a location is eligible for grant funds
Subgrantee Selection Process	Before Final Proposal submission	• Once NTIA has approved the state's Initial Proposal, and sometime before submission of the Final Proposal, the state must administer its competitive subgrantee selection process
20% Funding Release	Before Final Proposal submission	• NTIA may release >20% of the state's funding after approval of the state's Initial Proposal • Once the state has completed both the Challenge and Subgrantee Selection Processes, the state may use these funds for deployment projects that are (a) Unserved Service Projects; and (b) where % of households at or below 150% of poverty line is higher than nationwide • States may use these funds for other eligible uses ONLY if the state shows (and NTIA approves) that the state has a plan to service unserved and underserved locations as set forth in the state's Final Proposal
Final Proposal & Release of Remaining Funds	12 months from NTIA approval of Initial Proposal	• Final Proposals may only be submitted after states have already selected their subgrantees

* NTIA will review Letters of Intent, requests for Initial Planning Funds, Initial Proposals, and Final Proposals on a rolling basis, and states are encouraged to submit these well before the deadlines listed in the NOFO.

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Broadband Equity, Access, and Deployment (BEAD) Program

Funds Disbursement

- States will receive funding from the NTIA, to disburse to subgrantees

- Up to $41,601,000,000 available for allocation to states

- Amounts allocated to states, besides minimum $100 million, will depend on (1) the number of unserved locations in each state and (2) the number of unserved locations in high-cost areas in each state

- To receive funding, states must submit letters of intent, 5-year action plans, and initial and final proposals, and may solicit or be receptive to industry feedback when drafting

- States will likely use existing state broadband programs or craft new programs under state broadband authorities or state Governor's Offices

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Broadband Equity, Access, and Deployment (BEAD) Program

State Broadband Subgrant Programs - Milestones

- NTIA issued Notice of Funding Opportunity (NOFO) on May 13, 2022, including application procedures and requirements for states

- States will need to enact state legislation to:

  - Establish or assign relevant authority to a new or existing state agency

  - Establish a new broadband grant program, if needed (please see CPF state programs)

  - Appropriate federal funds to the relevant state broadband grant program

- State agency administering broadband grant programs will initiate a rulemaking process that will establish processes and requirements, including for example:

  - Broadband speed requirements

  - Definition of low-cost broadband option

- Programs will accept grant proposals or applications to review and evaluate

- Subgrants are awarded

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Broadband Equity, Access, and Deployment (BEAD) Program

State Broadband Subgrant Programs

- May solicit subgrant proposals at the geographic level of its choosing (e.g., per-location, per-census block, etc.) but at minimum may fund an unserved or underserved project area as small as a single location

- May solicit subgrant proposals for unserved locations, underserved locations, and community anchor institutions collectively or separately

- May fund projects that include middle-mile infrastructure if required to reach interconnection points or otherwise required to serve an unserved or underserved location

- May not fund a project that includes locations already subject to a federal or state commitment for broadband deployment, unless a waiver is issued by NTIA

- May not exclude different types of subgrantees from eligibility (e.g., nonprofits, public or private utilities, municipalities); however, NTIA has not preempted state laws prohibiting municipal networks

- Must have received Tribal Government's prior consent for any locations on Tribal Lands that are awarded subgrants

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Broadband Equity, Access, and Deployment (BEAD) Program

Deployment Subgrant Projects

- Funding to subgrantees will be prioritized in this order:
  - (1) Unserved Service Projects (i.e., projects where at least 80% of broadband-serviceable locations lack at least 25/3 Mbps speeds)
  - (2) Underserved Service Projects (i.e., projects where at least 80% of broadband-serviceable locations are not unserved and lack at least 100/20 Mbps speeds)
  - (3) Connecting eligible community anchor institutions without gigabit connections

- Once state certifies that it will ensure coverage of all unserved and underserved locations, only then can states fund non-deployment projects

- Unserved/Underserved Service Projects may:
  - (1) Consist of a single unserved/underserved location;
  - (2) Include middle mile infrastructure if required to reach interconnection points or otherwise ensure technical feasibility/financial sustainability of a Project;
  - (3) Not count as "unserved" or "underserved" any location already subject to a public funding commitment to deploy broadband, unless the commitment is not for qualifying broadband (i.e., 100/20 Mbps or 1/1 Gbps for anchor institutions)

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Broadband Equity, Access, and Deployment (BEAD) Program

Prioritization of Deployment Projects

- <u>States must prioritize fiber projects</u> – If there is only one proposed fiber project for a location, and the proposal does not exceed the Extremely High-Cost Per Location Threshold (to be defined by states and subject to NTIA approval), that proposed project will be the default winner

- <u>Primary prioritization criteria</u> – States must give greatest weight to following factors:
  - (a) Minimal BEAD program outlay, counting total projected cost and applicant's proposed match;
  - (b) Commitment to provide most affordable price for symmetrical 1 Gbps service for fiber projects and 100/20 Mbps service for non-fiber projects;
  - (c) Demonstrated record or and plans to be in compliance with Federal labor/employment laws

- <u>Secondary prioritization criteria</u> – States must give secondary priority weight to following factors:
  - (a) Binding commitment to provide service earlier than 4-year buildout deadline;
  - (b) (For non-fiber) Speeds, latency, and other technical capabilities of proposed technology

- <u>Discretionary prioritization criteria</u> – States encouraged to award priority points for following factors:
  - (a) Enforceable commitments to advance equitable workforce development/job quality objectives;
  - (b) Provision of open access wholesale last mile broadband service for life of network, on fair, equal terms to all retail providers;
  - (c) Support from local and/or Tribal government with oversight over locations to be served

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Broadband Equity, Access, and Deployment (BEAD) Program

Subgrantee Qualifications

- At a minimum, subgrantees will have to provide the following to show sufficient capability to build and operate the network:
  - <u>Financial capability</u> - Certification of financial qualifications, letter of credit, audited financial statements, and project pro forma analyses
  - <u>Managerial capability</u> - Resumes for key personnel, org charts, and narrative describing qualifications
  - <u>Technical capability</u> - Network design, diagram, project cost, buildout timeline and milestones, and capital investment schedule
  - <u>Compliance with laws</u> - Permit worker-led health and safety committees that management will meet with upon reasonable request
  - <u>Operational capability</u> - Certification of operational capability and certification for experience (e.g., for broadband service experience)
  - <u>Ownership</u> - Provide ownership info, including name address and citizenship of any party with >10% stock in applicant
  - <u>Other public funding</u> - Disclose any applications for broadband service projects using public funds

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Broadband Equity, Access, and Deployment (BEAD) Program

Subgrantee Obligations

- Deployed network service (1) must have speeds of at least 100/20 Mbps (1/1 Gbps if connecting anchor institutions) and (2) with network outages not exceeding, on average, 48 hours over any 365-day period

- Must participate in Affordable Connectivity Program <u>and</u> offer at least 1 low-cost broadband service option, to be defined by states
  - States will also be required to draft and implement a middle-class affordability plan

- Must complete buildout and begin providing broadband service to each customer within project area that desires service within 4 years; waiver to extend available
  - States will also establish enforceable interim buildout milestones

- For fiber projects, must include interspersed conduit access points at regular, short intervals

- For projects including middle mile deployment, must permit other providers to interconnect on reasonable, nondiscriminatory basis, at any technically feasible point on the network

- Must conduct public awareness campaigns in service areas, including information about low-cost service plans and federal subsidies for low-income households

- Must comply with Buy America provisions (any waivers will be limited in duration and scope)

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Broadband Equity, Access, and Deployment (BEAD) Program

Subgrantee Obligations (cont'd)

- Following uses of funds are prohibited:
  - (1) Purchase of any covered equipment or service as defined in the Secure and Trusted Communications Networks Act;
  - (2) To cover any profit/fee/other incremental charge above actual cost incurred by subgrantee;
  - (3) To support or oppose collective bargaining; and
  - (4) Purchase of fiber optic cable and optical transmission equipment manufactured in China
- Must not institute data usage caps on plans offered over deployed network
- Matching requirement of at least 25% of project costs from non-federal funds (with exceptions, per below)
  - BUT: No match requirement for high-cost areas and may be waived or reduced at NTIA's discretion
  - May use funds provided under Families First Coronavirus Response Act, CARES Act, 2021 Consolidated Appropriations Act, American Rescue Plan Act
- States must employ at least following accountability practices to monitor subgrantee compliance:
  - (1) Distribution of funding to deployment project subgrantees on a reimbursable basis;
  - (2) Inclusion of claw back provisions in agreements between the state and any subgrantee;
  - (3) Reporting mandates and monitoring practices

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Broadband Equity, Access, and Deployment (BEAD) Program

Subgrantee Obligations (cont'd)

- Subgrantees will be required to submit semiannual reports to include, at a minimum:
  - List of addresses that will be served and each project status
  - New locations served within each project area at the relevant reporting intervals, and service taken (if applicable)
  - Whether each address or location is residential, commercial, or a community anchor institution
  - Types of facilities that have been constructed and installed;
  - Peak and off-peak actual speeds of services
  - Maximum advertised speed of services
  - Non-promotional prices, including fees for different tiers
  - All interconnection agreements requested and current status
  - Number and amounts of contracts and subcontracts awarded to minority or women owned businesses
- There will be additional reporting requirements for projects over $5 million

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Build America Buy America Requirement

- BABAA requires the following Buy America preference:

  - (1) All iron and steel used in the project must be produced in the United States.

  - (2) All manufactured products used in the project must be produced in the United States.

  - (3) All construction materials used in the project must be manufactured in the United States.

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Broadband Equity, Access, and Deployment (BEAD) Program

How to Prepare for BEAD:

- Identify eligible project areas (i.e., unserved, underserved, rural)
- Engage with state broadband offices – determine priorities, keep up to date with future program information
- Engage with municipalities – many states will prioritize or require municipality participation
- Engage with community anchor institutions and state/local agencies (e.g., economic development offices, local education agencies, etc.)
- Audit supply chains to prepare for Buy American requirements
- Identify assets for match requirement (i.e., in-kind contributions) and collateral for letter of credit requirement
- Explore and identify any third parties to joint venture/partner with for certain applications
- Get involved in workforce development training/apprenticeship programs
- Hire grant writers

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Affordable Connectivity Program (formerly Emergency Broadband Benefit)

Funds Allocated	Administering Agency	Eligible Recipients	Expected Timeline
$14.2 billion	**FCC**	Broadband providers designated as an ETC or approved by FCC to participate	• Transitioned from EBB to ACP on December 31, 2021 • For existing EBB consumers, will continue to receive $50 subsidy during 60-day transition period

- Qualifying subsidy recipient expanded from low-income households making up to 135% above federal poverty line, to now 200% above line
- Participating providers must allow subsidy to apply to any service offering and notify customers renewing or subscribing about program and enrollment
- Subsidy amount reduced from $50 to $30

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Tribal Broadband Connectivity Program

Funds Allocated	Administering Agency	Eligible Recipients	Timeline
$2 billion	**NTIA**	Grants awarded to Tribal entities or partnerships between private ISPs and state entities; no restrictions on eligibility for subgrants	• NTIA currently in process of awarding grants on rolling basis • To date, has awarded $1.7 billion across 133 projects

- Objective is to provide new funds and extend expenditure deadlines of existing program
- Funds may be used for deployment, affordability programs, distance learning, telehealth, digital inclusion and adoption efforts
- Technology-neutral for deployment
- Deployment projects prioritized based on household coverage, location, cost-effectiveness, network speeds
- Deployed networks must have speeds of at least 25/3 Mbps
- Recipients have 18 months to commit funds to projects and 4 years to fully expend grant funds
- Grantees may use 2.5% of project cost for related planning, feasibility and sustainability studies
- Unused funds will be preserved for other Tribal broadband projects instead of reverting back to Treasury

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ReConnect Program

Funds Allocated	Administering Agency	Eligible Recipients	Expected Timeline
$2 billion (IIJA) & $363.5 million (2023 CAA)	**USDA - RUS**	Private ISPs, co-ops, Indian tribes, and state and local authorities	• Round 4 window for IIJA funds closed November 2, 2022 • Round 5 window for 2023 CAA funds expected to open in first half of 2023

- Grants and loans for broadband deployment in rural areas
- At least 90% of households within a proposed service area must be rural and lack broadband speeds of at least 25/3 Mbps
- Deployed network must "to the extent possible" have speeds of at least 100/20 Mbps
- Where feasible, at least 10% of funds to be reserved for persistent poverty counties
- Proposed service area must not have been previously funded by another RUS or federal program for broadband deployment

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State Digital Equity Act Programs

Funds Allocated	Administering Agency	Eligible Recipients	Expected Timeline
$2.75 billion	**NTIA**	State agencies, non-profits, community anchor institutions, local education agencies, entities that carry out workforce development program	• NOFO for Planning Grant released May 13, 2022 • Planning grants all awarded in 2022

- Purpose of Digital Equity Act programs is to support the closure of the digital divide & promote equity and digital inclusion: (1) Planning Grant; (2) Capacity Grant; and (3) Competitive Grant Programs
- Target demographic includes households with income no more than 150% above the poverty level, senior citizens, incarcerated individuals, veterans, rural residents, racial or ethnic minorities, and individuals with disabilities or a language barrier
- $60 million first granted for state to develop the State Digital Equity Plan
- 2 years after planning grants awarded, $1.44 billion to be disbursed to implement Plans and other digital inclusion activities
- Competitive Grant Program to be established within 30 days after Capacity grants begin being awarded
- Technology-neutral basis, "to the extent practicable"

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Middle Mile Grant Program

Funds Allocated	Administering Agency	Eligible Recipients	Timeline
$1 billion	**NTIA**	Private ISPs, non-profits, and state and local authorities	• NOFO released May 13, 2022 • Applications were due September 30, 2022 • NTIA expects award announcements to begin March 2023 and continue on rolling basis

- Up to $980 million available to be disbursed as grants
- NTIA expects to make awards ranging from $5 million to $100 million
- Program objective is to "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"
- Targets unserved and underserved locations, and anchor institutions
- Technology-neutral – middle mile infrastructure defined as any broadband infrastructure, including fiber, towers, microwave links, undersea cables, carrier-neutral submarine cable landing stations, carrier-neutral internet exchange facilities, backhaul, etc.

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Middle Mile Grant Program

Program Status

- NTIA received more than 235 applications totaling more than $5.5 billion

- 3 review stages of applications:
    - (1) Initial Review – ensuring applicants meet threshold requirements;
    - (2) Merit Review – evaluating projects' purpose, benefits, and sustainability;
    - (3) Programmatic Review – ranking projects based on Merit Review evaluation plus stated objectives in NOFO, including national security interests, affordability, resiliency, etc.

- NTIA currently in Programmatic Review phase

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Middle Mile Grant Program

Grantee Obligations

- Buildout must be completed within 5 years; waiver to extend timeline by 1 year available at NTIA's discretion
  - Interim buildout benchmarks – 40% built out by end of 2nd year, 60% by end of 3rd, 80% by end of 4th
- Matching requirement of at least 30% of project costs – **no** waiver available unless to Tribal applicants
  - No federal funds may be used for match requirement; may be in cash or in-kind contributions
- For terrestrial or fixed wireless projects, applications must identify gaps in coverage using the most recent broadband mapping data available from FCC or state
- Additional obligations for fiber deployment projects:
  - Must ensure that network will be capable of connecting anchor institutions at speeds of > 1/1 Gbps
  - Must include direct interconnect facilities to facilitate service to anchor institutions within 1,000 ft
- Prior to application submission, must coordinate and consult with relevant state broadband office
- Must share location of network to NTIA, FCC, Tribal government and state broadband office with jurisdiction
- Like BEAD, following uses of funds are prohibited:
  - (1) Purchase of any covered equipment or service;
  - (2) To cover any profit/fee/other incremental charge above actual cost incurred by subgrantee; and
  - (3) To support or oppose collective bargaining.

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BABAA Waiver

- Like BEAD, all awarded projects must comply with BABAA requirements
- <u>However</u> – NTIA has proposed a waiver for 10 categories of manufactured products, including:
    - Broadband routing equipment;
    - Access switching equipment;
    - Microwave backhaul equipment; and
    - Undersea cable equipment.
- Waiver also includes fiber optic cable "provided that the optical fiber contained therein is manufactured exclusively in the United States."
- Waiver proposes additional reporting requirements for foreign purchases of otherwise BABAA-applicable equipment.
- Comments to proposed waiver were due on October 3, 2022; waiver is still pending.

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