

# Federal Broadband Funding Programs for Ohio Counties



**5G**

# The Need for Connectivity

## COVID-19



The COVID-19 pandemic has highlighted more than ever the need for, and in many locations persisting lack of, broadband access and digital inclusion to support remote work, telehealth, distance learning, e-government, entertainment, and more.

**In response, all levels of government have started, or enhanced, investing in broadband infrastructure unlike ever before.**

# Fulfilling Many Needs

**Developers** and investors ask "Where is the **return**?"

**Workers** ask "Where are the jobs and do I need **training**?"

**Citizens** ask "How does this truly make my **life better**?"

**County Leaders** ask "What do our communities **need**, what should we do **first**, and how will we **pay** for this?"

# American Rescue Plan Act of 2021

- The \$350 billion American Rescue Plan (“ARP”) provides funds to state, local, territorial, and Tribal governments in order to lay the foundation for a strong economic recovery from the events that have taken place during the COVID-19 pandemic.
- Funds can be used to expand current or build new broadband infrastructure (including middle mile) to provide reliable internet service.
- ARP Fiscal Recovery Funds (sec. 602 & sec. 603)
  - **Section 603 applies to counties**
- Coronavirus Capital Projects Fund (“CCPF”) (sec. 604)

# ARP Fiscal Recovery Funds Section 603

- Eligible broadband projects must be designed to deliver service that reliably meets or exceeds equal upload and download speeds of 100 Mbps (“symmetrical service”).
- In areas where such speeds are impracticable due to geography, topography, or excessive costs, projects must reliably deliver at least 100 Mbps download/ 20 Mbps upload speeds and be scalable to 100 Mbps symmetrical service.
  - Unserved or underserved households and businesses are those not currently served by a wireline connection that reliably delivers at least 25 Mbps download/ 3 Mbps upload.
  - Every house and business in a project area does not need to be unserved or underserved to meet the requirement *if* the objective of the project is to provide service to unserved or underserved households or businesses.

# ARP Fiscal Recovery Funds Section 603

- In addition to broadband build-out, recipients may use the funds for pre-project development costs for eligible broadband projects.
  - Such uses and costs for broadband projects should be tied to an eligible project or reasonably expected to lead to such a project.
  - For example, pre-project costs associated with planning and engineering broadband infrastructure, in addition to technical assistance and evaluations that could lead to an eligible project.
- **Costs for eligible projects must be obligated by December 31, 2024.**
- **Construction must be complete by December 31, 2026.**

# Coronavirus Capital Projects Fund (“CCPF”)/ Section 604

- \$10 billion for **States**, territories, and Tribal governments to carry out critical capital projects that directly enable work, education, and health monitoring, including remote options, in response to COVID-19.
- The fund allows for broadband investment and provides flexibility for recipients to make additional investments in critical community hubs or other capital assets that meet the critical connectivity needs created and amplified by COVID-19.
- Eligible recipients will be required to apply and provide a plan demonstrating how they intend to use the allocated funds.

# Coronavirus Capital Projects Fund (“CCPF”)/ Section 604

## Eligible Project Costs (non-exhaustive list):

- Construction;
- Improvements and repairs to buildings;
- Pre-project development costs and uses, including data collection and feasibility studies,
- Community engagement and public feedback processes, equity assessments and planning, and needs assessments;
- Permitting, planning, architectural design, engineering design, and work related to environmental, historical, and cultural reviews;
- Costs of repair, rehabilitation, construction, improvement, and acquisition of real property, equipment (e.g., devices and office equipment), and facilities (e.g., telecommunications equipment, including infrastructure for backhaul, middle, and last mile networks);



# Coronavirus Capital Projects Fund (“CCPF”)/ Section 604

## Eligible Project Costs (non-exhaustive list) cont.:

- Cost of leases for terms greater than one year of facilities required to provide qualifying broadband service, including indefeasible right-of-use (IRU) agreements;
- Personnel costs including salaries and fringe benefits for staff and consultants (such as project managers, program directors, subject matter experts, equity consultants, grant administrators, financial analysts, accountants, and attorneys);
- Ancillary costs necessary to operationalize and put the capital assets to full use, **including costs to increase broadband adoption and improve digital literacy**;
- Costs associated with monitoring of and reporting in accordance with Treasury requirements, including award closeout costs; and
- Costs for collecting and measuring performance data and conducting activities needed to establish and maintain a performance management and evaluation system.

# The Infrastructure Investment and Jobs Act

Includes \$65 billion for broadband, including:

- **\$42.5 billion** to be issued as block grants to states and U.S. Territories for broadband deployment and digital equity initiatives;
- **\$1 billion** for middle mile access grant program to help connect unserved community anchor institutions and enable last-mile build-out to households;
- **\$2 billion** for the Rural Utilities Service (“RUS”) Distance Learning and Telemedicine and Broadband Program;
- **\$2.75 billion** to establish two grant programs within NTIA to promote digital inclusion and equity;
- **\$65 billion** to the FCC’s Emergency Broadband Benefit (“EBB”) Program, which subsidizes broadband service for eligible households.

# USDA ReConnect Program

- Provides loans, grants, and loan-grant combinations to facilitate broadband deployment in rural areas.
- Goal is to assist rural areas that do not have sufficient access to 10 Mbps download/ 1 Mbps upload broadband on a 24/7/365 basis.
- Telecommunications companies, rural electric cooperatives and utilities, internet service providers and state and local governments may apply.
  - The entity that applies must own the infrastructure built-out.
  - Requires 25% match for grants.
- Funds to be awarded to projects with a financially stable business model to bring high-speed broadband to rural homes, businesses, farms, ranches, and community facilities such as first responders, health care, and schools.

# Economic Development Administration

- As part of ARP, Congress provided EDA approximately \$3 billion for economic development assistance programs to help communities “prevent, prepare for, and respond to coronavirus.”
- Of this \$3 billion, \$300 million is allocated to EDA’s *Coal Communities Commitment* to support these communities as they recover from the pandemic and create new jobs and industry sectors and opportunities.
  - This commitment will be fulfilled through \$100 million in Build Back Better Regional Challenge grants and \$200 million in Economic Adjustment Assistance grants.
- Communities can use EDA ARP funding to construct public works and facilities that will support economic recovery, including broadband deployment.
- All political subdivisions are eligible to apply for EDA ARP funding regardless of per capita income or unemployment rate statistics.
- The performance period varies depending on the proposed project, but generally is 24 months.
- EDA funding generally requires projects to align with a region’s Comprehensive Economic Development Strategy (“CEDS”).

# ARC POWER Grant

- Provides funding for planning and implementation grants to help communities that have been negatively affected by the loss of jobs due to the decline of the coal industry.
- Broadband is a funding priority with its own exhibit:
  - Up to one-third of funds provided for FY21 were available to fund broadband deployment projects;
  - Grant requests for deployment projects could be up to \$2.5 million;
  - At least 65% of the broadband project's budget was required be directed to the actual deployment of broadband infrastructure. Otherwise, was considered a general implementation project.
- In September '21, ARC announced its largest POWER grant package.

# Public-Private Partnerships (“P3s”)

- Public-private partnerships for broadband are often used in **combination with other funding sources:**
  - Government bonds and financing
  - Special taxing districts and tax increments
  - Grants, financing and loans
  - Economic incentives

# Public-Private Partnerships (“P3s”)

- **Public Sector Benefits**

- Private sector expertise
- Physical and financial assets of the private sector partners
- Enhanced service delivery to the local public

- **Private Sector Benefits**

- Expedited processes
- Access to public infrastructure
- Access to data

# Public-Private Partnerships (“P3s”)

What it all comes down to . . .



RISK

CONTROL





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