Broadband Funding Programs

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Department of Agriculture

ReConnect Program:

Under the USDA's ReConnect Program, the USDA offers federal loans, grants, and a combination of both to facilitate broadband deployment in rural areas. It primarily provides funds to cover the costs of construction, improvement, or acquisition of facilities and equipment that would provide fixed broadband service in a certain area.

Nature of Program Awards:
Grants, loans, combination of grants and loans

Eligible Entities:
Corporations, LLCs, cooperatives, states or local governments, federal territories in the U.S., indigenous tribes

Eligible Areas:

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Area must be rural and not have greater than 20,000 inhabitants. The potential coverage area must also lack sufficient access to broadband service, specifically 10 megabits download and 1 megabit upload speeds.

Ineligibility:
Program applicants must not have overlapping service areas. They also must not propose a project in a pre-existing service area where there are pending Rural Utility Service (RUS) program applications. Applicants also cannot propose to serve an area where there are protected RUS broadband borrowers or specific service areas that have received federal grant funds to provide broadband infrastructure and service.

Grant Requirements:
For an applicant to be eligible for funding, 90% of the proposed service area must not have sufficient broadband access (10/1 Mbps). To be eligible for a 100% government loan, 100% of the households in the proposed service area must not have sufficient broadband access.

For a 100% grant, the maximum award that the federal government can provide is $25 million. There is a requirement for a 25% match of the overall project cost. 50/50 grant and loan awards are limited to $25 million. 100% loans are limited to $50 million.

The USDA invested $656 million for the first round of the ReConnect Program and has appropriated $686 million for the second round, for a total investment of $1.3 billion

Deadline:
Currently, the ReConnect program is not accepting applicants for FY22; however, whenever the program opens back up, deadlines for projects are usually 60-90 days after the start date.

Key Links:
- Program Overview: https://www.usda.gov/reconnect/program-overview
- Application Guide: https://www.rd.usda.gov/files/ReConnect_Program_Application_Guide.pdf
- General Program Contact: https://www.usda.gov/reconnect/contact-us

Community Connect Program
Like the ReConnect Program, the Community Connect Program seeks to target areas that are demonstrating severe "economic necessity." The program provides federal grants to areas that do not have internet access and requires awardees to provide "last-service" for all households in the service area. The Community Connect Program is primarily a last mile federal broadband grant program.

Nature of Program Awards:
Grants

Eligible Entities:
Corporations, LLCs, cooperatives, states or local governments, indigenous Tribal organizations or governments

Eligible Areas:

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Like the ReConnect Program, Community Connect Program funding is only provided to areas that have less than 20,000 inhabitants. Eligible areas also must currently not receive 10/1 Mbps broadband speeds across the entire area. Applicants must use existing FCC maps to determine if broadband service exists and must use USDA broadband maps to determine where existing RUS borrowers and grantees are located.

Ineligibility:
Program applicants must not have overlapping service areas. They also must not propose a project in a pre-existing service area where there are pending Rural Utility Service (RUS) program applications. Applicants also cannot propose to serve an area where there are protected RUS broadband borrowers or specific service areas that have received federal grant funds to provide broadband infrastructure and service.

Grant Requirements:
Projects must offer basic broadband transmission service to both residential and business customers within the proposed area. Recipients must agree to provide last-mile services throughout the entire area.

Awards range from $100,000 to $3 million, yet recipients must make a matching contribution of at least 15% of the total award.

The Community Connect Grants program was established and funding via Congress's 2018 Farm Bill. It was given $50 million for each of the fiscal years 2018 through 2023.

Deadline:
Currently, the Community Connect Program is not accepting applicants for FY22. However, the USDA should be re-opening the project soon for the next fiscal year.

Key Links:
- Basic Background of the Community Connect Program: https://www.rd.usda.gov/programs-services/community-connect-grants
- FY21 Community Connect Program Presentation: https://www.rd.usda.gov/sites/default/files/CC_Presentation2021.pdf
- Program Contact: community.connect@wdc.usda.gov

Telecommunications Infrastructure Loans
This grant program provides loans and loan guarantees to support broadband expansion and availability in rural, underserved communities. It primarily provides financing for the construction, maintenance, improvement, and expansion of telephone and broadband service in rural areas. The loans are intended to provide broadband service that can accommodate distance learning, telework, and telemedicine in hard-to-reach areas.

Nature of Program Awards:
Low-interest loans (includes cost-of-money loans), guaranteed loans, and hardship loans

Eligible Entities:
Corporations, LLCs, cooperatives, states or local government

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Eligible Areas:
For this specific program, rural areas are defined as an area not included within the boundaries of a city, village, borough (incorporated or unincorporated) with a population greater than 5,000 inhabitants. Grants are available to areas without broadband facilities or areas where the applicant is the sole recognized broadband provider.

Loan Requirements:
There is not a cost-share requirement associated with this loan program. However, specific interest rates will be included with the loan. The interest rates will vary depending on the type of loan.

Loan awards have a minimum of $50,000 with an unknown maximum.

This program has an annual loan level of $690 million.

Deadline:
Applicants can be submitted year-round and are accepted on an on-going basis.

Key Links:
- Program Overview: https://www.rd.usda.gov/programs-services/telecommunications-infrastructure-loans-loan-guarantees
- Program Fact Sheet: https://rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RUS_TelecommunicationsLoan.pdf

Rural Economic Development Loan and Grant Program

Similar to the Telecommunications Infrastructure Loan Program, this program provides funding for rural projects through local utility organizations. The USDA provides zero-interest loans to local utilities, which in turn, pass through to local businesses for employment and development in rural areas.

Nature of Program Awards:
The USDA provides grants to local utility organizations, who will use the funding to create Revolving Loan Funds (RLF) for local businesses. The funding provided by the USDA should be meant to create or retain employment in rural areas.

Grants are provided for local utility organizations. Loans are then provided to local businesses.

Eligible Entities:
A former Rural Utilities Service borrower, who has borrowed, repaid or pre-paid an insured, direct or guaranteed loan. Nonprofit utilities that are eligible to receive assistance from the Rural Development Electric or Telecommunication Programs. Current Rural Development Electric or Telecommunication Programs borrowers.

Eligible Areas:
Available to rural areas and towns that have a population of fewer 50,000 residents.

Grant Requirements:

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Grants are loaned out for 10 years at a 0% interest; however, grants require a 20% match from the local utility and must be repaid to USDA upon the termination of the Revolving Loan Fund.

Grant applicants can request up to $300,000 to establish the RLFs.

Loan Requirements:
The loans that local utilities pass onto businesses have a 0% interest rate and can cover up to 80% of the project costs. 20% of the costs must be covered by the ultimate recipient or the local utility. Local utility can incorporate interest rates or administrative fees after the funds have been loaded out and revolved once. First-time loans are at 0%. Repayment for these loans can be deferred up to two years.

These loans can be used as business incubators, community development assistance to nonprofits and public bodies, facilities and equipment to educate and train residents, medical facilities and equipment, venture costs in real estate, buildings, equipment, business expansion, and technical assistance.

Loan applicants can request up to $1 million in loans.

For FY20, the Rural Economic Development Loans and Grants program awards $58.7 million for 94 different projects.

Deadline:
Applications for this grant and loan program can be submitted year-round and are accepted on an ongoing basis. Local utilities are encouraged to contact their local office to acquire the necessary documents.

Key Links:
- Program Overview: https://www.rd.usda.gov/programs-services/rural-economic-development-loan-grant-program
- Program Fact-Sheet: https://www.rd.usda.gov/sites/default/files/fact-sheet/508_RD_FS_RBS_REDLG.pdf
- USDA State Offices: https://www.rd.usda.gov/about-rd/state-offices

Rural Utility Service Electric Program

The Rural Utility Service (RUS) is an agency within the USDA that administers programs aimed at the improvement of infrastructure to rural communities. RUS's Electric Program is a program aimed at assisting utility services with the financing of electrical infrastructure in rural areas. RUS's Electric Program looks to fund projects that help smart grid initiatives, communications facilities for energy management, and fiber to the meter for increased energy efficiency initiatives. This program also can support utilities in the deployment of broadband through one of the facilities that is being used for smart grid purposes.

Nature of Program Awards:
Loans

Eligible Entities:
Cooperatives, corporations, states, territories, subdivision

Broadband Funding Programs

Eligible Areas:
Available to areas that have a population of fewer than 20,000 residents and to a service area of an RUS borrower than has an outstanding loan as of June 18, 2008. For loans made after this date, the "rural" character an area is determined at the time of the initial loan to furnish or improve service in the area

Loan Requirements:
Borrower must provide a list of the balances of eligible outstanding loans and ensure that the balance is at least equal to the sum of proposed issued loans. An audit is required if a borrower has an outstanding loan balance of $1 million or more.

The RUS Letter of Conditions provides a longer, more complete description of the loan's conditions and what is expected of the borrower. These Letters of Conditions will provide specific details on audit preparations and submissions, financial reporting, and the pay-backing of loans.

USDA and RUS have provided $750 million for this program.

Deadline:
RUS Electric Program is no longer accepting applications for FY21. I predict that the USDA will re-open the RUS Electric Program for FY22 around late March to early May 2022 with the date being contingent on when Congress passes an appropriations bill for the USDA.

Key Links:
- Electric Program Page: https://www.rd.usda.gov/programs-services/all-programs/electric-programs
- Federal Register Announcement: https://www.govinfo.gov/content/pkg/FR-2021-04-01/pdf/2021-06675.pdf
- RUS Broadband Opportunities Council PowerPoint: https://www.rd.usda.gov/files/UEP_RUSSmartGrid_BOC.pdf

National Telecommunications and Information Administration

Broadband Infrastructure Program

As part of Congress's Consolidation Appropriations Act for FY21, the National Telecommunications and Information Administration (NTIA) created the Broadband Infrastructure Program to assist with the deployment of broadband infrastructure across America. This grant program encourages the partnerships between a state or local government and broadband providers. The NTIA also encourages projects that provide broadband service to rural, unserved, or underserved areas. The NTIA said that they will prioritize applications in the following order: (1) serves the greatest number of households in an eligible service area, (2) services rural areas, (3) is the most cost-effective within an unserved or underserved area, (4) the project will provide minimum broadband speeds of 100 Mbps download and 20 Mbps upload speeds, and (5) the project meets all the requirements listed in the Notice of Funding Opportunity (NOFO)

Nature of Program Awards:
Grants

Broadband Funding Programs

Eligible Entities:
Partnerships between a state or local governments and one or more broadband service providers. A broadband provider can participate in more than one covered partnership.

Eligible Areas:
Available to census block areas in which broadband service is not available at one or more households or businesses in the census block. NTIA's NOFO recommends the use of the FCC broadband maps or the NTIA broadband maps to determine eligible service areas.

Grant Requirements:
Projects must be completed within a year of receiving grant funds. NTIA may extend the award period for broadband infrastructure projects if the partnership certifies that they have a plan for the grant funds, the construction project is underway, or if extenuating circumstances require an extension of time to allow the project to be completed.

Grant awards range from $5 million to $30 million for broadband infrastructure programs.

The NTIA has provided $288 million for this program.

Deadline:
Grant applicants are accepted from May 19th until August 17th

Key Links:
- Grant Program Page: https://www.grants.gov/web/grants/view-opportunity.html?oppId=333684
- Grant Press Release: https://www.ntia.doc.gov/press-release/2021/commerce-department-s-ntia-announces-288-million-funding-available-states-build
- Notice of Funding Opportunity: https://broadbandusa.ntia.doc.gov/sites/default/files/2021-05/NTIA%20Broadband%20Infrastructure%20Grant%20Program%20NOFO.Final_.pdf

Tribal Broadband Connectivity Program

As part of the White House's goal of assisting tribal and lower income communities, the Department of Commerce created the Tribal Broadband Connectivity Program. The program provides grants to expand access to and the adoption of broadband service specifically on Tribal lands and close the digital divide, which was exacerbated by COVID-19. The Department of Commerce will give priority to projects that are aimed at infrastructure deployment, middle-mile and last-mile networks, and those that serve unserved households.

Nature of Program Awards:
Grants

Eligible Entities:
Tribal Governments, Tribal Colleges and Universities, Department of Hawaiian Homelands, Tribal Organizations, and Alaska Native Corporations

Each entity can coordinate with utilities or broadband service providers to promote workforce development and broadband expansion across Tribal communities.

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Eligible Areas: Available to areas where tribal communities reside, including Native American, Alaska Native, Native Hawaiian households, businesses, and community anchor institutions. Eligible areas must lack access to broadband service at or below 25/3 Mbps download and upload speeds.

Grant Requirements:
Projects must be completed within one year of receiving the grant funds. There are no time extensions available for Broadband Use and Adoption projects.

After a year, recipients must send a report to the Assistant Secretary describing how the entity expended the funds, certifying that the entity completed the requirements of the Program, and identify each subgrantee that received a subgrant from the entity.

$980,000,000 will be made available under this program. NTIA will allocate not less than $30 million for the benefit of Native Hawaiians. NTIA is expected to make awards under this program within the following ranges:
- Broadband Infrastructure Deployment Projects: $1 million to $50 million
- Broadband Adoption and Use Project: $50,000 to $2.5 million

Deadline:
September 1, 2021, at 11:59 PM PDT

The NTIA expects to complete its review, selection of successful applicants, and award processing by November 29, 2021, with the earliest start date of awards to be December 13, 2021.

Key Links:
- Program Overview: https://www.benton.org/blog/1-billion-broadband-infrastructure-tribal-lands
- NTIA Program Page: https://broadbandusa.ntia.doc.gov/resources/federal/federal-funding/department-commerce-tribal-broadband-connectivity-program
- Notice of Funding Opportunity: https://www.grants.gov/web/grants/view-opportunity.html?oppId=333974

Connecting Minority Communities Pilot Program
As part of Fiscal Year 2021's Appropriations Act, Congress appropriated $285 million to the NTIA to establish the Connecting Minority Communities (CMC) Pilot Program. This pilot program is meant to work with Historical Black Colleges and Universities (HBCUs), Tribal Colleges and Universities (TCUs), and minority institutions at building and expanding robust broadband access, connectivity, and adoption. Similar to the NTIA's Tribal Connectivity Program, this program allows eligible recipients to request funding for projects that can build broadband and information technology (IT) capabilities and improve broadband services that can deliver workforce development programs in anchor communities. The NTIA also wants recipients of these grant funds to improve broadband connectivity and accessibility in these anchor communities by building future-proof infrastructure.

Nature of Program Awards:
Grants

Eligible Entities:
HBCUs, TCUs, minority-serving institutions, a minority business enterprise, a 501(c)(3) organization
Grant Requirements:
Projects must be completed within two years of receiving the grant funds; however, the Assistant Secretary for the Department of Commerce can extend the initial period if the grant recipient shows that they have a plan, the project is underway, or if there are extenuating circumstances that require a time extension. Recipients may submit a request for a project extension no more than ninety (90) calendar days before the end of the award period.

The NTIA has made $268 million available in federal grant funds for the CMC Pilot Program. The NTIA is also expected to make grant awards between $500,000 and $3 million. However, recipients can request for more funding yet must provide a reasonable explanation for their project.

The CMC Pilot Program does not contain a cost sharing or matching fund requirement.

Deadline:
December 1, 2021, at 11:59 PM EST

The NTIA expects to complete its review, selection of successful applicants, and award processing by March 1, 2022, with the earliest start date for awards to be March 14, 2022.

Key Links:
- Program Overview: https://www.benton.org/blog/gearing-connect-minority-communities
- Grant Program Page: https://www.grants.gov/web/grants/view-opportunity.html?oppId=335076
- Notice of Funding Opportunity: https://broadbandusa.ntia.doc.gov/sites/default/files/2021-08/NTIA-CMCPP-2021.pdf

Federal Communications Commission

Rural Digital Opportunity Fund (RDOF) Phase II
In late 2020, the FCC conducted the first phase of the RDOF auctions by targeting census blocks that were entirely unserved by FCC standards of 25/3 Mbps. The FCC gave project priority to areas that were lacking broadband speeds of 10/1 Mbps and Tribal areas. The minimum performance tier required by the FCC was 25/3 Mbps with the baseline tier being 50/5 Mbps, and additional tiers existing for 100/20 Mbps and 1 Gbps/500 Mbps service.

Nature of Program Awards:
Grants

Eligible entities:
Service provides with an Eligible Telecommunications Carrier (ETC) designation

Eligible Areas:
The FCC has announced that they plan on using more updated and precise broadband maps for the next RDOF auctions.

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<u>Grant requirements:</u>
Applicants must provide both voice and broadband service, including standalone voice service. They also have to ensure that voice and broadband services are offered at comparable costs to those in urban areas.

It is expected that $4.4 billion in funding will be provided for the RDOF Phase II auctions in addition to the left-over $6.8 billion from Phase 1 auctions. The FCC will award up to $11.2 billion to eligible broadband service providers.

<u>Deadline:</u>
To be determined. FCC cannot hold Phase II auctions until late 2021 or even later.

<u>Key Links:</u>
* Program Overview: https://www.usac.org/high-cost/funds/rural-digital-opportunity-fund/

E-Rate Program

The Schools and Libraries universal service support program, more commonly known as the E-rate program, helps schools and libraries obtain affordable broadband. The E-Rate program allows schools and libraries obtain affordable broadband through two different categories. The first category allows schools and libraries to receive funds for telecommunications, telecommunications services and internet access. The second category allows schools and libraries to receive funds for services that deliver internet access within the buildings themselves, namely internal connections, wiring, basic maintenance of internal connections, and managed internal broadband services. The FCC provides specific discounts to schools and libraries, which depend on the level of poverty and the general location of the anchor institution.

<u>Nature of Program Awards:</u>
Subsidy

<u>Eligible Entity:</u>
Libraries, K-12 Schools

<u>Eligible Areas:</u>
Any public and most non-profit K-12 schools and all public and some private libraries can be eligible for E-Rate. Depends on broadband accessibility and availability in the area

<u>Subsidy Requirement:</u>
Participants may request funding in five different categories of service: telecommunications, telecommunication services, internet access, internal connections, and basic maintenance of internal connections. An eligible school or library can submit a request for competitive bids to the Universal Service Administrative Company (USAC), which posts these requests on their website for broadband service providers to bid on. Schools and libraries can select the most cost-effective eligible product or service and then can apply to USAC for approval based on their bid selection.

USAC would then issue funding commitments to eligible applicants. Either the vendor or applicant (i.e. an eligible school or library) can submit a request for reimbursement of the approved discounts and

services. For utilities specifically, the E-Rate program can cover the build-out costs of fiber to the schools or libraries, especially if the schools or libraries seek to upgrade their internet services.

For FY21, the FCC provided a funding cap of $4.276 billion. It is unclear what the funding cap will be for FY22.

Deadline:
The application filing window for FY21 has passed. The funding window for FY22 is not open.

Key Links:
- NTIA Program Overview: https://broadbandusa.ntia.doc.gov/resources/federal/federal-funding/federal-communications-commission-e-rate-program
- FCC Consumer Guide: https://www.fcc.gov/consumers/guides/universal-service-program-schools-and-libraries-e-rate
- Eligible Services List (useful for determining which services a utility or broadband provider can provide to schools and libraries): https://www.usac.org/e-rate/applicant-process/before-you-begin/eligible-services-list/
- Department of Education Program Description: https://www2.ed.gov/about/inits/ed/non-public-education/other-federal-programs/fcc.html

Appalachian Regional Commission

Appalachian Area Development Program
The Appalachian Regional Commission (commonly known as ARC) is a regionalized economic development partnership agency between the federal government and 13 state governments within the Appalachian Region. The Appalachian Area Development Program is a program that provides grants to projects that help critical infrastructure areas and business and workforce development areas. Utilities or broadband providers are able to access ARC's Area Development Program if they are looking to improve broadband connectivity in the Appalachian region.

Nature of Program Awards
Grants

Eligible Entities:
State and local agencies, governmental entities, local governing boards, nonprofit organizations, Indigenous tribes, higher education institutions, electric utilities, cooperatives, K-12 schools, libraries, Healthcare facilities, public safety entities

Eligible Area:
Anywhere within the Appalachian community: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia

Grant Requirements:
Most Area Development Program grants are limited to 50% of the project costs. 50-50 matching requirement by the applicant. In specific areas that are designated as distressed counties, Area Development Program grants can cover up to 80% of the costs. For "at-risk counties," Area Development Program grants can cover up to 70% of the costs. For ARC-designated "competitive

counties" (the areas that are approaching national economic norms), Area Development Program grants cover only 30% of the costs.

The Area Development Project has appropriated $39.6 million for FY21. It is unclear what will be the appropriated amount for FY22.

Deadline:
Applications can be submitted throughout the year, yet individual states may have their own application deadlines.

Key Links:
- NITA Program Overview: https://broadbandusa.ntia.doc.gov/resources/federal/federal-funding/appalachian-regional-commission-area-development
- ARC Program Overview: https://www.arc.gov/area-development-program/
- ARC State Program Managers: https://www.arc.gov/state_partner_role/state-program-manager/

Partnerships for Opportunity and Workforce and Economic Revitalization (POWER) Initiative

The POWER Initiative is an ARC program that targets communities and regions that have been affected by job losses in coal mining, coal power plant operations, and coal-related supply chain industry loss. This initiative provides grants and funding to applications who want to provide infrastructure improvements, including broadband deployment, into lower income Appalachian areas.

Nature of Program Awards:
Formula

Eligible Applicants:
State and local agencies, governmental entities, local governing boards, nonprofit organizations, Indigenous tribes, higher education institutions , electric utilities, cooperatives, libraries, K-12 schools, public safety entities

Eligible Area:
Anywhere within the Appalachian community: Alabama, Georgia, Kentucky, Maryland, Mississippi, New York, North Carolina, Ohio, Pennsylvania, South Carolina, Tennessee, Virginia, West Virginia

Grant Requirements:
Same as above.

Applicants also need to show that their program will specifically help the community and will expand broadband access, whether by helping the community assess strategies for deploying broadband or by facilitating broadband deployment activities like the installation of fixed wireless, fiber line, or other broadband equipment in local communities.

The POWER Initiative appropriated $45 million for FY21 with $15 million being designated as broadband specific funding. It is unclear what will be the appropriated amount for FY22.

Broadband Funding Programs

<u>Deadline:</u>
The deadline for FY21 has passed. It is unclear when the ARC POWER Initiative when start again for FY22.

<u>Key Links</u>:
- NTIA Program Overview: https://broadbandusa.ntia.doc.gov/resources/federal/federal-funding/appalachian-regional-commission-arc-power
- ARC POWER Initiative Program Overview: https://www.arc.gov/arcs-power-initiative/
- POWER Initiative Award Summaries by State (as of October 2020): https://www.arc.gov/wp-content/uploads/2021/01/POWER-Award-Summaries-by-State-as-of-October-2020-UPDATED-1.13.2021.pdf