Broadband Funding: Are You Ready to Apply?

Service providers and communities have a plethora of federal funding sources they can tap into to expand broadband. But what's the best method to ensure providers can meet needs today and into the future?

By Deborah Kish / *Fiber Broadband Association*

From the Connect America Fund (CAF) to recent grant programs, such as the USDA ReConnect Loan and Grant program, various funding sources are available to bring broadband to unserved and underserved areas of the U.S. In 2020, the FCC developed the Rural Digital Opportunity Fund (RDOF) program, followed by the American Rescue Plan Act (ARPA), which includes Coronavirus State and Local Fiscal Recovery Funds (SLFRF). A portion of SLFRF's $350 billion directed to state, local and tribal governments across the country to support their response to and recovery from COVID-19 is slated to go to broadband improvements.

The infrastructure investments created a giant pot of money, and, in late 2021, the Infrastructure Investment and Jobs Act (IIJA) passed with $65 billion allocated to broadband. As part of the IIJA, the National Telecommunications and Information Administration (NTIA) will administer the Broadband Equity, Access, and Deployment (BEAD) Program, with $42.45 billion dedicated to funding last-mile broadband at the state level. Plenty of funding opportunities now exist to close the digital divide gap and go beyond the current broadband definition of 25/3 Mbps.

BEAD'S PARTICULARS

NTIA proposed that each state be granted $100 million, with potential for supplemental funding depending on a state's five-year action plan, e.g., mapping, staffing state/territory broadband offices, outreach and coordination with local communities.

Funds disbursement doesn't come without a strategy. To ensure that broadband equity is prioritized, upon release of the FCC's broadband availability mapping, NTIA will first disburse funding to unserved (below 25/3 Mbps), then underserved (below 100/20 Mbps), then community anchor institutions such as libraries, schools, health care providers and public housing.

NTIA DOESN'T STOP AT BEAD

Other NTIA grants have been created, such as $1 billion for the Enabling Middle Mile Broadband Infrastructure Program, which allows states to expand middle-mile projects, helping reduce the cost to connect unserved and underserved areas.

In addition to the Middle Mile grant program, the NTIA awarded $1.4 million to three recipients (New Mexico, Virginia and Wisconsin) in late 2021 under its Tribal Broadband Connectivity Program (TBCP), in place since mid-2021 under the Consolidated Appropriations Act. With more than 280 applications amounting to approximately $5 billion, $2 billion has been added to the TBCP.

Additional grant programs include:

- **Digital Equity Act programs** – $2.75 billion promoting digital inclusion and equity

- **State Digital Equity Planning Grant Program** – $60 million for states and territories to develop digital equity plans
- **State Digital Equity Capacity Grant Program** – $1.44 billion to implement digital equity projects and support the implementation of digital equity plans
- **Digital Equity Competitive Grant Program** – $1.25 billion for specific political subdivisions to implement digital equity projects.

Because the BEAD Program is new, and such large initiatives are process driven, the time from application to disbursment could be lengthy. The anticipated timeline, as presented in a recent Fiber Broadband Association (FBA) webinar, "$42.5 billion Passed for Broadband Infrastructure – Now for Your Next Steps," suggests initial disbursement of funds could begin in the fourth quarter of 2022.

With far more than $100 billion in federal and other government agency grants available for new construction, the U.S. should strive for better than the outdated FCC rule of 25/3 Mbps. It can and should be exceeded through fiber broadband.

Many service providers already are weighing their options and do not know how to access the available funding. In a recent FBA poll, only 4.5 percent of respondents indicated they were "well prepared and ready to apply." More than 35 percent indicated they do not know where to start.

WHAT WILL *YOU* DEPLOY?

Broadband is a necessity, a critical infrastructure that no household or human on the planet should be without. Providers want to deliver the fastest, most reliable internet service possible. They want to do it with the future in mind, the highest return on investment, the lowest total cost of ownership (TCO), and a build-once approach.

Most customers now work, learn, shop, entertain, get medical care, and play from home – all of which require high-speed, high-quality internet. Recent FBA research suggests that current bandwidth demand may exceed 1 Gbps by 2030. Fiber-to-the-premises networks today are more than capable of allowing access to these applications by providing symmetrical 1 gig (1 Gbps) to 10 gig (10 Gbps) services.

From an operator's perspective, fiber networks have a lower TCO than fixed wireless access in the long term – approximately 50 percent less cost over a 10-year period. Fiber can be used as the foundation in innovative grid initiatives and has a more significant economic impact in communities than other technologies, increasing property values and attracting and growing businesses.

FEDERAL FUNDING PLAYBOOK

The FBA recently announced its plans to publish a Federal Funding Playbook that will highlight state broadband program best practices and outline a path to help ensure every state and territory can efficiently deploy the $42.45 billion of the NTIA BEAD program to maximize their investment in critical broadband infrastructure.

The FBA playbook will offer recommendations of how best to structure a state broadband program, informed by lessons from successfully established examples, and a detailed overview of statutory requirements associated with the broadband legislation. It will also include templates to support the state's funding application (e.g., the five-year action plan) and the subsequent competitive award process.

Things just got easier. ❖

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