

A New Broadband Stimulus?

There's a lot of promise in the White House's Broadband Opportunity Council initiative. But it will all be just rhetoric if stakeholders sit back and wait for action.

By Steven S. Ross / *Broadband Communities*

What can the federal government do to improve broadband access to unserved and underserved populations? Quite a bit, even without another economic stimulus program like the one that funneled \$7 billion into broadband starting in 2009. Through its support of state and local programs for public education, housing, health care, homeland security and more, the federal government has a huge opportunity to address the digital divide. These programs account for about \$10 billion *per year*.

On p. 68 of this issue, Heather Gold of the Fiber to the Home Council describes some recommendations of the White House's Broadband Opportunity Council Report and Recommendations, released last month (www.whitehouse.gov/sites/default/files/broadband_opportunity_council_report_final.pdf).

But there's more. The Broadband Opportunity Council is asking 18 federal agencies to modify their regulations to encourage broadband investment, especially by means of public-private partnerships. In such partnerships, the private sector supplies cash and expertise, and, in general, local governments supply facilities, rights-of-way, regulation and, of course, customers.

The feds plan to adjust federal agency funding rules to explicitly include broadband. Is an agency funding some housing? Along with walls, roof, electricity, water and heating, throw in broadband. Building a cell tower for federal use? Open it to community broadband providers. Subsidizing health insurance? Medical records are being computerized, and medical images are getting more voluminous, so give the hospitals and clinics more broadband. K-12 schools? They're all migrating from expensive paper textbooks to online e-textbooks. Make sure the kids' homes have broadband so they can do their homework.

The council's report details dozens of ideas for the 18 agencies to pursue. Treasury is to clarify tax regulations for certain new market tax credits; Housing and Urban Development must make broadband eligible for grants in multiple programs; Agriculture is to expand eligibility for RUS loans and grants. Labor needs to equip job centers with better broadband. The EPA should streamline its rules. Interior and others working with Native American reservations have to think about broadband, too. Commerce

should help communities plan systems and get financial help from nonfederal sources, and it should create a portal and unified grant application scheme to make all these programs more accessible to mere mortals in state and local government. The "easy" tasks are supposed to be done in the next three months. Other tasks are scheduled as much as 18 months into the future.

LIMITATIONS

Is there even a nickel of new funding allocated for this regulatory effort? Not yet. Maybe not ever.

Is the Federal Communications Commission involved? No. By law it is a regulatory agency independent of the White House.

Plans for outreach to the state and local officials who apply for federal grants are still rather vague. That's something **BROADBAND COMMUNITIES** will be watching. Federal Highway Administration rules already call for putting cable duct under new or repaved roads, but states routinely ask for exemptions so they can build or maintain a few extra miles of road.

The obvious solution is to trade a small cost increase in, say, road building for cost savings in another program. Obvious. But this has not been done since President Ronald Reagan killed the Office of Management and Budget's A-95 grant clearinghouse procedure more than 30 years ago. As Reagan discovered, coordination to save money and enhance programs can be politically embarrassing.

Will this initiative endanger or upset some business plans for municipal and private broadband or for state middle-mile builds? Absolutely. However, it will enhance other business plans by funneling more money into broadband access for education and health care and by narrowing the multiple digital divides (rural-urban, rich-poor, old-young) that reduce the number of potential broadband customers.

Carriers may well fight back in the courts and the legislatures. So don't expect the process to be even half done by the time the White House gets a new occupant. But do expect **BROADBAND COMMUNITIES** to cover all these subjects exhaustively over the next year. ♦

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