

BROADBAND GRANT, LOAN, AND SUBSIDY PROGRAMS - 2019

A Brief Overview of Federal and State Programs to
Assist in Broadband Deployment

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Finding Federal and State Funding

- Federal
 - USDA/RUS grant and loan programs
 - FCC Federal Universal Service Fund
- State
 - State-sponsored grant programs

New USDA Broadband Program

e-Connectivity Pilot Program

- \$600 million from 2018 Appropriations Bill - RUS to administer
- \$150M annually in 2019-2022 - combination of grants and loans
- Notice of Funds Availability (NOFA) opens 2019 filing window
- Expected this week or next – will reveal details of program and performance requirements, deadlines, and application procedures

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New USDA Broadband Program

e-Connectivity Pilot Program

- Program requirements - what we know so far:
 - Eligible areas: <20,000 residents and lacking 10/1 speed
 - Minimum speed expected to be 25/3 (possibly 10/1)
 - We expect some focus on agricultural lands
- Program information at: <https://www.usda.gov/broadband>

Rural Utilities Service Programs

RUS - Community Connect Grants

- Funding window March-May each year.
- \$50M appropriated for 2019 – dependent upon passage of Farm Bill by 12/21/18
- Corps/LLCs, Indian Tribe/Tribal organizations, state/local governments are eligible - not individuals or partnerships
- Specify an area with <10/1 Mbps and commit to serve all homes/businesses in the area
- Provide two wireless access points & free service to a community center for two years

Rural Utilities Service Programs

RUS - Community Connect Grants

- Must provide a 15% cash match (not federal funds) and deliver 25/3 Mbps or greater speed
- Funds may be used to construct/lease facilities, including spectrum, land, buildings, needed to deploy broadband
- Up to lesser of 10%/\$150,000 may be used for improvement, expansion, construction, or acquisition of a community center within the service area
- Funds cannot be used to duplicate existing broadband services or for opex, except for spectrum and required free wireless services
- Forms and resources: <https://www.rd.usda.gov/programs-services/community-connect-grants>

Rural Utilities Service Programs

RUS - Distance Learning and Telemedicine Grants

- Grants to provide broadband and equipment
- Application window April-June of each year – dependent upon Farm Bill passage
- 15% match; may be in-kind
- Maximum of 20% of project funding may be spent on broadband facilities; the rest for AV equipment, inside wiring, computers
- STEM learning and opioid treatment projects receive extra credit
- Need not be a telecom carrier, and no speed requirement
- Program resources: <https://www.rd.usda.gov/programs-services/distance-learning-telemedicine-grants>

Rural Utilities Service Programs

RUS - Infrastructure Loan/Guarantee Program

- Provides loans and loan guarantees for broadband projects
- Applications accepted on a rolling basis throughout the year
- Rural wireless carriers find limited utility in the program due to difficult requirements and low cost of private capital for loans
- Fact Sheet: <https://www.rd.usda.gov/files/fact-sheet/RD-FactSheet-RUSTelecommunicationsLoan.pdf>

Connect America Fund Phase III

- Price Cap Carriers (e.g., AT&T/CTL/FTR/Windstream/Consolidated) receive support through 12/31/20 based on a formula
- Starting 1/1/21, support will be awarded via auction, to be conducted late 2019/early 2020
- Rulemaking to establish required throughput/latency, eligible geographic areas, and length of term expected to commence early 2019
- Any technology that can deliver the performance requirements is eligible to bid to 'take over' subsidy and provide broadband
- To succeed at auction, providers will need to identify target areas, build a plan to serve required number of locations, and assess how much support is needed

State Broadband Funds

- Many states developing broadband programs, or considering legislation or new rules
- We believe the following states currently have active funds of some type:
 - AL, CA, CO, ID, IN, IA, LA, NM, MO, MT, NE, TN, UT, WI
- Key needs for state projects:
 - A project director
 - A good grant writer
 - Financial and technical support to build business plan tailored to the program
 - Someone to work the process at the PUC

State Broadband Funds

Reference document on state legislation/rules:

<http://www.ncsl.org/research/telecommunications-and-information-technology/broadband-statutes.aspx>

END