

INCOMPAS

THE FUTURE OF COMPETITION

**COVID-19 Relief Legislation and
Broadband Funding**
March 30, 2021

OVERVIEW - COVID LEGISLATION AND BROADBAND FUNDING

- I. Omnibus or Consolidated Appropriations Act of 2021
 - NTIA Grant Programs
 - Emergency Broadband Benefit Program (EBB) – FCC
- II. American Rescue Plan
 - Capital Projects Fund – U.S. Treasury
 - Homeowners Assistance Fund – U.S. Treasury
 - State and Local Recovery Funds – U.S. Treasury
 - Emergency Connectivity Fund – FCC
- III. LIFT America Act - U.S. House Infrastructure Bill
 - Accessible, Affordable Internet for All Act introduced in House and Senate

I. OMNIBUS / CONSOLIDATED APPROPRIATIONS ACT OF 2021 (PASSED)

- [Passed by Congress](#) in December 2020 (\$900 billion)
 - **Total of \$7 billion** for broadband funding includes:
 - \$1.9 billion for "rip and replace" efforts to remove Huawei and ZTE equipment from U.S. networks.
 - \$250 million for the FCC's COVID-19 Telehealth Program.
 - \$65 million to improve broadband mapping at FCC.
- The National Telecommunications and Information Administration (NTIA) received funding from the Consolidated Appropriations Act of 2021 for broadband deployment grant programs. The statute tasks NTIA with managing [three funding initiatives](#):
 - **Tribal Broadband Connectivity Grants** (\$1 billion);
 - **Broadband Infrastructure Deployment Grants** (\$300 million);
and
 - **The Connecting Minority Communities Pilot Program** (\$285 million)

RIP AND REPLACE UPDATE

- FCC recently adopted a notice of proposed rulemaking (NPRM) in February 2021. The FCC voted to seek [comment](#) on rules for the rip-and-replacement program, including:
 - Raising the cap on eligibility for participation in the program to providers with 10 million or fewer customers
 - What constitutes acceptable uses of reimbursement program disbursements
 - Eligibility of replacement equipment and services
 - Modifications to the prioritization plans in the event that requests for reimbursement exceed the **\$1.895 billion appropriation**
 - Modifying the scope of equipment and services eligible for reimbursement to allow recipients to use reimbursement funding to remove Huawei or ZTE equipment and services obtained on or before June 30, 2020
 - The funding does not specify a preference for wireless networks or wired networks.
- **Comments are due by April 12, 2021, and reply comments are due by April 26, 2021.**
- In addition, the FCC is seeking comment on a [report](#) it has just issued with preliminary eligible expenses and costs for securing the nation's critical communications network infrastructure.
 - **Comments Due: April 26, 2021**

FCC's COVID-19 Telehealth Program Update

- In December 2020, Congress appropriated an additional \$249.95 million for a second round of funding for the program under the Consolidated Appropriations Act of 2021.
- After collecting [public input](#) on how to improve the program in January 2021, Acting Chairwoman Jessica Rosenworcel recently circulated a [Report and Order](#) that would, if approved by the Commission, launch the second round of the program and do the following:
 - Establish a system for rating applicants, with more attention paid to hardest-hit and low-income areas as well as projects that failed to gain approval in the first round, those in healthcare provider shortage areas and Tribal communities.
 - Ensure “equitable nationwide distribution of funding so that each state, territory, and the District of Columbia will receive funding since the program’s inception.” Last year’s program funded projects in 47 states, Washington DC and Guam but sent no money to Hawaii, Alaska or Montana.
 - Set a deadline for applications, rather than reviewing programs as they are submitted, so that all projects can be reviewed at the same time.
 - Award funding in two phases, so that approved projects can be funded quickly and the rest have an opportunity to provide more information to qualify for the second phase.
- <https://www.fcc.gov/covid-19-telehealth-program>

NTIA PROGRAMS

- **Broadband Connectivity Grants**
 - The Act directs the Department of Commerce's National Telecommunications and Information Administration (NTIA) to manage two new grant programs for broadband infrastructure construction:
 - **Tribal Broadband Connectivity Grants (\$1 billion)**
 - **Broadband Infrastructure Program Grants for State and Local Government Partnerships (\$300 million)**
- **Office of Minority Broadband Initiatives**
 - The Act includes the Connecting Minority Communities Act, establishing within NTIA an Office of Minority Broadband Initiatives.
 - **Connecting Minority Communities Pilot Program (\$285 million)**
- **Office of Internet Connectivity and Growth**
 - Creates a new Office of Internet Connectivity and Growth within NTIA to promote and track broadband growth and federal spending on broadband infrastructure projects that use any federal support.

NTIA's Broadband Connectivity Grants

- **Tribal Broadband Connectivity Grants (\$1 billion):** Grants “To expand access to and adoption of – (A) broadband service on Tribal land; or (B) remote learning, telework, or telehealth resources during the COVID-19 pandemic.”
 - **Who's Eligible-** Tribal governments, Tribal organizations, TCUs, the Department of Hawaiian Home Lands on behalf of the Native Hawaiian Community, and Native Corporations (subgrantees allowed)
 - **What can the grants be used for?** Infrastructure (including submarine cable landing stations), affordability programs, telehealth, distance learning, digital inclusion efforts, broadband adoption activities
- **Broadband Infrastructure Program Grants (\$300 million):** Grants for covered broadband projects, defined as competitively and technologically neutral projects for the deployment of fixed broadband service in a census block with at least one household or business that does not have access to 25/3 Mbps service.
 - **Who's Eligible-** Partnerships between a state, or one or more political subdivisions of a state, and providers of fixed broadband service. ETC designation is not required.
 - **What can the grants be used for?** Infrastructure

NTIA PROGRAMS (CONT.)

NTIA's Office of Minority Broadband Initiatives

- **Connecting Minority Communities Pilot Program (\$285 million):** Grants to eligible recipients in anchor communities for the purchase of broadband internet access service or any eligible equipment, or to hire and train information technology personnel.
 - **Who's Eligible-** Historically Black and Tribal colleges and universities, Minority-serving institutions, and minority business enterprises and nonprofits.
 - **What can the grants be used for?** Devices, service, adoption/digital literacy, hiring/training technology personnel (not infrastructure)

NTIA Application Timelines - NTIA is working on a notice of funding opportunity for each program, which will open up the application window. They are targeting publishing these in spring of 2021, and then to begin accepting applications in the summer of 2021.

- Please check NTIA's website at <https://broadbandusa.ntia.doc.gov/> for updates on the application timeline as they become available.

EMERGENCY BROADBAND BENEFIT

Emergency Broadband Benefit Program

- Establishes a temporary \$3.2 billion Emergency Broadband Benefit (“EBB”) program that will reimburse participating providers up to \$50 per month (\$75 in tribal areas) for providing discounted broadband service to an eligible household.
 - <https://www.fcc.gov/broadbandbenefit>
- Managed by the FCC and USAC
- The Emergency Broadband Benefit (“EBB”) will provide a discount of up to \$50 per month towards broadband service for eligible households and up to \$75 per month for households on Tribal lands. Eligible households can also receive a one-time discount of up to \$100 to purchase a laptop, desktop computer, or tablet from participating providers if they contribute \$10-\$50 toward the purchase price.
- The Emergency Broadband Benefit is limited to one monthly service discount and one device discount per household.

Consumers Eligible for the EBB

- A household is eligible if one member of the household:
 - Qualifies for the [Lifeline](#) program;
 - Receives benefits under the free and reduced-price school lunch program or the school breakfast program, including through the USDA Community Eligibility Provision, or did so in the 2019-2020 school year;
 - Received a Federal Pell Grant during the current award year;
 - Experienced a substantial loss of income since February 29, 2020 and the household had a total income in 2020 below \$99,000 for single filers and \$198,000 for joint filers; or
 - Meets the eligibility criteria for a participating providers' existing low-income or COVID-19 program.

EBB Providers

- The program is open to all residential broadband providers, not just those currently offering Lifeline services.
- Providers do not need to be an ETC, but must obtain FCC approval to participate.
- Participating providers will receive reimbursement from the program for delivering qualifying broadband services or devices to eligible households.

EBB Provider Timeline

- Non-ETC Provider Application & Alternative Eligibility Verification Process Portal Opens on **March 8, 2021 with a deadline of March 22, 2021** (to be filed with WCB)
- Provider Election Notice Inbox Opens – **March 11, 2021** (to be filed with USAC)
- Following the close of the priority application window, the Bureau and USAC will announce a uniform start date on which providers can begin to enroll subscribers that will allow for processing of applications and elections. Providers are expected to update their systems and enrollment processes during this time, while USAC will simultaneously modify existing Lifeline processes to accommodate the EBB.

II. AMERICAN RESCUE PLAN (PASSED)

- [American Rescue Plan Act](#) signed into law by President Biden on March 11, 2021 (\$1.9 trillion)
- **Broadband Related Funds**
 - **Capital Projects Fund (\$10 billion)*** – U.S. Treasury
 - **Homeowners Assistance Fund (\$10 billion)** – U.S. Treasury
 - **State and Local Fiscal Recovery Fund (\$350 billion)***
 - U.S. Treasury
 - **Emergency Connectivity Fund (\$7.17 billion)** – FCC

***Must Spend Funds by Dec. 31, 2024**

Capital Projects Fund (\$10 billion)

- The U.S. Treasury Department to provide \$10 billion for states, territories, and Tribes to cover the costs of capital projects including broadband infrastructure that are directly enabling work, education, and health monitoring, including remote options, in response to the pandemic.
 - The Capital Projects Fund takes critical steps to addressing the challenges faced by the pandemic, especially in rural America and low- and moderate-income communities, helping to ensure that all communities have access to the high-quality, modern infrastructure needed to thrive, including internet access.
 - Payments will be:
 - \$100 million to each state, \$100 million to Puerto Rico, \$100 million to the District of Columbia, \$100 million in equal shares to the Virgin Islands, Guam, American Samoa, Northern Mariana Islands, Marshall Islands, Federated States of Micronesia, and Republic of Palau, and \$100 million to Tribal governments and Hawaii (in addition to the previous allocation as a state) with half allocated to each.
 - The remaining amounts will be made by the Secretary of the Treasury to the states based on population (50%), rural population (25%), and low-income population (25%).
 - Awaiting Treasury Guidance to be released within 60 days of Act's passage.¹³

Homeowners Assistance Fund (\$10 billion)

- Includes \$9.961 billion for a new Homeowners Assistance Fund at the U.S. Treasury Department.
- Treasury will make grants to states to administer programs assisting homeowners with mortgage payments; financial assistance to reinstate a mortgage related to a period of forbearance, delinquency, or default; principal reduction; interest rate reductions; utilities and **internet service**; homeowners insurance, flood insurance, and mortgage insurance; and other assistance to promote housing stability for homeowners.
 - As defined, the fund can be used for “internet service, **including broadband internet access service.**”
- States must use at least 60% of their grants to assist homeowners earning no more than 100% of the greater of area median income or nationwide median income. With the remaining funds, states must prioritize socially or economically disadvantaged individuals as defined by the Small Business Act.
- Funding is available until September 30, 2025.

State and Local Fiscal Recovery Fund (\$350 billion)

- The new law provides **\$219.8 billion to states, territories and Tribal entities** for fiscal year 2021 and will remain available until December 31, 2024.
- Funds can be used for local economic recovery purposes, including assistance to households, small businesses and nonprofits, assistance to hard-hit industries like tourism, travel, and hospitality, and water, sewer, and **broadband infrastructure investment**. No money is earmarked specifically for broadband.
- Here's how the funds are to be allocated:
 - \$195.3 billion for payments to the 50 states and the District of Columbia. \$25.5 billion will be allocated equally among the 50 states and the District of Columbia.
 - \$20 billion toward payments to Tribal governments. \$1 billion will be allocated equally across Tribal governments and \$19 billion will be allocated in an amount determined by the Secretary of the Treasury.
 - \$4.5 billion for payments to Territories. Half will be dispersed equally and the other half will be allocated as an additional amount in proportion to the relative population a territory covers compared to the overall population of all territories.
- Similar to the state fund, the new law provides **\$130.2 billion to local governments and counties** for fiscal year 2021 and will remain available until December 31, 2024.

Emergency Connectivity Fund

(\$7.17 billion)

- The Emergency Connectivity Fund is managed by the FCC and USAC and provides reimbursement support for the purchase during the COVID-19 emergency of “eligible equipment or advanced telecommunications or information services (or both)” to provide:
 - For E-rate eligible schools, for use by schools, students and staff outside the school building; and
 - For E-rate-eligible libraries, for use by patrons outside the library location.
- Eligible equipment includes: Wi-Fi hotspots, modems, routers, devices combining a modem and router, and connected devices. A connected device is defined as a “laptop computer, tablet computer or similar end-user device that is capable of connecting to advanced telecommunications and information services.”
- The FCC may set an upper limit on the amount of reimbursement for broadband service and devices, but Congress envisions both being offered to students and library patrons at no cost.

Emergency Connectivity Fund (Cont.)

- COVID-19 emergency period is defined as beginning on January 27, 2020, and ending on June 30 one year after the Secretary of Health and Human Services determines that a public health emergency no longer exists.
- E-rate providers are eligible, and FCC is seeking comment on whether new competitive bidding should be required.
- FCC proposes to restrict new network builds.
- FCC Public Notice comments due **April 5, 2021**, and FCC will promulgate rules within 60 days of enactment of the provision.

III. LIFT AMERICA ACT - INTERNET FOR ALL

(PENDING)

As part of the House Democrats Infrastructure Bill, [LIFT America Act](#), House Majority Whip James Clyburn (D-SC) and Sen. Amy Klobuchar (D-MN) reintroduced on March 11, 2021 the [Accessible, Affordable Internet for All Act](#):

- The legislation **authorizes over \$94 billion to ensure unserved and underserved communities have affordable high-speed internet access.**
- Specifically, the bill calls for:
 - \$80 billion to deploy secure and resilient broadband infrastructure for communities nationwide.
 - \$15 billion in grants for the deployment and implementation of Next Generation 9-1-1 services across the country to protect American lives through more accessible, interoperable, effective, and resilient 9-1-1 services that allow callers to send text messages, images, or videos to 9-1-1 in times of emergency.
 - \$5 billion over five years for low-interest financing of broadband deployment.
 - \$6 billion in additional funds for the FCC's Emergency Broadband Benefit Program.
 - \$1 billion to establish two new grant programs which will help Americans build digital skills.
 - \$2 billion more for the Emergency Connectivity Fund created by the American Rescue Plan.

Legislative Process

- LIFT America Act has received a hearing in the House.
- Some Senate Dems have clearly signaled infrastructure bill must be bipartisan.
- Biden Administration sending signals that may not be the case.
- Expect Spring/Summer push for infrastructure bill.
- INCOMPAS working with members to obtain additional funding opportunities and streamlined processes.

QUESTIONS

If any questions, please contact
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