

EXECUTIVE SUMMARY

State Broadband Program Analysis

Prepared for the Wireless Infrastructure
Association

December 8, 2021

Executive Summary

On March 11, 2021, President Joe Biden signed the American Rescue Plan Act into law. The Act provides for \$350 billion in State and Local Fiscal Recovery Funds, including \$10 billion in Capital Projects Fund state block grants, with a small state minimum amount of \$100 million. Administered by the Department of Treasury, grants for eligible infrastructure projects, including broadband projects are awarded to states and localities applying under the program.

On November 15, 2021, the President signed the Infrastructure Investment and Jobs Act into law. The Law provides \$65 billion in broadband funding, including a \$100 million minimum for small states. Administered by the U.S. Department of Commerce and the National Telecommunications and Information Administration (NTIA), state agencies apply for funding under the program to fund eligible broadband projects. Tilson expects that the NTIA will issue a Notice of Funding Opportunity (NOFO) guidance directed to the states in March of 2022.

In addition to the above-mentioned federal programs, the USDA, FCC, and NTIA have and continue to fund legacy incentive programs for broadband infrastructure, in most cases awarding such grants directly to service providers.

With federal funding from the American Rescue Plan Act (ARPA) and the 2021 Infrastructure Investment and Jobs Act (IIJA), funds for the development of broadband infrastructure will be continuing to flow to the states with regard to funding broadband infrastructure. Typically, once these programs are signed into law, this process consists of numerous steps.

The process from the passage of federal acts creating these funding sources to the creation and awarding of grants as part of state broadband programs has a number of intermediary steps, typically beginning with the administering federal agency's publication of a Notice of Funding Opportunity (NOFO) and continuing as follows:

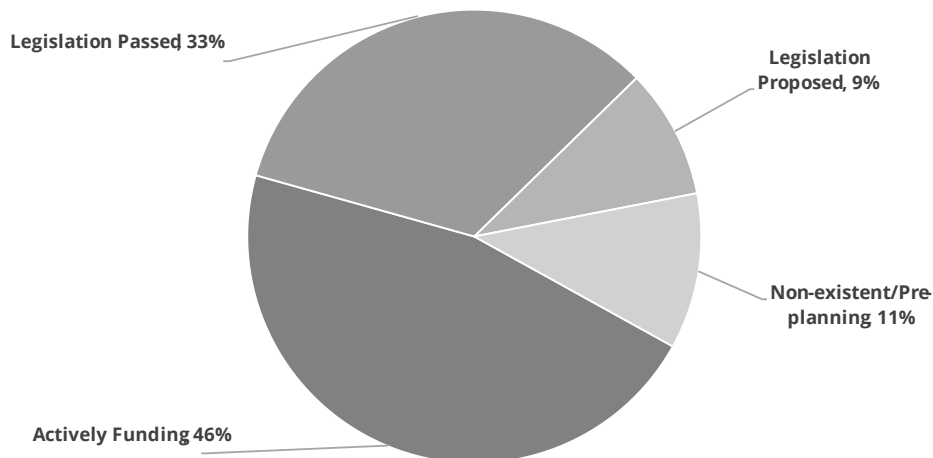
- The Notice of Funding Opportunity (NOFO) is published by the Federal Agency charged with administering the program (e.g. NTIA, US Treasury Dept.)
- The NOFO will contain requirements for state applicants (Application Documents, Project Plans)
- The States enact enabling legislation outlining the program (must pass both houses and be signed by the Governor in most states)
- A lead state agency is established by the state legislature or appointed by the governor
- The agency is assigned to an existing agency, e.g. Economic Development Dept., Public Utility Commission, or created as an independent council
- A Board is appointed, as well as an Executive Director
- Staff is hired
- A rulemaking process makes the Statute operational and provides rules
- Program Designs are created
- The State Agency publishes Requests for Proposals/Applications
- Application Reviews
- Grants awarded

With regard to the ARPA and IIJA, States are the Applicants for funding, though this process is non-competitive. Some sources, like the Infrastructure Investment and Jobs Act, require state agencies to disburse funds competitively, such as in a reverse auction. While ARPA and other funds can be disbursed to municipalities and public-private partnerships, States must demonstrate that projects support unserved and underserved areas.

ARPA and the IIJA have minimum broadband speed requirements for projects to be eligible. ARPA requires a minimum service level of 100/100 Mbps, unless certain geographic reasons make this impracticable. In this case, the minimum service level is 100/20 Mbps, but the infrastructure must be scalable to 100/100 Mbps. IIJA requires minimum service levels of 100/20 Mbps.

Broadband Program Status

STATE/TERRITORY BROADBAND PROGRAMS

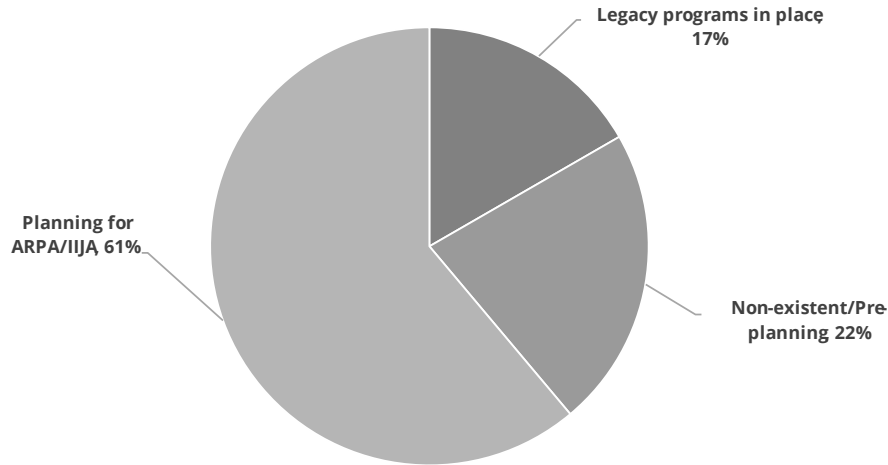


Of the 54 states, districts, and territories researched, Tilson found that only a handful (6 out of 54) of these locations were in a phase of broadband program development that could be categorized as “pre-planning,” with no proposed or passed legislation (ARPA/IIJA-related or legacy state programs) to create broadband grant programs. Regarding readiness for ARPA and IIJA federal funding programs, an additional 6 out of 54 jurisdictions have no evidence of proposed or passed legislation or planning for ARPA/IIJA funding.

Five out of 54 jurisdictions have proposed but not yet passed legislation for broadband programs, either relating to federal funding or state funding opportunities.

Eighteen out of 54 jurisdictions have passed some broadband program legislation at some point, either for their own state-funded (legacy) programs, or earlier/ongoing federal broadband grant programs.

FEDERAL FUNDING READINESS

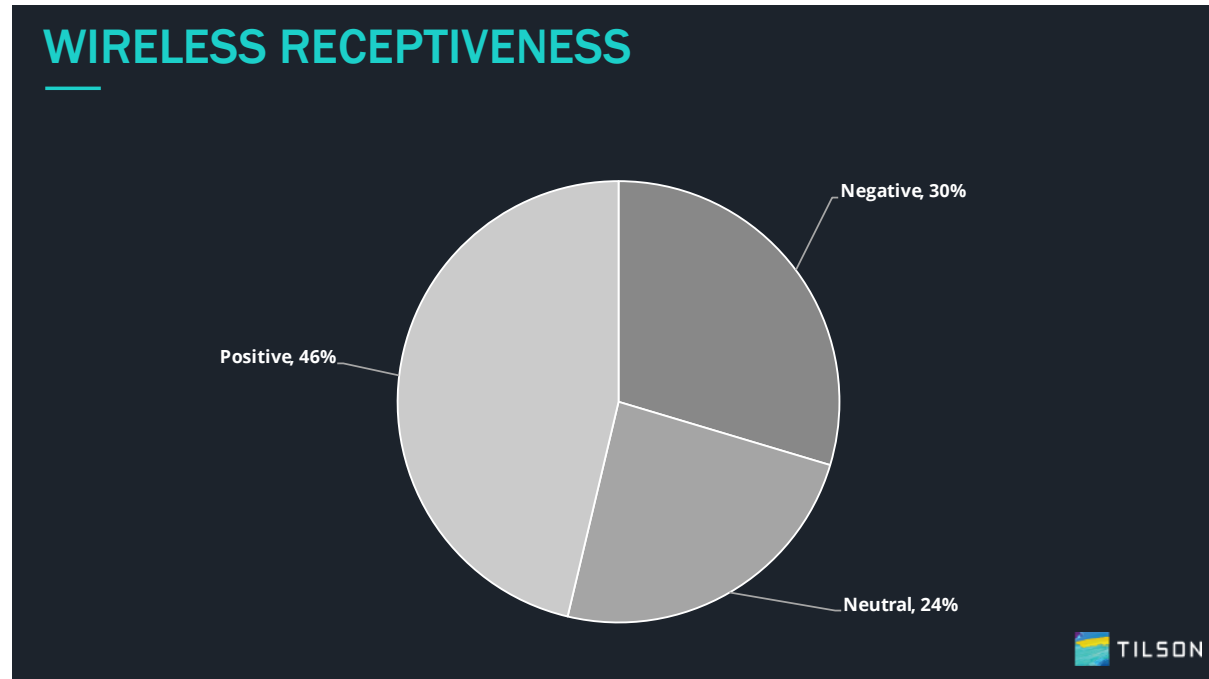


The largest number of jurisdictions (25 out of 54) surveyed are actively funding and awarding grants either for ongoing legacy programs or current or upcoming federal programs.

Given the lack of currently proposed or enacted legislation to implement IIJA directly, many jurisdictions are expected to propose and enact legislation in the coming months in anticipation of and in response to forthcoming Commerce/NTIA rules.

Wireless Receptiveness

Tilson sought to identify the relative receptiveness to funding wireless broadband projects of each state, district, and territory examined in this report. To assess each location's wireless receptiveness, Tilson reviewed passed and proposed legislature, ongoing and legacy broadband funding programs, and state broadband plans to look for evidence of technological biases. Inclinations towards new and existing infrastructure, definitions of unserved and underserved areas, and minimum broadband speed requirements for funding programs all contributed to Tilson's assessment of each location's receptiveness to wireless.



Tilson found that forty-six percent of the jurisdictions reviewed in this report seem to have a favorable view of wireless broadband when it comes to implementing policies or funding program eligibility. Twenty-four percent of jurisdictions seem to have a neutral attitude toward wireless broadband, with no program rules that exclude wireless from funding programs but no policies that support wireless deployment either. Thirty percent of jurisdictions appear to have technology biases that favor wireline broadband projects for funding or have other policies that present challenges for wireless broadband projects.

Approach

Tilson’s objective was to provide information regarding the current level of development of state-level broadband programs and their potential receptiveness to the Wireless Infrastructure Association’s (WIA) policy interests as these jurisdictions seek to distribute federal funds. In addition, Tilson sought to identify and provide insight into any state program biases and underlying statutes and rules pertaining to the technology used to deliver grant-eligible broadband services. As an additional component of this research, Tilson’s task was to identify some key broadband contacts within each jurisdiction surveyed.

To undertake this project, Tilson reviewed the current and recent history of State broadband programs and current and proposed legislation through a review of each state broadband office website, the National Conference of State Legislatures (NCSL) website, and legislative websites of each state, as well as select U.S. Territories. Tilson examined recently enacted as well as pending and proposed legislation in each jurisdiction relevant to broadband infrastructure and the parameters of past and current state broadband programs, and potential future adjustments to broadband programs and law in these jurisdictions.

The following pages provide an assessment of each locations broadband funding program status, as well as their relative receptiveness to wireless broadband development.