



**EMPLOYMENT AND
ECONOMIC DEVELOPMENT**

DEED Office of Broadband Development

AMC Transportation and Infrastructure Policy Committee

December 6, 2021

An Update on Broadband Including ARPA and IJA



Federal Funding Opportunities

USDA Recurring Programs (existed pre-Covid)

- USDA Community Connect

- *App window closed 12/23/20; next window not announced*
- *Prior awards to Fond du Lac Band of Ojibwe/NESC (Carlton and St. Louis Counties); CTC (Todd County) and MLEC (Aitkin County)*

- USDA ReConnect

- *Round 3 application window 11/24/21-2/22/22; \$1.15B for grants, grant/loans and loans.*
- *ReConnect receives \$2B in Infrastructure Investment and Jobs Act for future round*
- *Prior awards to CTC in Morrison County, CTC in St. Louis County, and Harmony Tel in Fillmore County*

Federal Funding Opportunities

Consolidated Appropriations Act (passed December 2020):

- **NTIA Broadband Expansion to Underserved Communities (\$288M)**
 - *Applications were due August 17; \$2.5B in requests*
 - *Awards should be announced soon—about 5 applications from Minnesota*
- **NTIA Tribal Connectivity (\$1B)**
 - *Applications were due September 1; \$5B in requests*
 - *NTIA announced first few awards, rolling announcements*
 - *At least 3 tribal applications from Minnesota*
- **FCC Emergency Broadband Benefit (\$3.2B)**
 - *\$50 monthly benefit (credit on bill; funding goes to provider) to eligible households*
 - *Replaced with Affordable Connectivity Program and \$30/monthly benefit; transition starts after December 31, 2021*

Federal Funding Opportunities

American Rescue Plan Act or ARPA (passed March 2021)

- State and Local Fiscal Recovery Funds
 - Broadband is an allowed use
 - Some local governments are funding broadband projects with ARPA Local Fiscal Recovery Funds **Please have provider let us know where so we can include on the maps**
 - ARPA State Fiscal Recovery Funds: to-date none allocated for broadband in MN but ~\$1.1B (of \$2.83B allocation) unspent and to be discussed in 2022 session

Federal Funding Opportunities-cont.

American Rescue Plan Act or ARPA (passed March 2021)

- Sec. 604 Capital Projects Fund
 - Minnesota's allocation of the \$10B is \$180,702,620 — includes the \$70M for the Border-to-Border (B2B) grant program. (Each state awarded at least \$100M with additional amount based on total population, low-income population and rural population)
 - Administered by Treasury -- guidance issued Sept. 20
 - States apply for their allocation, sign grant agreement with Treasury, file Grant Plan and Program Plan(s) for Treasury approval—then we can open the next B2B grant round
 - Treasury guidance identified allowed uses: 1. Infrastructure; 2. Digital Connectivity Technology Projects; 3. Multi-purpose Community Facility Projects; and 4. Case by Case

Latest Federal Funding Opportunity: Infrastructure Investment and Jobs Act (IIJA)

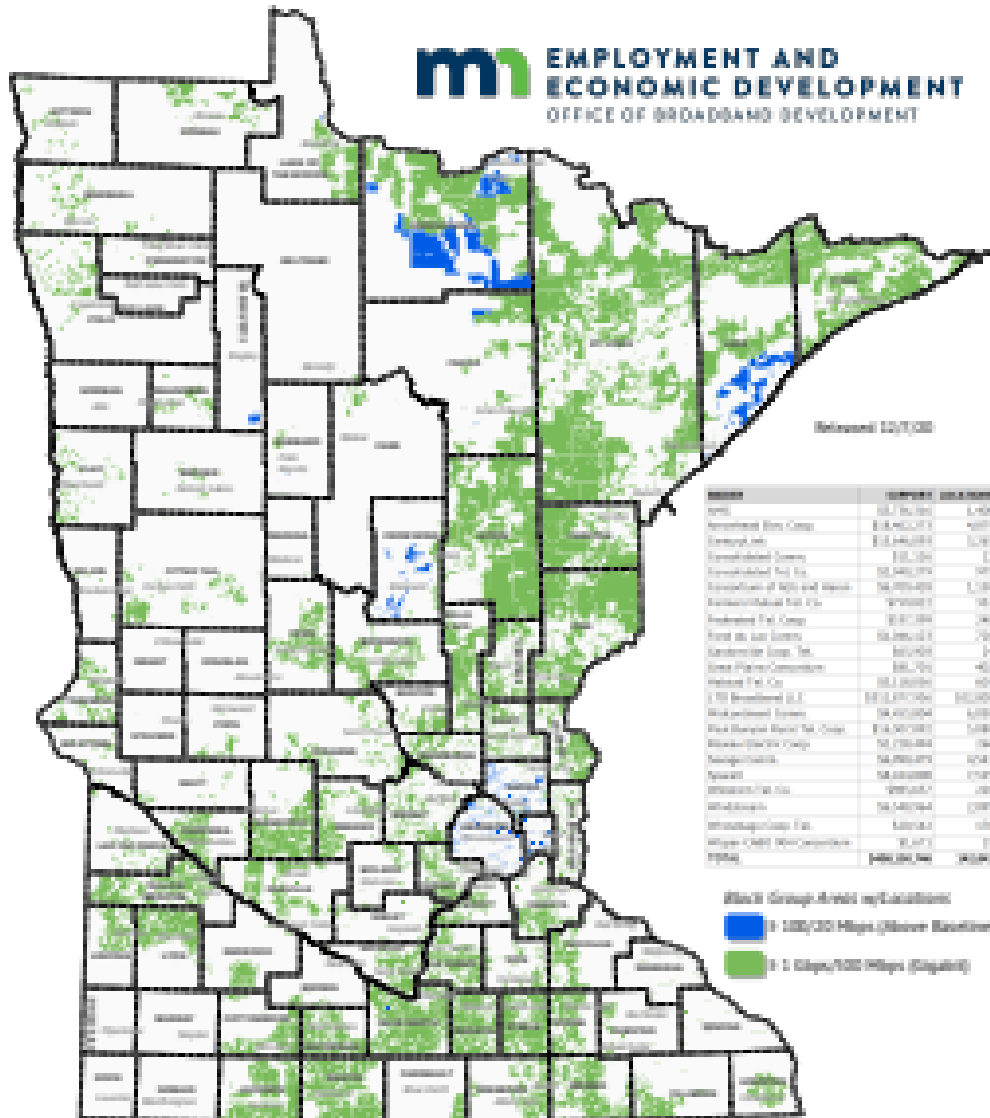
- Signed by President Nov. 15
- \$65B for Broadband
 - \$42.5B for Broadband Equity, Access and Deployment (BEAD) Act--administered by NTIA, grants to states, base amount of \$100M per state and an additional amount based on # of unserved locations (lack 25Mbps/3Mbps). Allocation relies on new FCC broadband maps still under development.
 - \$14.2B for Affordable Connectivity Benefit Program, administered by FCC, \$30/month benefit, replaces EBB
 - \$2.75B for the Digital Equity Act—with \$1.5B for state digital equity grants after filing state plan with NTIA and \$1.25B for digital equity grants awarded directly by NTIA
 - \$2B for USDA -- \$1.926 for the ReConnect program (broadband infrastructure grants, grant/loans and loans) and \$74M for the USDA broadband loan program
 - \$2B for Tribal broadband connectivity programs; administered by NTIA
 - \$1B for middle mile infrastructure grants; administered by NTIA
 - \$600M for tax exempt Private Activity Bonds (PABs)

Rural Digital Opportunity Fund (RDOF)

- Funding for broadband deployment-- administered by the FCC
- Continuation of Universal Service Funding for broadband begun in FCC's 2011 Order to reform USF and intercarrier compensation—so funded by telephone ratepayers
- Replaces the Connect America Fund II which provided funding 2015-2021
- RDOF I generally provides support for fully unserved census blocks in price cap carrier (CenturyLink, Frontier, Windstream, Consolidated Holdings) historic serving areas
- RDOF II (not yet announced) will provide support for partially served census blocks and eligible areas not funded in RDOF I – if still needed
- Reverse auction—up to \$16B was available in RDOF I, bidding closed Dec. 2020 at \$9.23B. About \$400M in MN.

RURAL DIGITAL OPPORTUNITY FUND

Auction 904 - Phase 1 Winning Bid Areas



© Copyright 2020, State of Minnesota, St. Paul, MN
<https://www.fcc.gov/reports-research/maps/ndia/phase-1-dec-2020>

Bidder	Support	Locations
AMG	\$3,736,316	1,408
Arrowhead Elec. Coop.	\$18,462,273	4,879
CenturyLink	\$15,646,093	3,265
Consolidated Comm.	\$11,126	12
Consolidated Tel. Co. (CTC)	\$2,040,279	979
Consortium of AEG and Heron	\$6,709,428	1,150
Farmers Mutual Tel. Co.	\$759,822	332
Federated Tel. Coop.	\$537,399	248
Fond du Lac Comm.	\$1,046,123	728
Gardenville Coop. Tel.	\$63,903	24
Great Plains Consortium	\$81,701	402
Halstad Tel. Co./Garden Valley	\$3,118,056	603
LTD Broadband LLC	\$311,877,936	102,005
Midcontinent Comm.	\$4,453,804	6,058
Paul Bunyan Rural Tel. Coop.	\$16,307,892	5,088
Roseau Electric Coop.	\$1,228,494	266
Savage Comm. (SCI)	\$6,090,479	4,541
SpaceX	\$8,424,808	7,529
Wikstrom Tel. Co.	\$983,637	228
Windstream	\$6,548,964	2,899
Winnebago Coop. Tel.	\$20,542	178
Wisper-CABO 904 Consortium	\$1,671	19

Green=Long Form Approved

Pink=Default



Can the new federal funding be used in areas with an RDOF auction winner?

- Treasury Guidance for ARPA Capital Projects Funds issued 9/20/21 stated: “To the extent Recipients are considering deploying broadband to locations where there are existing enforceable federal or state funding commitments for reliable wireline service at speeds of at least 100Mbps of download speed and 20Mbps of upload speed, the Recipient should ensure that the Capital Projects Fund grant funding will not be used for costs that will be reimbursed by the other federal or state funding stream(s). That is, Capital Projects Fund grant funding must be used only for complementary purposes.”
- **Is a preliminary Rural Digital Opportunity Fund (RDOF) award an existing enforceable federal funding commitment or is the existing enforceable federal funding commitment what occurs after the FCC approves the long form application and authorizes Universal Service Administration Corporation (USAC) to obligate and disburse the funding to the RDOF awardee?**
- *Please contact the Federal Communications Commission to determine when Rural Digital Opportunity Funds become an enforceable federal funding commitment.* The Recipient should ensure that the Capital Projects Fund grant funding in locations where there is an existing enforceable funding commitment will not be used for costs that will be reimbursed by the other federal or state funding stream(s). Capital Projects Fund grant funds must be used only for complementary purposes.

Hopefully the FCC can process the remaining RDOF auction winners’ paperwork and provide more certainty that the areas will get built or be eligible for funding from Capital Projects Fund; Local Fiscal Recovery Funds; or Broadband Equity, Access & Deployment Act

Questions?

- Visit OBD's website: [Office of Broadband Development / Minnesota Department of Employment and Economic Development \(mn.gov\)](https://www.mn.gov/office-of-broadband-development)
 - Sign up for email updates on grant program on "Contact Us" page of website
 - Review maps and data; watch recorded webinar on using the interactive map
 - See past projects funded
 - Locate additional federal resources
- Contact us at deed.broadband@state.mn.us or 651/259-7610

Thank you!