

Broadband

The American Rescue
Plan Act & Arkansas

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Overview

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What is Broadband?

- Commonly used as a term of art
- In short, “broadband” refers to high speed internet access – as opposed to the old dial-up connection
 - The method/speed in which data is transmitted from one point to another
- Many different forms:
 - Fiber Optic – carries lots of data using pulses of light through strands of fiber
 - Wireless – transmits data by use of radio signals
 - DSL – transmits data over traditional copper phone lines
 - Cable – transmits data over the same coaxial cables that your TV set uses
 - Satellite – transmits data via satellite

Broadband is a Utility

- Just like electricity, water, and sewer
- In fact, it is becoming more and more a public utility
- Just as we have municipalities with water systems providing clean water door to door, so too do we have some cities providing broadband door to door
- IT IS NOT SOMETHING TO BE AFRAID OF

Recent History (Prior to 2019)

- Prior to 2019, municipalities did not have a lot of options when it came to providing broadband
 - You were either a power city and thus allowed under the law under A.C.A. § 23-17-409 (2011) to provide voice, data, broadband, video, or wireless telecommunication services
 - OR
 - You were left to wait for an incumbent Internet Service Provider to come in and serve your area.

2019 Legislation

- Act 198 of 2019 – Senator Breanne Davis and the Republican Women’s Legislative Caucus
- Allowed a government entity, on its own or in partnership with a private entity, apply for funding via grant or loan, **and if** funding was awarded, then provide voice, data, broadband, video, or wireless telecommunications services to the public in unserved areas.
- First big jump into local governments working on broadband projects

Arkansas Rural Connect Program

August 6th, 2019, Governor Hutchinson announced the Arkansas Rural Connect Program, a grant program designed to help local communities with critical funding necessary to get connected.

- Cities and/or counties partnering with ISPs to serve the area with 25/3 speeds
- Eligible Area
 - Single community with population of at least 500 or multiple communities with a combined population of at least 500
 - Communities with no more than 80% of the total population currently served with broadband by an ISP that offers at a minimum 25/3 to its subscribers

2021 Legislation

- Act 67 of 2021
 - Senator Ricky Hill, Senator Breanne Davis, Senator Missy Irvin, Representative Brian Evans and Representative DeAnn Vaught
- Now allows government entities to acquire, construct, furnish, equip, own, operate, sell, lease, rent, and contract for voice, data, broadband, video, or wireless telecommunications services.
- However, if we have to issue bonds, then we are required to partner, contract, or otherwise affiliate with an entity that is experienced in the operation of the facilities to be acquired or constructed.
- Another huge step, now we don't have to wait until we are awarded funding.

“TO MAKE
NECESSARY
INVESTMENTS IN
WATER, SEWER,
OR BROADBAND
INFRASTRUCTURE”

American Rescue Plan

Eligible Use: Broadband Projects

- ❖ Eligible Projects expected to be designed to deliver 100/100
 - ❖ This is pretty important as it implies Fiber Optic
- ❖ If impracticable, projects must reliably deliver at least 100/20
 - ❖ Geography , topography, or excessive costs
 - ❖ BUT, must be scalable to 100/100
- ❖ Projects must also be designed to serve unserved or underserved (those that are not currently served by a wireline connection that reliably delivers 25/3).

“to make necessary investments in water, sewer, or broadband infrastructure.”

Expect Changes

Remember, we are still looking at the guidance from the Interim Final Rule

The Final Rule will not be completed and released until sometime late July or August

Things will likely change... but, probably for the better

Side Bar

Just because the Federal Government gave us money with not many restrictions on its use for broadband, does not mean we can simply bypass state law.

This not only includes Act 198 and Act 67 I touched on earlier, but also PROCUREMENT LAWS.



Treasury FAQs

FAQ – 6.2

Q: May construction on eligible water, sewer, or broadband infrastructure projects continue past December 31, 2024, assuming funds have been obligated prior to that date?

A: **YES.** Costs must be incurred by December 31, 2024, but performance will run until December 31, 2026.

FAQ – 6.5

Q: What types of broadband projects are eligible?

A: Eligible projects must reliably deliver minimum speeds of 100/100. If impractical due to geography, topography, or financial costs, then projects must reliably deliver 100/20 **and** be scalable to 100/100

- Projects must also be designed to serve unserved or underserved households and businesses, defined as those that are not currently served by wireline connection that reliably delivers 25/3

FAQ – 6.8 & 6.9

Q: What does the requirement that infrastructure be designed to provide service to unserved or underserved households and business mean? (6.8)

A: Prioritize deployment of broadband infrastructure that will bring service to households or businesses not currently serviced by wireline connection that delivers 25/3

However, this does not mean that you can only service unserved or underserved households or businesses. You can encompass unserved and underserved areas within a much larger project footprint. (6.9)

FAQ – 6.12

Q: May recipients use Funds for pre-project development for eligible broadband projects?

A: **YES.** Pre-project development uses and costs for broadband projects should be tied to an eligible broadband project or reasonably expected to lead to such a project.

For example, pre-project costs associated with planning and engineering for an eligible broadband infrastructure build-out is considered an eligible use of funds, as well as technical assistance and evaluations that would reasonably be expected to lead to commencement of an eligible project.

Tying it all Together

Broadband is a utility – it has become necessary for day to day activities for schools, businesses, work, and households.

You have more tools than ever before to bring broadband to your community

- Recent legislation has made it possible for cities to get into the broadband business – either solo or in partnership
- The federal government has given you a once in a lifetime opportunity with all of the federal funds flowing to municipalities and counties

This does not mean you have to do all of this on your own.

- Explore partnerships with neighboring cities and the county
 - You may have a “power” city that already has broadband infrastructure established and is willing to expand to your area
 - You may partner with other cities & towns in your area or the county to utilize all of the funds available to bring broadband to the entire county
- Use these funds as an investment to get ISPs to bring fiber into your community

Project Ideas

Outside of the municipalities who run their own broadband infrastructure, we do not know a whole lot about projects currently in the works

- Please let us know about them so we can help other cities

Reach out to cities who run their own broadband

- Trust me, they are willing to help any way they can, whether you want to try doing this on your own or just to give you pointers on what to do

Talk to a potential partner

- I am sure there are many ISPs that don't know about the funds available
- Reach out to them to discuss partnering on projects

You have time

Recall, you have over 3 years to obligate the funds for a broadband project and over 5 years to have the project completed. So, you do not have to rush this.

However, every state, county, and municipality in the country can use their funds on broadband investments. So, materials may be in high demand.

Farm Bureau is coordinating an Arkansas Connectivity Summit in September to bring stakeholders together to continue the discussion on expanding broadband connectivity.

We are contemplating having a broadband seminar for municipalities interested in doing broadband projects in order to discuss ideas. We'll likely invite municipalities who are already providing broadband to help guide us.

Eligible Uses

- 1. Public Health/Negative Economic Impact**
- 2. Premium Pay**
- 3. Lost Revenue (Government Services)**
- 4. Water, Sewer, and Broadband Projects**

Cost Principals

UGG 2 CFR § 200 Subpart E

REQUIRES THAT COSTS BE:

- Necessary to the performance of a project
- Reasonable
- Allowable
- Allocable to the project, and
- Consistently/Uniformly treated



Thank You For All You Do.
