

Bond Case Briefs

Municipal Finance Law Since 1971

More Broadband Projects Eligible for Funding Under New ARPA Rules.

The U.S. Treasury Department revised its rules specifying how states can use federal funding provided by the American Rescue Plan Act (ARPA), enabling a broader range of broadband projects to receive support.

The agency originally specified that funding could only be used to provide coverage to un- and underserved locations which lack access to a wireline connection offering speeds of 25 Mbps downstream and 3 Mbps upstream. Its preliminary rules, which were issued in May 2021, also encouraged states to prioritize fiber projects, the inclusion of affordable service options and support for local networks owned and operated by local governments, non-profits and cooperatives.

A set of final [rules](#) issued late last week includes two key changes: one provides more flexibility in what areas are eligible for support and the other is designed to ensure consumers can actually afford to use the broadband networks built with ARPA funding.

During a public comment period, stakeholders argued the original 25/3 Mbps service standard was too restrictive and said states should be allowed to fund projects in areas which are technically served but require investment to address issues around broadband quality, reliability and affordability.

So, in its final rules the Treasury Department said it will drop the speed restriction and allow states to fund projects in areas where they have identified a need for additional broadband investment. "Examples of need include lack of access to a connection that reliably meets or exceeds symmetrical 100 Mbps download and upload speeds, lack of affordable access to broadband service, or lack of reliable broadband," the rules state.

States are now encouraged to prioritize projects that provide service to locations which lack access to a wireline connection offering speeds of at least 100 Mbps downstream and 20 Mbps upstream.

The Treasury Department also moved to address affordability by requiring funding recipients to either participate in the Federal Communications Commission's Affordable Connectivity subsidy program or otherwise provide an affordability program for low-income consumers.

"The final rule requires recipients to address the affordability needs of low-income consumers in accessing broadband networks funded by SLFRF, given that such a project cannot be considered a necessary investment in broadband infrastructure if it is not affordable to the population the project would serve," the rules note.

Treasury's final rules continue to encourage the use of fiber technology where available and maintain a requirement that funded projects be designed to deliver symmetrical speeds of 100 Mbps (or else 100/20 Mbps in areas where the former isn't feasible). They also continue to encourage support for local networks owned and operated by local governments, non-profits and cooperatives.

The final rules will take effect on April 1, 2022.

fiercetelecom.com

by Diana Goovaerts

Jan 10, 2022

Copyright © 2024 Bond Case Briefs | bondcasebriefs.com