

American Recovery & Reinvestment Act of 2009 (H.R. 1)

Broadband Infrastructure

President Obama signed the American Recovery & Reinvestment Act of 2009 (ARRA) on February 17 (P.L. 111-005). ARRA allocates a total of \$787.2 billion to states and federal agencies through a variety of spending and revenue measures, which are designed to stimulate the economy. Approximately \$7.2 billion of this total is targeted for investments in broadband infrastructure. The following provides an outline of broadband infrastructure funds in ARRA, including a description of the programs, potential recipients of funds, and how interested parties may pursue funding allocated in the Act.

Department of Commerce

National Telecommunications and Information Administration – Broadband Technology Opportunities Program: \$4.7 billion

The National Telecommunications and Information Administration (NTIA) will distribute funds to states, community colleges, and institutions of higher education through competitive grants. A minimum of \$200 million must be used for public computer centers, including those at community colleges and public libraries. A minimum of \$250 million must be used for competitive grants for innovative programs to encourage sustainable development of broadband programs. The U.S. Secretary of Commerce may also distribute any amount of these funds at his discretion to the Federal Communications Commission for the purpose of implementing a national broadband plan.

Potential Recipients: States, cities, and counties; private entities may also partner with a public government to receive funds.

How to Secure Funds: Interested parties should apply for grant funding through the solicitations issued by NTIA at the Department of Commerce.

Department of Agriculture

Rural Utilities Service – Distance Learning, Telemedicine, and Broadband Program: \$2.5 billion

The Rural Utilities Service (RUS) will distribute funds to states through competitive grants. At least 75% of an area to be served by a project must be in a rural area with insufficient broadband access. Priority will be given to projects that provide broadband capability to the highest proportion of rural residents who do not currently have broadband service, deliver more than one service provider to users, and can be fully completed with the funds provided. It is also important to note that if an entity receives funding under this program, then it may not receive funding under the Broadband Technology Opportunities Program.

Potential Recipients: States, cities, and counties; private entities may also partner with a public government or agency to receive funds.

How to Secure Funds: Interested parties should apply for grant funding through the solicitations issued by the RUS.

For additional information about the ARRA, visit www.klgates.com/practices/stimulus.