American Recovery and Reinvestment Act of 2009

April 28, 2009
American Recovery and Reinvestment Act of 2009 (ARRA)

• Passed by the House and the Senate on February 13, 2009

• Signed into law by President Obama on February 17, 2009
  – $461 billion in spending (appropriations)
  – $326 billion in personal/business tax cuts
  – $787 billion total
Broadband Programs - $7.2 billion

- National Telecommunications and Information Administration (NTIA)
  - $4.7 billion

- Department of Agriculture Rural Utilities Service (RUS)
  - $2.5 billion
NTIA Broadband Grants – 4 Programs

• Broadband mapping - $350 million
• “Expanding public computer center capacity, including at community colleges & public libraries” - $200 million
• “Innovative programs to encourage sustainable broadband adoption”…”to schools, libraries, medical & healthcare providers, community colleges, and other institutions of higher education” -- $250 million
NTIA: “Broadband Technology Opportunities Program”

- Balance of $4.7 billion after other three programs & admin costs (3%) -- $3.7 billion+ for “infrastructure program”
- NTIA pays for 80%; cost share of 20%
- Competitive grant program, technology neutral, wireline or wireless
- Last mile, middle-mile, & long-haul
NTIA: “Broadband Technology Opportunities Program”

- Eligible: state & municipal governments, non-profits, private companies, public-private partnerships
- All parts of the country – rural, suburban, urban
- At least one grant per state
- Projects must be completed within 2 years of award
NTIA: “Broadband Technology Opportunities Program”

- Equipment, instrumentation, networking capability, hardware & software, digital network technology, and infrastructure for broadband services
- Preference to “highest-possible next-generation broadband speeds”
- Non-discrimination & interconnection obligations (NTIA & FCC)
Rural Utility Service - $2.5 billion

- Existing Ag Dept RUS “Distance Learning, Telemedicine & Broadband Program”
- Grants, loans, & loan guarantees
- 75% to rural areas lacking sufficient speed
- Priority to: unserved areas, incumbent RUS borrowers, projects that give end users choice of providers, projects that will commence promptly & be completed.
- Cannot also get NTIA funding
NTIA/RUS Broadband Programs

• Testimony of NTIA’s Mark Seifert on April 2, 2009 before the Subcommittee on Communications, Technology & the Internet, U.S. House of Representatives Committee on Energy and Commerce:
NTIA/RUS Broadband Programs

• Excerpts from Seifert’s Testimony:
  • “The Obama Administration is committed to harnessing the power of broadband technology to stimulate economic growth, create jobs, and help lay the foundation for long-term prosperity for all Americans.”
  • “…we want to begin to close the broadband gap in America. We, therefore, want to extend high-capacity pipes closer to users in rural, remote, and underserved communities. As Congress has instructed, other entities will be able to connect to those pipes, which will spur competition and get service to people and businesses.”
  • “…we want to start taking steps to ensure that our schools, universities, libraries, community centers, job training centers, hospitals, and public safety personnel have high-speed access. We have been asked by Congress to focus on funding highspeed connections to these community anchor institutions.”
NTIA/RUS Broadband Programs

- Excerpts from Seifert’s Testimony:
  - “With access to broadband, students are able to learn and access resources far beyond their own classrooms or local libraries. **Using telemedicine applications over broadband connections, doctors and other medical professionals can bring the latest medical advancements to patients in remote areas, resulting in immediate, efficient, and cost-effective treatment.** … Researchers and scientists require high-speed connections to collaboratively develop the new ideas that will keep our country in the lead.”
NTIA/RUS Broadband Programs

• Excerpts from Seifert’s Testimony:

  • ‘...we anticipate receiving applications that will allow people who live in unserved and underserved areas to work online at speeds that permit videoconferencing. We hope to see applications that propose to make broadband available for smart grid technology and health information technology applications. We want applications that will provide researchers and scientists at universities and other institutions the broadband connectivity they need to compete with the rest of the world. Schools, universities, libraries, community centers, job training centers and hospitals are all community anchor institutions that need broadband connectivity. We view these grants as a test-bed or proof of concept for sustainable, viable, and scalable projects. For example, we encourage partnerships between small businesses, municipalities, and others that may demonstrate nontraditional but effective ways of getting broadband into communities.”
NTIA/RUS Broadband Programs

- Microsoft filing with NTIA/RUS/FCC:
  - Focus limited $ “to ensure all the nation’s schools, public libraries and hospitals have robust, affordable connections to the Internet.”
  - “By robust connections, we mean at least 100 Mbps, symmetrical, capacity.”
  - “By ‘schools’ we mean K-12 institutions, community colleges and at least those universities that engage in basic research and, often at the same time, serve as hubs for creating connections to other schools and colleges.”
  - “By ‘hospitals’ we mean traditional hospitals, as well as the approximately 3,500 stand-alone ambulatory care facilities that often serve as stand-ins for hospitals in rural and inner city areas.”
  - “Once these connections are pulled deeper into every community in the nation, ..the US government also will have created jumping off points (or interconnection points) for commercial providers to step up and use for the deployment of broadband to Main Street and to neighborhoods.”
ARRA Requires Coordination...

Sec. 6001. Broadband Technology Opportunities Program.
(a) The Assistant Secretary of Commerce for Communications and Information (Assistant Secretary), in consultation with the Federal Communications Commission (Commission), shall establish a national broadband service development and expansion program in conjunction with the technology opportunities program, which shall be referred to as the Technology Opportunities Program. The Assistant Secretary shall ensure that the program complements and enhances and does not conflict with other Federal broadband initiatives and programs.
ARRA Requires Coordination…

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