



Federal Broadband Spending

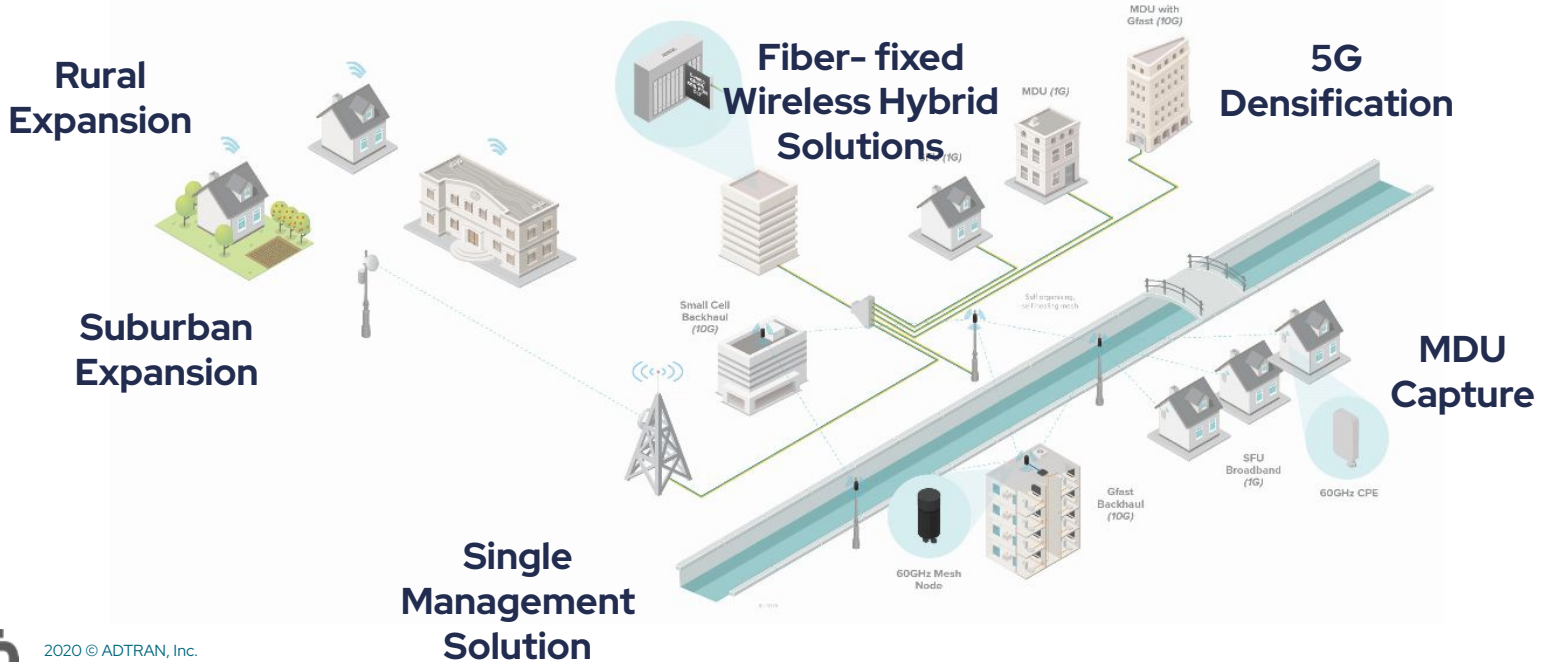
Overview of Programs

January 2022

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BROADBAND DEMAND

Last Mile Access



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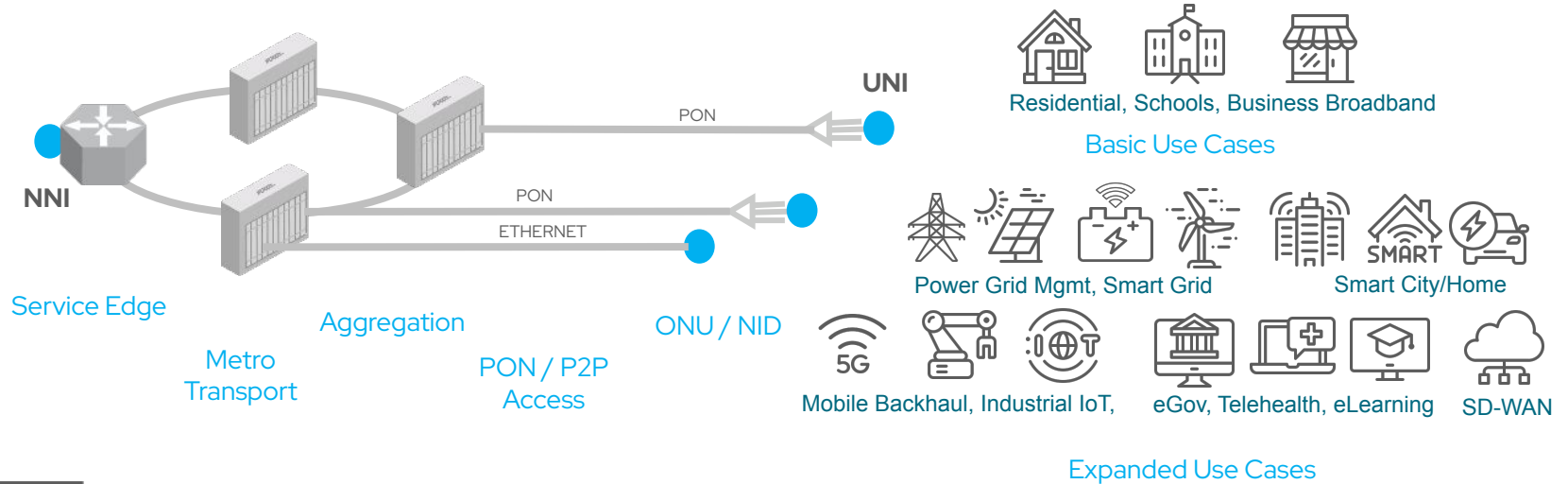
General Business



FIBER ACCESS. THE WAY IT SHOULD BE.

Expanded Use Cases -quicker ROI

Deploy a mix of low capacity and high capacity access services



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General Business



Program Highlights

CAF

- First USF monies targeted specifically at Broadband

RDOF

- Administered by FCC: ~\$8B/10 years to serve 4.2M locations with Gigabit
- Buildout over 6 years with incentive to build 20% in year 1
- \$11B available to award in Phase 2, once broadband mapping is improved

USDA Reconnect

- \$500-600 mil/year through 2021, \$700M-\$1.15B for 2022
- Round 3 application window 11/24/2022 - 2/22/2022
- \$2B funded via Infrastructure Bill for future rounds

Program Highlights

CARES Act

- Enacted in 2020; funds must be spent in 2021
- \$139B to states/large local governments (allocated by population)
- Some monies allocated to Broadband for “shovel ready” projects

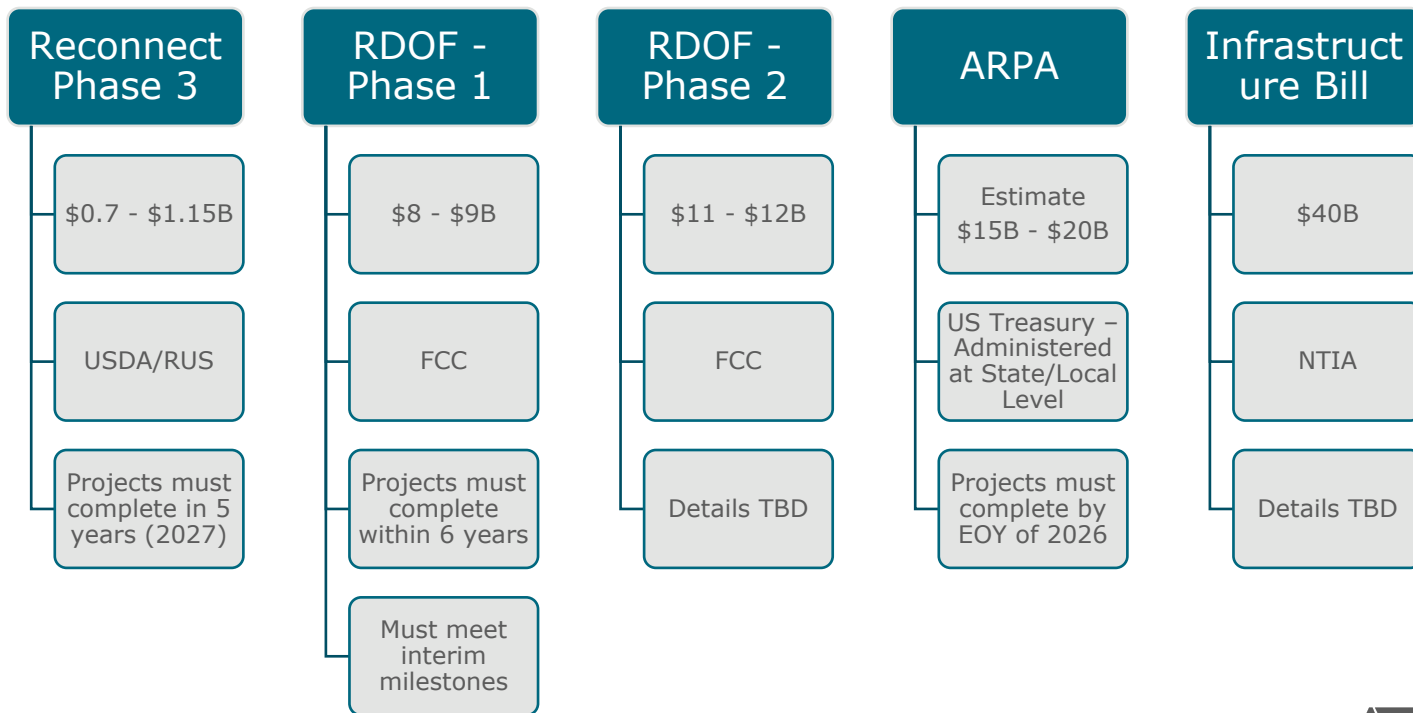
ARPA

- Estimated 10-15% to be spent on Broadband (\$15B-\$20B)
- State and Local Fiscal Recovery Funds - Divvied up to States/Tribes and Territories/Local
- Capital Project Fund – projects dedicated to enabling work, education, and health

Infrastructure Bill

- Broadband Equity, Access, and Deployment Program (BEAD)
- \$42.4B earmarked for BEAD out of overall Infrastructure Bill
- Allows funds for administrative and pre-deployment work in order to best plan

Summary



BROADBAND FUNDING

Resources available for-

- Feasibility study
- Grant writing
- Site engineering
- Network design
- Build and operate
- Speed / certification testing

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Additional Detail

USDA Reconnect

American Rescue Plan Act - ARPA

American Rescue Plan Act - Total Budget \$1.9T			
Broadband Portion	~\$360B – Available for Broadband Allocation		
Fund	Coronavirus State and Local Fiscal Recovery Funds		Coronavirus Capital Projects Fund
Breakdown	State + Tribal + Territory Funds	City and County Local Funds	N/A
Total Budget	~\$220B	~\$130B	\$10B
Goal	Address the pandemic's economic fallout and ensure equitable recovery	Address the pandemic's economic fallout and ensure equitable recovery	Fund critical capital projects
Uses	<ul style="list-style-type: none"> - Support public health expenditures - Address negative economic impacts caused by the pandemic - Replace lost public sector revenue - Provide premium pay for essential workers - Invest in water, sewer, and broadband infrastructure 	<ul style="list-style-type: none"> - Support public health expenditures - Address negative economic impacts caused by the pandemic - Replace lost public sector revenue - Provide premium pay for essential workers - Invest in water, sewer, and broadband infrastructure 	Projects that focus on broadband and digital connectivity related to: <ul style="list-style-type: none"> - Work - Education - Healthcare

Summary

- **ReConnect Phase 3:** (\$0.7-1.15B)
 - USDA/RUS
 - Project must complete within 5 years (2027)
- **RDOF (Phase 1):** (\$8-9B) (2026-2027)
 - FCC
 - Complete within 6 years from funding start
 - Interim milestones with penalties:
 - 40% of locations in Y3, 60%/Y4, 80%/Y5
 - Financial incentive to hit 20% of locations in Y1
- **RDOF (Phase 2):** (\$11-12B)
 - FCC
 - TBD
- **ARPA** (~\$15-20B):
 - US Treasury – Allocated at State/Local Level
 - Project complete by end of 2026
- **Infrastructure Bill** (\$40B):
 - NTIA
 - TBD

USDA Reconnect

Key Points:

- Application window 11/24/21 – 2/22/22
- \$1.15B announced across 4 categories:
 - \$200M – 100% Loans
 - \$250M – 50/50 Grant/Loan
 - \$350M – 100% Grant (25% match)
 - \$350M – 100% Grant for Tribes, Socially vulnerable
- Includes “Buy American” provision

Scoring:

- Area – rurality, current service level, economic need, tribal, socially vulnerable
- Commitment – affordability, labor standards, net neutrality, wholesale broadband service
- Partnerships – points for projects submitted by local governments, non-profits, co-ops

What areas are eligible?

- Lack sufficient access to Broadband
 - 90% of HH w/o access to 100M/20M
- Must serve all premises in PFSA with 100M/100M
- Be in a rural area
- Not be in a prior funded service area
 - Cannot have received non-federal funds
 - Means previous RUS/FCC areas are eligible
 - Preference given for RDOF areas

Who can apply?

- Corporation
 - LLC/LLP
 - Cooperatives/ mutual organization
 - State/local government
 - US territory
 - Indian tribe
- ** Only single entity can apply
** One application per applicant



Additional Detail

ARPA

ARPA Fiscal Recovery Funds

“Coronavirus State and Local Fiscal Recovery Funds”

Type	Amount (\$ billions)
States & District of Columbia	\$195.3
Tribal Governments	\$20.0
Territories	\$4.5
Counties	\$65.1
Metropolitan Cities	\$45.6
Non-entitlement Units of Local Government (towns/cities with populations <50K, money funneled through state governments)	\$19.5

Summary: States & District of Columbia, Tribal Governments, and Territories total \$220B. Counties, Metropolitan Cities, and Non-entitlement Units of Local Government total \$130B.

- Process: State and Local Governments determine amount spent on Broadband and projects to be funded
- Money available: 50% mid-2021, 50% mid-2022
- Must be spent by government by EOY 2024 and project completed by EOY 2026
- Based on public announcements to date, we *estimate* the percentage of state funds for Broadband is ~10%
- Use for Broadband Infrastructure at County/City level will vary widely

<https://home.treasury.gov/policy-issues/coronavirus/assistance-for-state-local-and-tribal-governments/state-and-local-fiscal-recovery-funds>

FRF vs. CPF

Fiscal Recovery Funds (~\$350B)

- Administered by state/local governments
- Spread over these areas:
 - Support public health expenditures
 - Address negative economic impacts caused by the public health emergency
 - Replace lost public sector revenue
 - Provide premium pay for essential workers
 - Invest in water, sewer, and **broadband infrastructure**

Coronavirus Capital Project Funds (\$10B)

- Administered by US Treasury, funds allocated to states, territories, and tribes
- Focused on Broadband and Digital Connectivity related to Work, Education and Healthcare
- Presumed eligible projects:
 - Broadband infrastructure
 - Digital connectivity technology
 - Multi-purpose community facility
- Presumed ineligible projects
 - Roads, bridges, ports, etc.
 - Other construction not aligned with the fund charter

FRF vs. CPF – Interim Final Rules

Fiscal Recovery Funds

- 100M/100M service required (unless not feasible)
- Areas without at least 25M/3M wireline broadband are eligible
- Recipients are encouraged to:
 - Prioritize last mile connections
 - Prioritize fiber optic infrastructure investment
 - Avoid investing in areas that have received funding to provide 100M/20M service by 12/24
 - Note- can still use funds to accelerate RDOF
 - Support networks associated with local governments, non-profits, or co-ops
 - Integrate affordability into design

Coronavirus Capital Project Funds

- Service provider must participate in program(s) to provide subsidies to low income subscribers
- Can be reimbursed for expenses 3/15/21 or later
- Timeline:

Type	Application Portal Launch Date	Deadline to Request Funding	Deadline to Submit Grant Plan
States, Territories & Freely Associated States	September 24, 2021	December 27, 2021	September 24, 2022
Tribal Governments	October 1, 2021	June 1, 2022	Not Applicable



Additional Detail

Infrastructure Bill

Infrastructure Bill

- BEAD = Broadband Equity, Access, and Deployment Program
- \$42.4B, allocated as follows:
 - \$1.6B for administration (2% federal/2% states)
 - \$2.1B (5%) for “pre-deployment” activities – mapping, multi-year action plans, etc
 - Allocated based on “unserved needs”, but each state will get at least \$100M
- State-level grant program is required, with plan approved by federal government:
 - 20% of funds available immediately; rest available once plan is approved by feds
 - Must have a state broadband office to administer
 - Grants must have 25% match, but match may come from other funding programs
- Rules announced so far:
 - Highest priority: Unserved: < 25/3 low latency
 - Next priority: Underserved: <100/20 low latency
 - Administrator to define parameters around **Reliable Broadband Service**

Infrastructure Bill

Who can get funds?

- Cooperatives
- Nonprofit organizations
- Public-private partnerships
- Private companies
- Public or private utilities
- Public utility districts
- Local governments

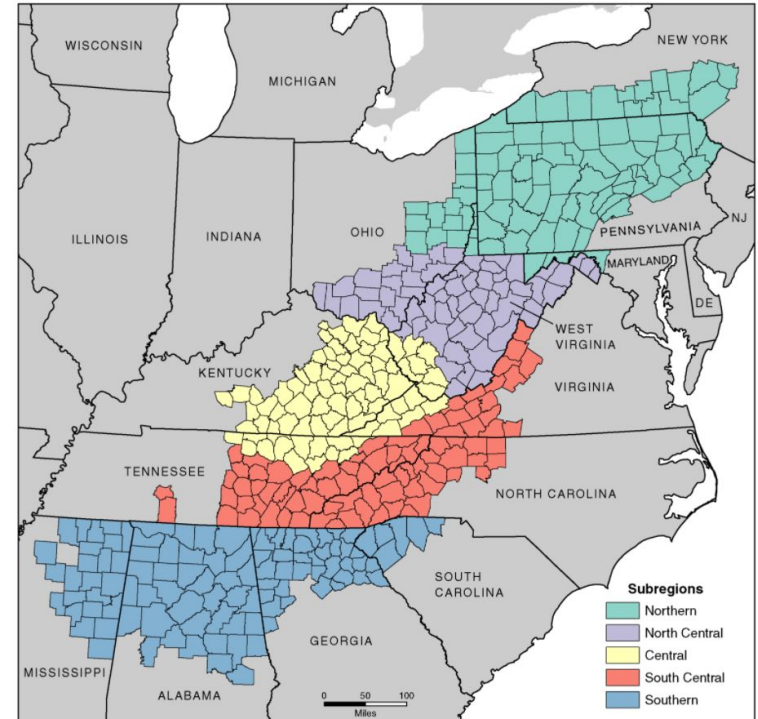
Who gets priority?

- Projects that serve un/under served areas
- Projects that connect eligible community anchor institutions
- Other factors:
 - Broadband deployment to persistent/high poverty areas
 - Speed offering
 - Expediency of project completion
 - Compliance with labor laws

Infrastructure Bill

Appalachian Regional Commission (ARC)

- Explicit broadband focus added to charter
- Dedicated Broadband Funding increased from \$10M/year to \$20M/year (10% of overall funds)
 - \$13 million of the broadband funding must go toward construction and deployment activities
- Focused on project construction and deployment as well as:
 - Research
 - Analysis
 - Training related to broadband adoption efforts





Thank you!