



PERSPECTIVE

Spending Rescue Plan Money on Broadband: The Needs and the Challenges

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The hunger for reliable connections to the Internet has been growing steadily in the United States since the word “broadband” entered the national vocabulary. But until relatively recently, the growth has been incremental.

And then came COVID.

Suddenly, and without warning, absence of broadband connectivity became “an obstacle to school, work and healthcare,” said Silas Chamberlin, vice president of economic development and work for the York County Economic Alliance in Pennsylvania.

Further, when broadband provision is subpar, it can have powerful economic impacts on a community. “As businesses come into the county and they decide to

make an investment, and they find they don’t have high-speed fiber, that becomes a problem,” said Chamberlin. “They’re still interested in tax incentives or local zoning, but Internet access has become a major determinant when corporations are trying to provide remote work.”

“The pandemic supercharged these issues,” said Sean Gonsalves, senior writer, editor, and researcher at the Institute for Local Self-Reliance’s Community Broadband Networks Initiative. “It made it apparent to many people that broadband is a kind of utility and should be thought of as such.”

This notion was clearly in the minds of the people who designed the American Rescue Plan Act (ARPA), which listed broadband as one of the primary outlets for the money—like other infrastructure

items such as sewers and other water systems. “Eighteen months ago, we didn’t have a prospect for connecting every home in America with a wire,” said Christopher Mitchell, director of community broadband networks at the Institute for Local Self-Reliance. “The money is available from a variety of sources, with the bulk of it coming from the Rescue Plan.”

Naturally, given the size of their Rescue Plan packages, the largest sums are coming from the states. For example, the State of Maryland has allocated about \$300 million of its \$3.7 billion in ARPA money to broadband infrastructure expansion and digital inclusion initiatives. Of this, according to Kenrick Gordon, the state’s director of the Office of Statewide Broadband, some \$45 million will likely be used to provide grants to local jurisdictions for municipal broadband projects.

But while the states may be the biggest spenders, towns, cities, and counties are moving in the same direction. Although many localities are still at the early stages of determining how their ARPA money should be spent, newspapers are full of examples¹ of places that intend to put a good portion of it toward broadband. For example, the City of Chico City, California, plans to spend about \$5 million of its \$22 million to expand broadband access citywide; Washtenaw County, Michigan, intends to spend nearly \$15 million out of \$72 million in ARPA dollars to make sure high-speed broadband is available to every household in the county; and the City of Brownsville, Texas, plans to use \$19.5 of its \$65 million on broadband development—and so on.

People in the agricultural sector are also increasingly dependent on wireless connectivity. “We’re surrounded by farms in Eau Claire County, Wisconsin, and they’re becoming increasingly technologically dependent,” said Don Mowry, a board supervisor on the Eau Claire County Board, which has allocated \$2.8 million out of the \$20 million it will receive in ARPA funds to broadband.

“They use GIS to decide where to add fertilizer and where it isn’t needed, for example, and they can also use it to control the amount of food for an individual dairy cow. They place chips in the cows that help determine the kind of food and medicine that they need.”

But the simple fact that there are billions of dollars available to states and localities to expand their broadband networks, and that there’s ample need for that cash, doesn’t mean that spending it effectively is a simple matter.

For one thing, there’s a sad absence of good information about places that need broadband. The most commonly used database is produced by the Federal Communications Commission, which is supposed to clearly show which census blocks have broadband access. But it’s deeply flawed. If one person in a census block is getting high-speed Internet, then the Federal Communication Commission (FCC) can count it as though the entire census block is.

For example, according to the FCC, 99 percent of the City of Chandler, Arizona has high-speed broadband, according to Dennis Aust, its telecommunications and public utility service manager. “But much of that is not affordable or even usable for homework,” he said. “From what I’m seeing around the city, third-party providers come in and say they’re meeting the FCC requirements. But they’re not meeting the needs of the residents, and we get complaints that it’s not good enough.”

Yet another challenge for this kind of modern technology is that people must be trained in the best ways to use it. This is one of the ways Eau Claire is using its ARPA funds. As Mowry said, “The digital literacy piece is important. It’s not just a matter of having access, it’s having the skills to use that access.”

What’s more, simple availability of broadband isn’t enough if the providers are charging so much that people can’t afford it. Fortunately, the FCC has been providing up to \$50 a month² for its “Emergency Broadband Benefit” for

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a household that becomes eligible by meeting one of several criteria, including that it has an income at or below 135 percent of the federal poverty guidelines.

This has the potential for being a huge help, but if people don’t know the program exists or how to access the funds available, it has little value. With that in mind, Dallas County, Texas, intends to use a chunk of its share of Rescue Plan money educating residents about how they can get this important help. “Our concern is that people don’t know it’s affordable,” said Charles Reed, assistant county administrator. “We have thousands of people who qualify for the federal supplement and haven’t signed up for it.”³

¹ Our Big List of American Rescue Plan Community Broadband Projects, Community Networks, a project of the Institute of Local Self-Reliance (muninetworks.org/content/our-big-list-american-rescue-plan-community-broadband-projects).

² Emergency Broadband Benefit: Helping Households Connect during the Pandemic, Federal Communication Commission (<https://www.fcc.gov/broadbandbenefit>).

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