

To Rural Minnesota and Beyond: Expanding Internet Access With Federal Aid



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The COVID-19 pandemic highlighted the need for access to reliable, high-speed internet in major areas of daily life, including employment, education, health care, and certain essential services. Yet, many places in the U.S. still lack access to high-speed, reliable internet. In response, the federal government created several programs to support the deployment of broadband networks in unserved and underserved areas. Locally, these programs are likely to lead to marked improvements in internet access across Minnesota.

The ReConnect Program

The Consolidated Appropriations Act of 2018 established the Rural Connectivity Program (the ReConnect Program). The ReConnect Program provides loans, grants, and loan/grant combinations to facilitate broadband deployment in rural areas and, in doing so, aims to support rural economic development and opportunities.

To date, Minnesota companies have received over \$56 million from the ReConnect Program to deploy fiber-to-the-premises networks to unserved and underserved areas. Recently announced awards will be used for broadband deployment in Aitkin, Crow Wing, Douglas, Freeborn, Houston, Morrison, Otter Tail, St. Louis, Stearns, and Todd counties.

In August 2022, the United States Department of Agriculture announced another round of funding for the ReConnect Program. This round will provide up to \$700 million in grants, \$150 million in loans, and \$300 million in loan/grant combinations to support broadband deployment projects across the country. A number of Minnesota companies are submitting funding applications.



Rural Development Opportunity Fund

In 2020, the Federal Communications Commission (FCC) created the Rural Digital Opportunity Fund (RDOF) to deploy broadband networks to unserved areas. In December 2020, initial awards were made on the basis of a "reverse auction," in which the lowest bidders win. The initial winning bidders submitted long-form applications to the FCC in 2021 for comprehensive review.

As of October 2022, the FCC authorized 19 applicants in Minnesota to receive RDOF funding. Applicants will receive \$51 million in RDOF support over the next ten years to deploy broadband networks to approximately 23,000 unserved locations across the state. Construction on some of the projects began this summer, and other RDOF recipients are expected to begin construction early next year.

The BEAD Program

The Broadband Equity, Access, and Deployment (BEAD) Program is the most recent, and by far the largest (\$41.6 billion), federal program created to expand access to reliable, affordable, high speed internet. Authorized by the Infrastructure Investment and Jobs Act of 2021, and administered by the National Telecommunications and Information Administration, the BEAD Program will expand access to high-speed internet by distributing federal funding to states and U.S. territories for redistribution to service providers.

The amount of federal funding distributed to each state and territory will be primarily based on the relative number of unserved locations. Initial estimates indicate Minnesota may likely

"To Rural Minnesota and Beyond" Continued from Page 6

receive approximately \$650 million in total funding through the BEAD Program. It is expected that funding levels will be finalized within the next year, and thereafter will be distributed to service providers by the Minnesota Department of Employment and Economic Development.

Conclusion

Providing high-speed internet access in hard-to-serve areas remains a national priority. Moss & Barnett's Communications group is available to help clients address regulatory and commercial issues in their efforts to bring this vital resource to customers.