

To: Dane County Broadband Task Force

From: Carrie Springer

Re: Rules for spending ARPA funds on broadband

Treasury put out the final rule on ARPA spending earlier this year and it included some updates on the rules for spending money on broadband infrastructure. On September 20, 2022 they also issued an updated set of reporting guidelines for ARPA funds. This is the document that shows what you will be required to send to the U.S. Treasury in the quarterly reports on how you are spending your ARPA allotment. They are due at the end of January, April, July and October of each year until April of 2027. The list of what needs to be reported on for broadband expenditures is included in the “U.S. Treasury Report” section below.

All other ARPA spending requirements also apply to these funds such as the timeline for the spending to occur – all funds must be obligated by 12/31/2024 and completed by 12/31/2026. That means if you have a contract for services signed by 12/31/2024 but the work will go beyond that date, it’s ok as long as the work is done by 12/31/2026.

The final rule allows for ARPA funds to be spent on broadband infrastructure if it is designed to provide service to household and businesses with an identified need. The need is defined by the recipient (the County) and the final rule gave some additional flexibilities that can help Dane County because it lets ARPA recipients invest in areas without 100 up/20 down speeds rather than the more restrictive interim rule that required recipients to invest in areas without 25 up/3 down. This makes more areas of Dane County eligible for projects.

Treasury would like ARPA recipients to use funds for projects that provide 100 up/100 down. They also encourage prioritizing fiber projects and those that are last-mile projects actually delivering service to homes and businesses. Speeds can be lower if it is not practicable to provide 100 up/100 down as long as it is scalable to that speed later. You can see how much Treasury is emphasizing last-mile projects because the section of the reporting requirements with the most detailed questions is about how many locations are being served by the project. That means zeros or low number answers to those questions could elicit questions from Treasury. So while funds can be spent on a middle-mile type project, Treasury would most likely want to see proof that there are agreements worked out ahead of time with providers to build the last-mile needed to bring service to households and businesses.

This is also addressed in the FAQ:

6.8. May recipients use payments from the SLFRF for “middle mile” broadband projects? Yes. Under the final rule, recipients may use payments from the SLFRF for “middle-mile projects,” but Treasury encourages recipients to focus on projects that will achieve last-mile connections—whether by focusing on funding last-mile projects or by ensuring that funded middle-mile projects have potential or partnered last-mile networks that could or would leverage the middle-mile network.

Questions asked during the last task force meeting

Can funding be used to provide access to more reliable internet service? – Yes. Counties may define an area that needs broadband investments using a few different factors including lack of access to high speed service, affordability, and reliability.

What are the rules on the affordability requirements? - The final rule requires broadband infrastructure projects to provide access to the federal low income subsidy program – the FCC’s Affordable Connectivity Program. That means the County must require any service provider to allow users to enroll in this program if they qualify by income. If they do not use this FCC program, there must be another broad affordability program available. There are many WI providers participating in the FCC program and you can find a link to the list below.

The final rule also allows ARPA recipients to use funds for subsidies to help households pay for internet service, digital literacy programs, and providing discounted or no-cost devices to access the internet (things like hotspots).

U.S. Treasury Report

Below are the fields that need to be filled in for broadband expenditures when DOA sends in the quarterly report to the U.S. Treasury Department.

- Project Construction Start Date
- Project Operating Date
- Will the project meet the 100/100 speed standard
- Is the project designed to serve households
- Type of Technology: Coaxial, Fiber, Terrestrial Fixed Wire
- Miles of Fiber Installed
- Number of Funded Locations Served
 - Number of Funded Locations with 25/3 before the project
 - Number of Funded Locations with 25/3 and 100/20 before project
 - Number of Funded Locations receiving 100/100 after project
 - Number of Funded Locations receiving 100/20 scalable to 100/100 after project
 - Number of Locations by Type:
 - Residential
 - Total Number of Households

- Business
- Community Anchor Institutions

Links for more information:

U.S. Treasury ARPA reporting guidelines: <https://home.treasury.gov/system/files/136/SLFRF-Compliance-and-Reporting-Guidance.pdf>

U.S. Treasury final rule for ARPA with public comments addressed: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule.pdf>

U.S. Treasury final rule FAQ: <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-FAQ.pdf>

Final rule overview (broadband information is on page 39 and 40): <https://home.treasury.gov/system/files/136/SLFRF-Final-Rule-Overview.pdf>

FCC Affordable Connectivity Program: <https://www.fcc.gov/acp> and the link showing WI providers participating in the program: <https://www.fcc.gov/affordable-connectivity-program-providers#Wisconsin>