



Michael Preston
Secretary of Commerce,
Executive Director
Arkansas Economic
Development Commission

MEMORANDUM

To: Larry Walther, Chairman, American Rescue Plan Steering Committee

From: Steven Porch

Date: May 28, 2021

Re: Proposed Rollout Plan for ARP Funding of State Broadband Grants

As you requested, the following is an outline of the plan the broadband team is developing to begin issuing state broadband grants using American Rescue Plan Fiscal Recovery Funds.

- 1. I am requesting the Steering Committee immediately approve funding for \$30,703,422 in broadband grants.** This amount represents the unfunded amount that 1) is remaining from approved applications submitted after CARES Act funding was exhausted, and 2) meets the technical requirements for funding under the American Rescue Plan. The list of projects is attached along with a map of their location. For reference I have also attached a map of projects previously awarded with CARES Act funds. If the recommended amount is approved by the Steering Committee, appropriation would be requested at June PEER. We also have a total of 37 projects totaling \$114,737,395.17 that are not federally compliant. But we will work with the ISPs to become compliant. We also anticipate receiving \$150m in new projects for an approximate total of \$300m.
- 2. The Governor is submitting a request to the U.S. Treasury to clarify its interim final rule as it relates to broadband and, if needed, grant a waiver to Arkansas concerning the rule.** The interim final rule issued by Treasury can be interpreted to exclude fixed wireless facilities and only allow wireline and fiber facilities. Because of Arkansas' topography and low population density in rural areas, excluding wireless facilities would be a hardship and greatly increase the cost of broadband projects and reduce the number of projects that could be funded. If Treasury affirms that wireless facilities are excluded, we will request a waiver of that exclusion and a modification of the final rule when promulgated.
- 3. I will be contacting the ISPs in Arkansas to advise them that additional funding has become available and to invite applications for grants.** These applications will give the Steering Committee an indication of the needed funding amount.
- 4. For planning purposes, we are recommending that the Steering Committee set aside \$300 million for broadband grants.** We are currently assessing the third-party technical expertise that is available to assist us in validating the unserved and underserved population in Arkansas, and once a resource is identified we will make a recommendation to the Steering Committee for approval.