













The Honorable Janet Yellen, Ph.D., Secretary Department of Treasury 1500 Pennsylvania Avenue, N.W. Washington, D.C. 20220

> Re: Interim Final Rule on Broadband Use Answers to Questions 22 through 26

Dear Secretary Yellen,

The communities and organizations listed above ("Local Governments")¹ acknowledge their gratitude to President Biden and the 117th Congress for providing these desperately needed resources. We are also grateful to you, Secretary Yellen, and to your colleagues in the Department of Treasury ("Department" or "Treasury") for the speed and professionalism with which the Coronavirus State and Local Fiscal Recovery Funds ("Funds") have been made available.

Local Governments file these comments² to request that Treasury clarify that the Interim Final Rule ("Rule") permits investments of the Funds for the broadest array of broadband services and network elements to alleviate the economic damages suffered by individuals, businesses and institutions from the COVID-19 pandemic.³

¹ A thumbnail of various broadband infrastructure and support programs that the named communities have offered their residents is attached hereto as Exhibit A. The summary is neither exhaustive of the services the communities have provided, nor did they seek to convey that the programs are an exhaustive array of services local governments have made possible.

² Local Governments seek to answer questions 22 through 26 as posed by the Department. Additionally. Local Governments are aware that the Department is developing rules and application materials for the Coronavirus Capital Projects Fund. We would respectfully request that the insights shared in these comments be considered as that program's rules are developed.

³ Commenters are aware of, and grateful to. Congressional leaders that have communicated these similar concerns. See Letter of Senator Ron Wyden to Secretary Yellen (March 25, 2021),

I. EXECUTIVE SUMMARY

- Local Governments seek assurances from Treasury that a qualified project under Sections 603(c)(1)(A)-(C) is not barred by the presence of 25/3 service; and
- Local Governments call on Treasury to incorporate an affordability factor in the determination of whether an American is unserved or underserved.
- Should Treasury not insulate Sections 603(c)(1)(A)-(C) projects from subpart (D) requirements, or incorporate an affordability component, it should make clear that a local government may rely upon its own determination on affordability to determine whether a resident is unserved or underserved.

II. ARPA AND THE RULE ARE CLEAR THAT LOCAL GOVERNMENTS CAN EMPLOY THE FUNDS TO ASSIST HOUSEHOLDS AND INDIVIDUALS OVERCOME THE NEGATIVE ECONOMIC IMPACTS OF COVID-19 BY MEANS OF INTERNET ACCESS AND DIGITAL LITERACY ASSISTANCE.

The American Rescue Plan Act of 2021⁴ ("ARPA") and the Rule⁵ make clear that the Funds may be used to assist "households or populations facing negative economic impacts due to COVID-19 ...[to provide] ... internet access or digital literacy assistance...." Local Governments are further grateful that the Rule is equally clear that states, territories, localities, and Tribal governments have a wide range of broadband needs and that award recipients have broad latitude to identify their specific challenges and fashion solutions to meet their unique challenges. Further, the Rule states that the Funds can be used to ensure equitable access to affordable broadband services, 7 and that this is to be done by means of empowering local solutions to broadband needs.⁸

Local Governments file these comments in response to Questions 22-26 posed by the Department and to share why absent changes or clarifications in the Rule, achieving equitable access to affordable broadband services and ensuring the best and highest use of American tax dollars will not be achieved.

https://www.wyden.senate.gov/imo/media/doc/052521%20RW%20Broadband%20Letter%20to%20Treasury.pdf ("Senator Wyden Letter"); Letter of Rep. Anna Eshoo, Rep. Raul Grijalva, Rep. Mike Thompson, Rep. Jerry McNerney, Rep. Lori Trahan, Rep. Peter Welch, Rep. Debbie Dingell, Senator Cory Booker, and Senator Ron Wyden (March 25, 2021) ("Bicameral Letter") https://eshoo.house.gov/sites/eshoo.house.gov/files/TreausryLtrInterimARPARule.pdf.

⁴ American Rescue Plan Act of 2021 (ARPA), § 9901, Pub. L. No. 117-2, codified at 42 U.S.C. § 802 et sea.

⁵ 86 FR 26787 et seq.

⁶ 86 FR 26794. The Rule also makes clear that any infrastructure project, let alone a broadband infrastructure project, can fit into various categories. "A general infrastructure project, for example, typically would not be included unless the project responded to a specific pandemic public health need (e.g., investments in facilities for the delivery of vaccines) or a specific negative economic impact like those described above (e.g., affordable housing in a QCT). The ARPA explicitly includes infrastructure if it is "necessary" and in water, sewer, or broadband." 86 FR 26796.

⁷ "The Interim Final Rule provides that eligible investments in broadband are those that are designed to provide services *meeting adequate speeds* and are provided to *unserved and underserved* households and businesses." (emphasis added) 86 FR 26804.

^{8 86} FR 26804.

III. LOCAL GOVERNMENTS SEEK ASSURANCES THAT A QUALIFIED PROJECT UNDER SECTIONS 603 (c)(1)(A)-(C) IS NOT BARRED BY THE PRESENCE OF 25/3 SERVICE.

Some read the Rule to bar the eligibility of local broadband capital solutions in the presence of a provider with services that can consistently deliver twenty-five megabits downstream and three megabits upstream. Local Governments seek assurances from Treasury that this is in fact an incorrect interpretation and offer both legal and policy justifications for such a declaration.

The Rule is clear that the Funds may be used to provide support to households and individuals regardless of the presence of other operators; in fact, investments or some support subsidies only work if there is a provider with whom the local government might partner. But there are times that the best and most efficient local solution will not be merely to subsidize a private provider's offering, but to deploy network elements to meet households' and local broadband needs. Local Governments believe that the Rule is clear that a project that is qualified under Sections $603(c)(1)(A)-(C)^9$ cannot be defeated by any limitations found in Section 603(c)(1)(D).

Local Governments suggest that this ambiguity can simply be resolved by finding that any project that is found to qualify under Sections 603 (c)(1)(A)-(C) cannot be rendered ineligible by the restriction found in Section 603(c)(1)(D). Congress required no such additional eligibility requirement and Local Governments strenuously object to additional requirements which harm the public purpose and benefit. Moreover, if existing providers were meeting community needs, there would be no need to dedicate limited resources such as the Funds in such necessary projects "to maintain a level of service that, at least, meets applicable health-based standards, taking into account resilience to climate change, or establishes or improves broadband service to unserved or underserved populations to reach an adequate level to permit a household to work or attend school, and that are unlikely to be met with private sources of funds." ¹⁰

To enforce the Rule in any other way would result in a project eligible under Sections 603(c)(1) (A)-(C) being denied eligibility because of a limitation created for a whole different category. In this case, a Section 603(c)(1)(D) project. Or such an interpretation would deny a state, local or Tribal government the ability to employ the most cost effective means to address a broadband challenge. A

⁹ Section 603(c)(1) of ARPA provides in pertinent part that funds can be used:

⁽A) to respond to the public health emergency with respect to the Coronavirus Disease 2019 (COVID-19) or its negative economic impacts, including assistance to households, small businesses, and nonprofits, or aid to impacted industries such as tourism, travel, and hospitality;

⁽B) to respond to workers performing essential work during the COVID-19 public health emergency by providing premium pay to eligible workers of the...nonentitlement unit of local government...that are performing such essential work, or by providing grants to eligible employers that have eligible workers who perform essential work;

⁽C) for the provision of government services to the extent of the reduction in revenue of such...nonentitlement unit of local government...due to the COVID-19 public health emergency relative to revenues collected in the most recent full fiscal year of the...nonentitlement unit of local government...; or

⁽D) to make necessary investments in water, sewer, or broadband infrastructure. 10 86 FR 26802.

challenge for many Local Governments is that they must address this challenge because the private sector has failed to do so, or failed to do so in a cost effective manner, particularly in urban areas. The incorrect interpretation of the Rule would have the Funds being used to reward such nonfeasance or malfeasance. Moreover, no such limitations on the Funds' use are present in the statute, nor are such limitations consistent with public policy that seeks to ensure ubiquitous access to affordable broadband by empowering local solutions. Local Governments believe the only fair reading of Congressional intent as articulated in Sections 603(c)(1)(A)-(C) of ARPA is to meet COVID-19 exacerbated needs, while Section 603(c)(1)(D) is there to address long term needs.

IV. THE RULE DOCUMENTS THAT 25/3 IS A MEANINGLESS TEST FOR UNSERVED OR UNDERSERVED STATUS YET RETAINS IT; THAT TEST MUST BE UPDATED AND AN AFFORDABILITY COMPONENT MUST BE INCLUDED IN ANY SUCH ANALYSIS.

President Biden, ¹² Vice President Harris, ¹³ and the Rule itself articulate the need for access to affordable broadband as a documented national need. ¹⁴ Local Governments merely echo their calls in our requests. As Local Governments explain in further detail *infra*, should Treasury preserve the presence of a broadband provider as a bar to infrastructure investments for Section 603(c)(1)(D) projects, let alone Sections 603(c)(1)(A-C) projects, Treasury must increase the speed thresholds for such a provider to serve as a bar, especially the upload speed. Further, the Rule references the lack of affordability, but currently fails to incorporate any such standard in its test that factors in determining if an individual or household is unserved or underserved.

A. The Rule Accurately Captures the Need for Increased Upload Capacity, But Fails to Employ Such Needs in Determining Status as Unserved or Underserved.

Local Governments appreciate the Rule's detailed and thoughtful discussion regarding the need for access to high-speed broadband. Moreover, we are fully supportive of the Rule's requirement that

¹¹ See Senator Wyden Letter; Bicameral Letter.

¹² On March 11, 2021, President Biden released his American Jobs Plan. It made clear President Biden's position on the need for affordable access; "The President believes we can bring *affordable*, reliable, high-speed broadband to every American..." (emphasis added). FACT SHEET: The American Jobs Plan, The White House (March 31, 2021), https://www.whitehouse.gov/briefing-room/statements-releases/2021/03/31/fact-sheet-the-american-jobs-plan/.

¹³ "Almost everyone through the pandemic has understood that access to Internet creates access to services. So, lack of access to services means a lack of access to vital -- vital needs that families and individuals have. ... America, high-speed Internet is a lifeline. And there is work left to do to ensure that we are all connected." Remarks by the Vice President on Investing in Broadband, The American President Project (June 3, 2021), https://www.presidency.ucsb.edu/node/350192.

¹⁴ "Even in areas where broadband infrastructure exists, broadband access may be out of reach for millions of Americans because it is unaffordable…" 86 FR 26804.

¹⁵ "[C]ommunities or households facing economic insecurity before the pandemic were less able to weather business closures, job losses, or declines in earnings and were less able to participate in remote work or education due to the inequities in access to reliable and affordable broadband infrastructure. Finally, though schools in all areas faced challenges, those in high poverty areas had fewer resources to adapt to remote and hybrid learning models. Unfortunately, the pandemic also has reversed many gains made by communities of color in the prior economic expansion." 86 FR 26787 (absent internal notes).

any of the Funds expended for broadband network investment be in a network scalable of delivering 100 Mbps symmetrical. ¹⁶ Valuable resources should only be invested in networks that are capable of meeting not only today's but also future needs.

In establishing the 100 Mbps symmetrical standard, the Rule has for the first time established a federal recognition of the need for standards to focus on the need for upload speeds. In a recent filing at the Federal Communications Commission ("Commission" or "FCC"), many of the commenters to this filing shared this same insight with the desire that the Commission would impose a similar requirement of minimal speed thresholds for eligibility for either Emergency Broadband Funds or Emergency Connection Funds, two other broadband subsidy programs established by the 117th Congress.

Our FCC filing shared that "in these days of work and study from home, it is common for there to be multiple activities occurring simultaneously that require more than just downstream capacity. Upload speeds for work and study from home applications are nearing symmetric levels to downstream requirements."¹⁷

The need to address upload speeds has been ushered in by two significant changes. Use of applications such as Zoom and other interactive video platforms that require as much as 3 Mbps in upload speed, and the phenomenon of so many households having multiple users simultaneously needing such access. It is not uncommon for a single household to have multiple video conferencing activities occur simultaneously in a typical day as more and more Americans work from home, take classes from home, view entertainment online, and have video visits such as telehealth appointments with doctors or job interviews. All of these various applications are driving the need for speed, and especially upload speeds.

Local governments shared scenarios with the Commission on the types of bandwidth demands required by a family of four, peak and evening use, as well as the broadband demands found in many economically challenged households, the exact segment of our communities that ARPA seeks to protect. These later households tend to support multi-generational components and are typically larger than four. These differences are many times reflected in their bandwidth needs.

¹⁶ Local Governments, therefore, in response to Question 22 can be counted solidly in the camp calling for a minimum symmetrical download and upload speeds of 100 Mbps.

¹⁷ Comments of The Cities of Los Angeles, California; Chicago, Illinois; Portland, Oregon; Boston, Massachusetts; Washington, D.C.; With Montgomery County Maryland And The Texas Coalition Of Cities For Utility Issues, Federal Communications Commission WC 21-93, (filed April 5, 2021) at 13, https://ecfsapi.fcc.gov/file/1040699553285/Local%20Governments%20Comments%20in%20ECF%20Docket.pdf.

	PEAK BANDWIDTH UTILIZATION TYPICAL FAMILY OF FOUR (DAYTIME)	DOWNLOAD / UPLOAD
x1	Telework Video Conferencing	1,5 Mbps / 1,5 Mbps
×2 🌀	Telelearning Remote Classroom	3.0 Mbps / 3.0 Mbps
x1	Streaming Music / Video	2,0 Mbps / 0.1 Mbps
×10 Q	Home Security (Ring, etc.) and other household smart devices (Alexa, Cortana, etc.)	0.3 Mbps / 2.0 Mbps
(((1))	TOTAL BANDWIDTH USE (rounded)	7 Mbps / 7 Mbps

	PEAK BANDWIDTH UTILIZATION MULTI-GENERATIONAL FAMILY OF ELEVEN (EVENING)	DOWNLOAD / UPLOAD
×2	Online Video Gaming	4,0 Mbps / 2.0 Mbps
х3	Streaming Video Applications (Netflix, Prime, etc.)	15.0 Mbps / 0.3 Mbps
хз	Surfing Internet	3.0 Mbps / 1.0 Mbps
×1	Video Chat (Zoom, etc.)	1.5 Mbps / 1.5 Mbps
×10 ©	Home Security (Ring, etc.) and other household smart devices (Alexa, Cortana, etc.)	0.3 Mbps / 2.0 Mbps
(((1)))	TOTAL BANDWIDTH USE (rounded)	24 Mbps / 7 Mbps

	PEAK BANDWIDTH UTILIZATION TYPICAL FAMILY OF FOUR (EVENING)	DOWNLOAD / UPLOAD
x1	Online Video Gaming	2.0 Mbps / 1.0 Mbps
x2	Streaming Video Applications (Netflix, Prime, etc.)	10 Mbps / 0.2 Mbps
x3	Surfing Internet	3 Mbps / 1.0 Mbps
×10 ©	Home Security (Ring, etc.) and other household smart devices (Alexa, Cortana, etc.)	0.3 Mbps / 2.0 Mbps
(((1)))	TOTAL BANDWIDTH USE (rounded)	15 Mbps / 4 Mbps

Local Governments do not offer these examples of broadband, specifically upload needs, as being dispositive as to the broadband needs of the nation's households, but we hope that one point is very clear. While the Rule is good to identify the number of Americans that lack access to a 25/3 service, ¹⁸ or the number of Americans that cannot afford access to available broadband, ¹⁹ the 3 Mbps upstream standard established in the Rule as a bar for using Funds for a Section 603(c)(1)(D) project is inconsistent with the Rule's own research. It must be modified or clarified. ²⁰

No such limitation was established by Congress in the statute, nor is such a bar consistent with the theme of the Funds to provide local governments with the resources to develop cost effective and efficient solutions. How can the

¹⁸ "By at least one measure, however, tens of millions of Americans live in areas where there is no broadband infrastructure that provides download speeds greater than 25 Mbps and upload speeds of 3 Mbps." 86 FR 26804.

¹⁹ "Even in areas where broadband infrastructure exists, broadband access may be out of reach for millions of Americans because it is unaffordable…" 86 FR 26804.

²⁰ Local Government would respond to Questions 25 and 26 as follows: There are significant disadvantages to barring communities from employing the widest of affordable broadband accessibility solutions merely because there exists a reliable 25/3 service. Local Governments base this response on no less than two reasons: the current Rule upload standard fails to meet current needs and is silent as to the affordability of such service. Local Governments believe that any standard that does not address affordability nor offers an upload speed that meets today's needs will merely frustrate implementing local solutions and achieving the broadband vision of President Biden and the 117th Congress in identifying broadband as an eligible investment of Funds.

Rule establish that Funds cannot be used to support a network that provides less than 100 Mbps symmetrical, yet force that governmental unit to invest in a provider that provides literally 3% of such capacity? Unless clarified, the Rule results in a perverse incentive: a local government cannot build high speed broadband to its constituents; it must reward a provider that offers a less than meaningful 25/3 service.

B. The Rule Fails to Incorporate Its Own Research on Affordability into the Test of Unserved or Underserved.

The Rule has it correct; "Even in areas where broadband infrastructure exists, broadband access may be out of reach for millions of Americans because it is unaffordable" ²¹ According to the Census Bureau²² of the 18.2 million household that lack access to affordable broadband connections, 13.6 million of those households are in urban America²³ – areas that very likely have access to a 25/3 connection.

Because the Rule acknowledged affordability is an issue "for millions of Americans"²⁴, it is troubling to understand why the Rule does not include an affordability factor in determining whether a household or individual are unserved or underserved. Should the Department opt not to insulate Sections 603 (c)(1)(A-C) projects from the 25/3 test, it should either incorporate an affordability factor in the determination of whether an American is unserved or underserved. In the alternative, Treasury should make clear that a local government may rely upon its own determination on affordability to determine whether they are barred by the "served" designation and therefore be freed to dedicate Funds to provide a network solution for constituents' needs.

V. CONCLUSION

The Rule is correct to establish as dual goals in the broadband areas: access to affordable broadband and freeing state, local and tribal governments to develop solutions to address local broadband challenges. Unfortunately, Local Governments believe that absent changes or clarifications in the Rule, achieving these goals will be frustrated and investment of American tax dollars will fail to achieve their best and highest use. We request Treasury makes changes in the Rule consistent with these comments.

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Respectfully Submitted)

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²¹ 86 FR 26804.

²² Computer and Internet Use in the United States: 2018, U.S. Census Bureau (April 21, 2021), https://www.census.gov/library/publications/2021/acs/acs-49.html.

²³ See Eduardo Porter, A Rural-Urban Broadband Divide, but Not the One You Think Of, New York Times (June 1, 2021, updated June 2, 2021), https://www.nytimes.com/2021/06/01/business/rural-urban-broadband-biden.html.

²⁴ 86 FR 26804.

ILLUSTRATIVE BROADBAND PROGRAMS BY LOCAL GOVERNMENTS

BOSTON, MASSACHUSETTS

While Boston is one of the nation's oldest municipalities, it is a community that seeks to be on the cutting edge of science, education and digital inclusion. Boston has many firsts to its credit: the nation's first public park, first public or state school, and first subway system. In 1799, Boston established the first board of health and the first health department in the United States with Paul Revere named as the first health officer. Boston also celebrates what it believes is the first comprehensive digital inclusion program run by any municipality in the United States: Tech Goes Home. Tech Goes Home challenges deep digital inequity by empowering community members to access and use digital tools to overcome systemic barriers and advance lives. Simply put, Tech Goes Home makes available for those that qualify and complete our training program computers, internet access, and training. Boston's goals are to ensure that students can do homework, adults can find jobs and manage finances, seniors can connect with loved ones, linguistic minorities can learn English remotely, and all can access telehealth. A copy of Tech Goes Home Annual Report is available online at https://47ab9e76-c79f-45c8-8473ff7df2a7cd56.filesusr.com/ugd/f01914 2a3f84485cf94608bb8900b53fb40864.pdf.

CHICAGO, ILLINOIS

Chicago is proud to be known as the city of broad shoulders, a global, diverse city home to 77 neighborhoods and the nation's first skyscraper, all of which the City proudly shares at https://www.chicago.gov/city/en/about/facts.html. For purposes of these comments, Chicago is most proud to be a connected community that seeks to ensure that all of its residents have the ability to be connect to affordable broadband services. In the middle of the COVID-19 pandemic (June 25, 2020), the City launched "Chicago Connected," a public-private partnership, that seeks to provide high speed internet for approximately 100,000 eligible Chicago Public Schools (CPS) families at no cost to them. The program provides internet to public school students for up to four years by directly paying for internet service for families that are most in need. Comcast, RCN, and T-Mobile are our participating providers. Eligibility is determined on an annual basis. A summary of Chicago Connected may be found online at

https://digitalbridgek12.org/toolkit/deploy/chicagoconnected/#:~:text=Lightfoot%20announced%20the% 20launch%20of,their%20home%20for%20remote%20learning.

LOS ANGELES, CALIFORNIA

The City of Los Angeles is proud to continually seek solutions to connect our most vulnerable residents to the online services and information they need to thrive. At the beginning of the COVID-19 pandemic, the City of Los Angeles launched its GetConnectedLosAngeles.lacity.org site to provide information on low-cost and no-cost internet connectivity options for all Angelenos, especially for our students who were now in a distance learning environment. As the conditions of the pandemic kept Angelenos 'Safer at Home', the City began convening the LA Telecommunications and Digital Equity Forum, meeting frequently with all telecommunication providers on solutions to destroy the digital divide and to expedite the build out of 4G and 5G across Los Angeles including in areas previously digitally divided. Starry Internet moved quickly to provide 6 months of free broadband to residents in our public housing facilities, reaching 9,000 households as of December 31, 2020. In addition, the City launched the Angeleno Connectivity Trust (ACT) in partnership with the Mayor's Fund for Los Angeles and T-Mobile, to provide 18,000 WiFi hotspots to K-12 students experiencing homelessness, with a disability and/or those who have dropped out or are at risk of dropping out due to lack of connectivity. The City's

FamilySource Centers, YouthSource Centers, LA Public Library and Community Based Organizations help to identify eligible students and provide wraparound services.

MONTGOMERY COUNTY, MARYLAND

Montgomery County is proud of the efforts the community has made to ensure that none of our low-income residents are left behind both during the Covid pandemic. These efforts have taken three distinct paths: sponsored school connection programs, public private partnerships that leverage municipal broadband, and digital equity outreach and educational efforts. Based on census data, for households earning less than \$50,000, 28,325 of these households (36%) do not have home wireline internet and 21,041 of these households (27%) do not have a computer. Montgomery County is working to extend its broadband network FiberNet to serve low-income families living in affordable housing developments, has deployed internet access hotspots and computers to public school student and is working to leverage the Emergency Connectivity Fund to provide computers to low income library patrons, and is working to expand digital inclusion training to families that receive home broadband and computers. An array of the Montgomery County digital equity programs can be found at www.montgomerycountymd.gov/digitalequity; the information about the support Montgomery County is providing to enroll residents in Emergency Broadband Benefit program can be found at www.montgomerycountymd.gov/EBB; and information about the low-cost Internet offerings available to low-income families in Montgomery County can be found at Emergency Broadband Benefit

TCCFUI

The Texas Coalition of Cities For Utility Issues ("TCCFUI") is a coalition of more than 50 Texas municipalities dedicated to protecting and supporting the interests of the citizens and cities of Texas with regard to utility issues. The Coalition is comprised of large municipalities and rural villages. TCCFUI monitors the activities of the United States Congress, the Texas Legislature, the Public Utility Commission of Texas, the Texas Railroad Commission, and the FCC on utility issues of importance to cities.

UNITED STATES CONFERENCE OF MAYORS

Founded in 1932, the United States Conference of Mayors is the official non-partisan organization of cities with populations of 30,000 or more. There are over 1,400 such cities in the country today. Each city is represented in the Conference by its chief elected official, the mayor.

DISTRICT OF COLUMBIA

In the District of Columbia, Mayor Bowser launched the <u>Tech Together DC</u> initiative, a values-led partnership between DC government, non-profits, academia, and industry working together to bridge the digital divide through access, training, and opportunity. The Tech Together DC program uses strategies to increase internet access, access to internet-enabled devices and tech support as well as digital literacy training for residents. Through this initiative, Mayor Bowser launched the \$3.3 million Internet for All initiative in September of 2020 to provide free internet access for up to 25,000 households with traditional and charter public school students learning from home. Through ARPA funds, the District seeks to provide connection services through its municipal network, <u>DC-NET</u>, as well as new technologies including Citizen Broadband Radio Service (CBRS).

(montgomerycountymd.gov)...