

The American Recovery and Reinvestment Act of 2009: Broadband Economic Stimulus

An Overview

William P. Cox, Esq., Abel Band, Chartered,
Sarasota, Florida – wcox@abelband.com

Analyzing Broadband Penetration – Panel Discussion

University of Florida Public Utility Research Center

36th Annual Conference

February 4, 2009

Summary

- Broadband stimulus funding is part of \$819 billion economic stimulus proposed in the U.S. House of Representatives.
- \$6 billion for Broadband deployment.
- Passed U.S. House of Representatives on January 28, 2009.

Key Provisions

- \$2.825 billion in grants to be administered by the NTIA for “unserved” and “underserved” as defined by the FCC.
- \$1 billion of total NTIA grants for wireless.
- Net Neutrality – Grant recipients provide “open access” as defined by FCC.
- Grants for interoperable networks for emergency responders.

Key Provisions

- States submit reports to NTIA on priority areas for broadband deployment within 75 days.
- NTIA to develop broadband inventory map within 2 years.
- FCC to develop national broadband access/deployment plan within 1 year.

Issues and Observations

- A big issue remains as to how much authority FCC will have over broadband deployment and net neutrality regulations.
- What role will states and localities play?
- In addition to grants, will tax credits for private investment be included?

Issues and Observations

- Economic stimulus?
 - Information Technology and Innovation Foundation claims \$10 billion investment in broadband networks would sustain 498,000 U.S. jobs for one year (84% higher wage than average) with offshoot of benefits for social networking, gaming, telemedicine, and online education.
 - George Mason University economics professor Tyler Cowen says: "It is very hard to find examples of successful fiscal stimulus driving economic recovery. Ever. This should be a sobering fact."