

# Treasury Announces First Capital Projects Fund Awards to Increase Access to Affordable, High-Speed Internet

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*Louisiana, New Hampshire, Virginia, and West Virginia are the first states to be approved to receive funds under the American Rescue Plan and will connect over 200,000 homes and businesses*

WASHINGTON — Today, the U.S. Department of the Treasury announced the first group of plans approved under the American Rescue Plan’s [Coronavirus Capital Projects Fund \(CPF\)](#). The CPF provides \$10 billion to states, territories, freely associated states, and Tribal governments to fund critical capital projects that enable work, education, and health monitoring in response to the public health emergency. A key priority of the program is to make funding available for reliable, affordable broadband infrastructure and other digital connectivity technology projects. In addition to the \$10 billion provided by the CPF, many governments are using a portion of their State and Local Fiscal Recovery Funds (SLFRF) toward meeting the Biden-Harris Administration’s goal of connecting every American household to affordable, reliable high-speed internet. Through these two programs, the American Rescue Plan is supplying among the first large waves of federal broadband funding under the Biden-Harris Administration and laying the groundwork for future funding provided in the Infrastructure Investment and Jobs Act.


“The pandemic turned so many aspects of life online from work to school and laid bare the urgency of closing the digital divide for all Americans – especially those living in rural, Tribal, and low-income communities,” said Deputy Secretary Adeyemo. “Treasury’s broadband funding represents a significant step in the Biden-Harris Administration’s unprecedented investment to increase access to high-speed internet and reduce broadband bills for every American household and business.”

The state plans approved in this first group will support broadband infrastructure and are designed, upon project completion, to deliver reliable internet service that meets or exceeds

symmetrical download and upload speeds of 100 megabits per second (Mbps), speeds that are needed for a household with multiple users to simultaneously access the internet to telework and access education and health monitoring. Treasury designed its guidance to prioritize connecting families and businesses with poor and inadequate service – particularly those in rural and remote areas. Treasury also requires states to explain why communities they have identified to be served with funds from the CPF have a critical need for those projects.

In accordance with Treasury's guidance, each state's plan requires all service providers to participate in the Federal Communications Commission's (FCC) new [Affordable Connectivity Program \(ACP\)](#). The ACP helps ensure that households can afford the broadband they need for work, school, healthcare, and more by providing a discount of up to \$30 per month. The FCC estimates that about 48 million families are eligible for the program—nearly 40% of households. President Biden and Vice President Harris recently announced their work to secure commitments from 20 leading internet service providers – covering more than 80% of the U.S. population – to offer all ACP-eligible households high-speed, high-quality internet plans for no more than \$30 per month. As a result, these households will receive internet access at no cost, helping to close the digital divide for millions that could not previously have afforded internet service. Beyond the ACP, Treasury's guidance requires recipients to consider whether the funded networks will be affordable to the target markets in their service area and encourages recipients to require that a funded project offer at least one low-cost option at speeds that are sufficient for a household with multiple users.

In implementing this program, Treasury has coordinated closely with its interagency partners, and entered into an [interagency agreement](#) in May 2022 with the FCC, National Telecommunications and Information Administration, and U.S. Department of Agriculture to share information and collaborate in the collection and reporting of data and metrics on broadband deployment projects.

Together, the first state recipients under the CPF plan to connect over 200,000 homes and businesses to affordable, reliable, high-speed internet. Treasury has already [approved](#)  over 30 awards to Tribal governments, and intends to continue approving state and Tribal plans on a rolling basis. States must submit their plans to Treasury no later than September 24, 2022.

The following descriptions highlight the four state plans that Treasury approved.

- Louisiana, approved for \$176.7 million (representing 100% of its available CPF funding), will provide funding to connect nearly 88,500 homes and businesses currently lacking access to internet at speeds of 25/3 Mbps through the state's the new Granting Unserved Municipalities Broadband Opportunities (GUMBO) program, a multi-phase, broadband infrastructure competitive grant program. Louisiana estimates that projects receiving funding from this CPF award will close the digital divide for approximately 25% of all locations lacking high-speed internet access in the state.
- New Hampshire, approved for an initial award of \$50 million (representing 41% of its available CPF funding), estimates it will serve 15,000 homes and businesses, in rural and remote areas, which represents approximately 50% of locations in the state that lack access to high-speed internet. The state's new Broadband Contract Program is designed to select and support a local internet service provider (ISP) to provide internet service to the most rural parts of the state lacking internet service. The program will prioritize applicants that encourage the maximum number of locations to be served at the lowest cost, and broadband networks that will be owned, operated by, or affiliated with local governments, non-profits, and co-operatives.
- Virginia, approved for \$219.8 million (representing 100% of its available CPF funding), will use funds to expand last-mile broadband access to an estimated 76,873 locations, approximately 28% of locations the state estimates lack access to high-quality broadband service. Through a competitive grant-making program overseen by the Virginia Telecommunication Initiative (VATI), local governments in partnership with internet service providers apply for funds with the goal of deploying universal coverage solutions in the localities involved.
- West Virginia, approved for \$136.3 million (representing 100% of its available CPF funding), estimates that projects receiving funding from this CPF award will serve 20,000 locations, or approximately 10% of locations in the state that lack access to high-speed internet. The state will use three separate grant programs that focus funding for last-mile connections to homes and businesses currently without access to internet at speeds of at least 25/3 Mbps. The Line Extension Advancement and Development Program (LEAD) will fund the extensions of last-mile broadband networks that can be constructed quickly,

the Major Broadband Projects Strategies Program (MBPS) will fund larger-scale projects designed to serve large numbers of eligible addresses, and GigReady will provide local governments with the opportunity to utilize SLFRF as matching funds for broadband infrastructure projects. Each of these three programs is designed to enable funding to reach areas that are hardest to serve due to low population density, rurality, or other factors.

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