



COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE GOVERNOR

URI Z. MONSON
SECRETARY
GOVERNOR'S OFFICE OF THE BUDGET

March 31, 2023

The Honorable Josh Shapiro
Governor
Commonwealth of Pennsylvania
225 Main Capitol Building
Harrisburg, PA 17120

The Honorable Kim L. Ward
President Pro Tempore
Senate of Pennsylvania
Senate Box 203039
Harrisburg, PA 17120

The Honorable Jay Costa
Democratic Leader
Senate of Pennsylvania
Senate Box 203043
Harrisburg, PA 17120

The Honorable Joe Pittman
Majority Leader
Senate of Pennsylvania
Senate Box 203041
Harrisburg, PA 17120

The Honorable Joanna E. McClinton
Speaker of the House
House of Representatives
House Box 202191
Harrisburg, PA 17120

The Honorable Bryan Cutler
Republican Leader
House of Representatives
House Box 202100
Harrisburg, PA 17120

The Honorable Matthew D. Bradford
Majority Leader
House of Representatives
House Box 202070
Harrisburg, PA 17120

Dear Governor Shapiro and Leaders of the General Assembly:

The Pennsylvania Broadband Development Authority (Authority) hereby submits its second annual report, as mandated by Act 96 of 2021. The Authority has made significant progress in the past year and has several updates to share.

As required by Act 96, the Authority adopted the Statewide Broadband Plan (Plan)¹ at the November 17, 2022 board meeting. The Plan serves as the guiding framework for the Authority to expand broadband access and ensure digital equity across the Commonwealth. In conjunction with the

¹ The Plan can be found on DCED's webpage at <https://dced.pa.gov/download/statewide-broadband-plan/?wpdmdl=117083>

Pennsylvania General Assembly, industry partners, and local communities, the Plan outlines goals and action steps toward achieving universal access that meets or exceeds federally defined broadband speeds.

In 2021, the National Telecommunications and Information Administration (NTIA) was allocated over \$45 billion in funding under the Infrastructure Investments and Jobs Act (IIJA) for the purposes of broadband expansion, adoption, and literacy. As a first step in the process, the Authority applied for and received \$5 million in planning funds through the Broadband Equity, Access, and Deployment (BEAD) Program and over \$1.6 million in funds through the Digital Equity Act Program. These resources are being used by the Authority to build staff capacity, complete statewide mapping, and develop the relevant plans that NTIA requires prior to the distribution of implementation funds in 2024.

The funding allocations from NTIA will be based on the total number of unserved locations in the Commonwealth as compared to the number of unserved locations in the other states and territories. Based on the Federal Communications Commission's (FCC) National Broadband Map (Map), it is estimated that Pennsylvania will receive over \$1 billion in funding for broadband efforts. To maximize the funding allocation, the Authority contracted with Penn State Extension to assist with the review of the Map and development of challenge data to submit to the FCC in response to the information provided by internet service providers. In preparation for these submissions, the Authority conducted nine listening sessions throughout the state to promote the Map and challenge process. These sessions helped to increase public awareness, provide education on the process, and encourage Pennsylvanians to check the accuracy of the Map. As a result of the partnership with Penn State, the Authority successfully submitted over 50,000 service availability challenges to the FCC in January. To date, more than 17,000 challenges have been upheld, which is estimated to increase funding for Pennsylvania by \$70 million.

To meet NTIA's planning requirements, the Authority issued a Request for Proposal to competitively procure a consultant to assist with the completion of the requisite Five-Year Action Plan for BEAD and the Digital Equity Plan. Michael Baker International was selected to complete the scope of work and a contract is being finalized. The work plan includes facilitation of roundtable discussions and a strategic planning session for the Authority's board of directors; facilitation of core planning team meetings; development and deployment of a statewide community survey; partnering with Authority staff to host in-person community outreach events to help identify locally specific barriers and inform asset mapping; development of a "Broadband Ready" framework/checklist to prepare local units of government for broadband projects and prepare for partnerships with providers; and the development of a draft framework of the BEAD Five-Year Action Plan and Digital Equity Plan.

The Authority also worked to develop its first competitive grant program to incentivize broadband deployments in underserved and underserved areas. The American Rescue Plan Act (ARPA) allocated \$10 billion to the U.S. Department of the Treasury (Treasury), which established the Capital Projects Fund (CPF) Program. The CPF Program provides payments to states and territories for the purposes of critical capital projects that are in direct response to the COVID-19 pandemic. The Commonwealth was allocated \$279 million under the CPF Program, through which the Authority submitted program plans to Treasury identifying the intended use of funds. The Authority has identified three grant programs through which CPF funds will be administered: (1) \$200 million for the Broadband Infrastructure Program (BIP); (2) \$45 million for the Digital Anchor Institution Program; and (3) \$20 million for the Digital Access and Opportunity Grant Program. The Authority, at present, is working with its board to finalize guidelines for BIP, with the intent of opening the application period in the spring of 2023. We anticipate providing a list of funded projects in next year's annual report.

Looking ahead to 2023 and beyond, the Authority is well positioned to make critical investments that will close the digital divide across the Commonwealth. If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "Uri Monson", with a long horizontal flourish extending to the right.

Uri Monson

Chairman, Pennsylvania Broadband Development Authority