

Congress passes \$1.2 trillion bipartisan infrastructure bill; funds for broadband expansion expected by 2023

Article

The news: US Congress passed the **\$1.2 trillion infrastructure bill**, a huge win for **President Joe Biden's** domestic agenda to fix the nation's power grid and aging roads, expand broadband access, and promote the move to EVs.

How we got here: The bill initially received significant pushback in the House, and its passing was initially contingent on a separate \$1.8 trillion economic package. However, **House Speaker Nancy Pelosi** recommended that Congress make the infrastructure bill independent of the economic agenda, which requires official cost estimates that can take two weeks to process.

- The legislation provides **\$550 billion** in new federal spending over five years to fix the country's aging public works system, as well as improve broadband infrastructure to serve millions of US residents **lacking** reliable high-speed internet access.
- **\$65 billion** has been earmarked for investment in access to reliable, high-speed internet. This is lower than Biden's initial \$100 billion **goal**, however, and is expected to be used toward increasing affordability and adoption of high-speed internet in remote and underserved areas.
- The package includes **\$75 billion** to build **half a million electric vehicle chargers** across the country to help increase EV adoption. This circles back to the Biden administration's **commitment** to making EVs **40%** of vehicles sold in the US by 2030. **EVs currently make up just 2.9% of the total passenger car market.**

What's next? Broadband-for-all addresses two key issues: that some Americans don't have access to high-speed internet and those who do simply can't afford to subscribe.

Tackling this **transformative** White House goal makes it a top funding priority. Now, state officials need to decide how the funds are spent.

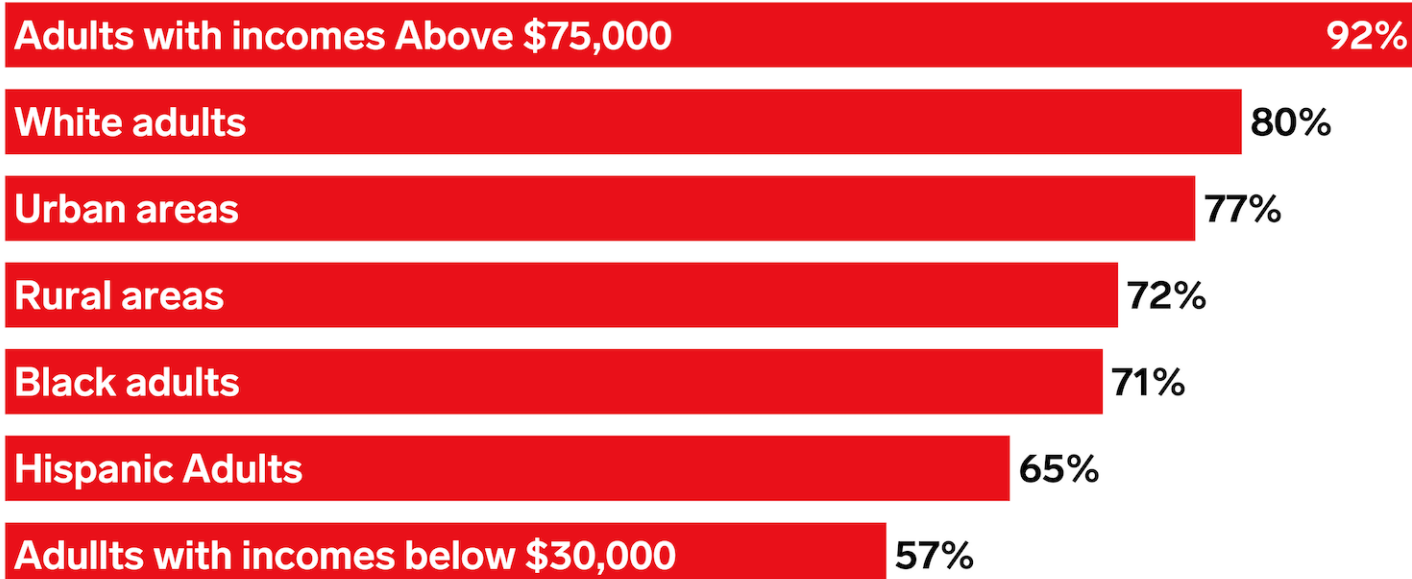
- Each state has to submit its plan to be approved by the Commerce Department, a departure from federal-led programs in the past.
- The law allows states to make grants available to a wider range of internet providers, including nonprofits, cooperatives, and municipalities. They're no longer limited to traditional cable and phone operators.
- It also requires new networks to have a download speed of at least 100 megabits per second.

What's the catch? It could take time to see the benefits of the bill on broadband infrastructure and affordability.

- Lawmakers are asking the FCC to map where service is and isn't available, a complex and time-consuming task the agency is rushing to complete.
- States also need to proactively develop broadband spending plans—possibly cycling through several iterations and proposals before receiving the Biden administration's approval—a process that could last well into 2023, per analysts at Capital Alpha Partners.

Income Inequality Drives the Digital Divide

% of US adults with broadband subscriptions



Source: Pew, 2021

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