

Broadband Improvements for Unserved and Underserved Pennsylvania Communities

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The federal Infrastructure Investment and Jobs Act (the “Act”) enacted by Congress this fall has enabled “Qualified Broadband Projects” to be financed with private activity bonds commencing January 1, 2022. Private activity bonds are tax-exempt bonds issued by governmental entities that may or may not have to be governmentally owned, depending upon the type of project financed. Under the Act, issuers may borrow money on a tax-exempt basis to fund broadband service improvements to be completed by a private broadband service provider. The debt service on such borrowing is paid by the broadband service provider pursuant to a loan agreement or lease.

The Act further provides specific measures for a broadband project to meet the definition of a “Qualified Broadband Project” under the Act, including minimum broadband service speeds, requirements that the project provides service to previously underserved communities, and notice requirements to current broadband providers. See the linked [Qualified Broadband Project Bonds Fact Sheet](#) for more information.

The Act also sets aside a minimum of \$100 million to help provide broadband coverage across Pennsylvania. In response, Pennsylvania passed legislation on Monday, December 22, 2021, creating the Pennsylvania Broadband Development Authority (the “BDA”) to administer the funds provided by the Act. The BDA will form the single point of contact for broadband grants in Pennsylvania under the Act. See the linked [Pennsylvania Broadband Development Authority Fact Sheet](#) for more information.

In addition to the Act, the American Rescue Plan Act provides funds that may be used for broadband projects (“ARPA Funds”). ARPA Funds may be used to fund broadband projects directly or to fund a revolving loan fund that can issue loans to entities desiring to construct broadband improvements.