

## American Recovery and Reinvestment TIA Summary of Conference Report

<u>Sector</u>	<u>Amount</u>	<u>Title</u>
Broadband: \$7.2 billion	\$2.5 billion \$4.7 billion	RUS – Distance Learning, Telemedicine, and Broadband Program NTIA – Broadband Technology Opportunities Program
DTV: \$650 million	\$650 million	NTIA – Digital-to-Analog Converter Box Coupons
Health IT: \$2 billion	\$2 billion \$17 billion*	National Coordinator for Health Information Technology Medicare/Medicaid - health information technology infrastructure & incentives to encourage doctors and hospitals to use HIT
R&D: \$3.6 billion	\$610 million \$3.02 billion	NIST - Scientific & Technical Research and Services, NIST Construction of Research Facilities NSF - Research and Related Activities
Energy: \$4.5 billion	\$4.5 billion	Department of Energy - Electricity Delivery & Energy Reliability incl. smart grid investments
Business Tax: \$6 billion	\$5 billion \$947 million \$41 million	Bonus depreciation 5-year Net-Operating Loss (NOL) Carryback Extension of increased small business expensing (Sec. 179)
TAA Buy America	N/A	Trade Adjustment Assistance (TAA) General Provisions
Other: \$2.3 billion	\$1.5 billion \$50 million \$50 million \$200 million \$500 million *	HHS, Health Resources and Services Administration Department of Agriculture, Farm Services Agency VA – Departmental Administration, Information Technology Systems DHS – Office of the Under Secretary for Management Social Security Administration Intelligent Transportation Systems

**TOTAL for TIA's members:  
\$26.25 billion**

(\*Funding not included in total, but noted for reference)

### **Broadband, RUS (2.5 billion)**

**Distance Learning, Telemedicine, and Broadband Program – Division A, Title I, pg. 9-10 of PDF.**

- **\$2.5B** to Rural Utilities Service (RUS) for grants, loans, and loan guarantees for deployment of broadband infrastructure in any area of the United States
  - 75% of the areas to be served shall be in a rural area without sufficient access to high speed broadband service to facilitate rural economic development.
  - Priority will be given to projects that:
    - Will deliver a choice of more than one service provider.
    - Provide service to the highest proportion of rural residents that do not have access to broadband service.
    - Include borrowers or former borrowers.
    - Can be completed if the requested funds are provided.
    - Can commence promptly following approval.
  - No project may receive funding to provide broadband service under the Broadband Technology Opportunities Program (below).

## **Broadband, NTIA (4.7 billion)**

**Broadband Technology Opportunities Program Grants – Division A, Title II, pages 553-564 of PDF and Division B, Title VI, pages 36-38 of PDF. (4.7 billion)**

- **\$4.7B** to NTIA, in consultation with the FCC, to create Broadband Tech Opportunities Program.
  - **\$350M** of the \$4.7B to fund PLU 110-385, broadband mapping program.
  - **\$4.35B** of the \$4.7B to grant award program. The following is a breakdown of the \$4.35B:
    - **\$3.89B** of the \$4.35B to broadband providers:
      - Providing access to broadband service to consumers residing in “unserved” and “underserved” areas. These terms are not defined and there is no FCC definition requirement; NTIA is to consult with States and Territories to identify “unserved” and “underserved” areas.
      - Providing broadband equipment and support to schools, libraries, organizations encouraging increased broadband use by vulnerable populations (unemployed, aged).
      - Improve access to and use of broadband technologies by public safety.
    - **\$250M** of the \$4.35B to increase sustained broadband adoption.
    - **\$200M** of the \$4.35B to upgrade technology at public computing centers.
  - Not more than 3% of all funds may be used for any administrative costs.
  - All grants must be awarded by the end of fiscal year 2010.
  - Eligible entities include state/local governments; non-profits; corporations, or broadband service/infrastructure providers that the NTIA by rule finds to be in the public interest.
  - NTIA grant administration must be done in a technology-neutral basis to the extent feasible.
  - Applicants must show that project would not be done without federal funding; can start quickly; federal funding will be < 80%; comply with “non-discrimination” and “interconnection” obligations.
  - Term “open access” not mentioned in this Section.
  - NTIA, in coordination with the FCC, must publish “non-discrimination” and “network interconnection” obligations, including, at a minimum, adhere to the principles contained in the Commission’s broadband policy statement.
  - Funds deemed necessary of the \$4.7B to be transferred to the FCC for developing a National Broadband Plan.

## **DTV, Coupon Box (650 million)**

**Digital-to-Analog Converter Box Coupons – Division A, Title II, pages 37-38 of PDF.**

- **\$650** to NTIA for additional coupons and related activities under the program implemented under Section 3005 of the Digital Television Transition and Public Safety Act of 2005.
  - **\$90M** of the \$650M may go to education and outreach, and may be transferred to the FCC if deemed necessary and upon a 5-day notice to the House and Senate Appropriations Committees.

## **Health Information Technology (2 billion)**

**HHS - Office of the National Coordinator for Health Information Technology – Division A, p. 163-164 of PDF (\$2 billion)**

- Shall transfer \$20 million to the Director of NIST, for continued work on advancing HIT enterprise integration through standards analysis and establishment of conformance testing infrastructure
- Funds will be available only after National Coordinator provides an operating plan to the Congressional Appropriations Committees which must be done within 90 days of enactment. Subsequent annual operating plans shall be provided by Nov. 1 of each year.

**Health Information Technology – Division A, Title XIII, pages 294-303 of PDF.**

Duties of the National Coordinator

- Review and determine whether to endorse each: standard, implementation specification and certification criteria for HIT as recommended by the HIT Standards Committee
- Establish and serve as the leading member of the HIT Policy and Standards Committees
- Update and provide to Congress the Federal Health IT Strategic plan with the goal of having an electronic health record for every person in the US by 2014.
  - Health IT Policy Committee (pages 304-315 of PDF)
    - Shall recommend the areas and priority of creation of standards, implementation specification and certification criteria, and shall recommend harmonization of such standards and criteria
    - Membership shall include: representatives appointed by the Sec. of HHS, the Senate and the House, the President and other relevant agencies; other members shall include advocates for patients, health care providers, labor organizations, those with expertise in health information privacy and security, vendors, researchers, purchasers and employers among others
    - Committee shall ensure ability for outside participation from public
  - Health IT Standards Committee (pages 315-323 of PDF)
    - Shall recommend to National Coordinator standards, implementation specification and certification criteria for HIT that have been developed, harmonized or recognized by the Committee to achieve the goals. Shall update and make new recommendations as needed.
    - Shall recognize harmonized or updated standards from entities in order to achieve uniform and consistent implementation standards
    - Shall provide for the testing of standards by NIST
    - Shall serve as a forum for stakeholders and must be balanced and include technology vendors and shall conduct public meetings
    - Within 90 days of enactment the Committee shall develop a schedule for the assessment of policy recommendations developed by the HIT Policy Committee. The schedule shall be published in the Federal Register and shall be updated annually.

## **R&D (3.6 billion)**

### **National Institutes of Science & Technology (\$610 million).**

- **\$610M** for NIST.
  - **\$220M** of the \$610M for “Scientific and Technical Research and Services.”
  - **\$360M** of the \$610M for Construction of Research Facilities of which \$180 million will be for a competitive construction grant program for research science buildings;
  - **\$20M** of the \$610M transfer from HHS Office of Health Information Technology Coordinator.

### **National Science Foundation (\$3.02 million)**

- **\$3.02M** for NSF.
  - **\$2.5B** for Research and Related Activities.
    - **\$300M** of the \$2.5B for Major Research Instrumentation Program.
    - **\$200M** of the \$2.5B for academic research facilities modernization.
  - **\$100M** for Education and Human Resources.
  - **\$2M** for the Office of Inspector General

## **Energy (4.5 billion)**

### **Electricity Deliver & Energy Reliability – Division A, Title IV, pages 60-62 of PDF (\$4.5 billion).**

- **\$4.5B** to Dept of Energy for “Electricity Delivery and Energy Reliability to modernize the electric grid, including demand response equipment, to enhance the security and reliability of the energy infrastructure, energy storage research, development, deployment and demonstration.

## **General Business Tax Provisions (6 billion)**

### **Bonus depreciation – Division B, Title I, Sec 1201, pages 69-71 of PDF (\$5 billion).**

The proposal extends the additional first-year depreciation deduction for one year, generally through 2009 (through 2010 for certain longer-lived and transportation property).

### **5-year Net-Operating Loss (NOL) Carryback. Division B, Title I, Sec. 1211, pages 74-78 of PDF (\$947 million).**

The Conference agreement limits the NOL Carryback extension to small businesses. Eligible small businesses with an election to increase the present-law carryback period for an applicable 2008 NOL from two years to any whole number of years elected by the taxpayer that is more than two and less than six. An eligible small business is a taxpayer meeting at \$15 million gross receipts test. An applicable NOL is the taxpayers NOL for any taxable year ending in 2008, or if elected by the taxpayer, the NOL for any taxable year beginning in 2008. However any election under this provision may be made only with respect to one taxable year.

### **Extension of increased small business expensing (Sec. 179) Division B, Title I, Sec. 1202, page 74 of PDF (\$41 million).**

In lieu of depreciation, a taxpayer with a sufficiently small amount of annual investment may elect to deduct (or “expense”) such costs under section 179. Present law provides that the maximum amount a taxpayer may expense for taxable years beginning in 2008 is \$250,000 of the cost of qualifying property placed in service for the taxable year, and reduces that amount in 2009 and beyond. In general, qualifying property is defined as depreciable tangible personal property that is purchased for use in the active conduct of a trade or business. Off-the-shelf computer software placed in service in taxable years beginning before 2011 is treated as qualifying property. For taxable years beginning in 2008, the \$250,000 amount is reduced (but not below zero) by the amount by which the cost of qualifying property placed in service during the taxable year exceeds \$800,000. The stimulus bill extends the \$250,000 and \$800,000 limits for 2009.

## **Trade Adjustment Assistance (37.4 billion CBO score)**

### **Trade Adjustment Assistance – Division B, Title II, page 161-166; 183-284)**

- Extends TAA through December 31, 2010
- Extends the Trade Adjustment Assistance (TAA) program to displaced service industry workers
- Program Benefits:
  - Increases training funds available to states to \$575 million per fiscal year;
  - On-the-job training can not exceed 104 weeks;
  - A worker who *has not* received trade readjustment allowance may receive benefits for a period not to exceed 2 years beginning on the date on which the worker exhausts all unemployment insurance benefits;
  - A worker who *has* received trade readjustment allowance may receive benefits for a period of 104 weeks, beginning on the date on which the worker obtains re-employment, reduced by the total number of weeks for which the worker received such trade readjustment allowance;
    - Payments made to a worker may not exceed \$12,000 during the eligibility period;
  - Establishes within the Dept. of Labor an Office of Trade Adjustment Assistance
  - A non-citizen or national of the U.S. may receive assistance as long as the worker remains in a satisfactory immigration status.
  - Industry or Sector Partnership Grants
    - Beginning on August 1, 2009, the Secretary shall award Sector Partnership Grants to eligible partnerships to assist the eligible partnerships in carrying out projects, over periods of not more than 3 years, to strengthen and revitalize industries and sectors and create employment opportunities for dislocated workers.
    - \$40M for FY09 and FY10, and \$10 M from Oct. 1, 2010 through Dec. 31, 2010.

## **Buy America**

### **General Provisions, Buy American– Division A, Title XVI , pages 489-490.**

- None of the funds may be used for construction, alteration, maintenance or repair of a public building or public work unless all of the iron, steel, and *manufactured goods* are produced in the U.S.
  - Exceptions:
    - Inconsistent with public interest;
    - Iron, steel, and relevant manufactured goods are not produced in U.S. in sufficient and reasonably available quantities and of a satisfactory quality;
    - Inclusion of iron, steel, and manufactured goods produced in U.S. will increase cost of overall project by more than 25%
- If the head of an agency determines that it is necessary to waive the Buy American provisions using the exceptions listed above, then he/she shall publish in the Federal Register a detailed written justification as to why the provision is being waived.
- **“This section shall be applied in a manner consistent with U.S. obligations under international agreements.”**
- Notes:
  - The conferees anticipate that the Administration will rely on the authority under 19 U.S.C. 2511(b) (General authority to modify discriminatory purchasing requirements) to the extent necessary to comply with U.S. obligations under the WTO Agreement on Government Procurement and under U.S. free trade agreements and so that section 1605 will not apply to least developed countries to the same extent that it does not apply to the parties to those international agreements.
  - This section does not incorporate by reference the “Buy America Act” that is currently law.

## **Other (2.3 billion)**

- **HHS, Health Resources and Services Administration – Division A, Title VIII, page 152 of PDF (\$1.5 billion).** Available for grants for construction, renovation and equipment and for the acquisition of HIT systems for health centers
- **Department of Agriculture, Farm Services Agency – Division A, Title I, page 7 of PDF (\$50 million).** For the purpose of marinating and modernizing information technology systems
- **VA – Departmental Administration, Information Technology Systems – Division A, Title X, page 214 of PDF (\$50 million).** For the Veterans Benefits Administration available until September 30, 2010.
- **DHS – Office of the Under Secretary for Management – Division A, Title VI, page 120 of PDF (\$200 million).** Available for planning, design, construction costs, site security and information technology infrastructure to consolidate the DHS headquarters.
- **Social Security Administration – Division A, Title VIII, page 178 of PDF (\$500 million).** Available for expenses for the replacement of the National Computer Center and the information technology costs associated with the Center.
- **Intelligent Transportation Systems – Division A, Title XII, pages 226-229.** The language concerning this item is still ambiguous, so we reference it for now but the funding is not included in total. \$27.5 billion to modernize roads and bridges, at least half of which must be obligated by states within 120 days; \$8.4 billion to increase public transportation and improve transit facilities; \$8 billion for investment in high-speed rail; and \$1.5 billion for a discretionary surface transportation grant program to be awarded competitively by the Secretary of Transportation. Intelligent transportation systems (ITS) and related operational strategies are eligible expenditures for state and local transportation agencies under the program.