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**Overlapping Broadband Appropriations Demand Agency Coordination:  
New FCC Maps Can Track Grants, Avert Waste**

by

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**I. Introduction and Summary**

In his State of the Union address on March 1, President Biden said he wants to "provide affordable high-speed internet for every American—urban, suburban, rural, and tribal communities." And in [remarks](#) to the National Association of Counties a couple of weeks ago, President Biden urged local officials not to wait for funding from the [Infrastructure Investment and Jobs Act](#): "You can use the resources from the [American Rescue Plan](#) now." The goal of universal high-speed Internet access is all well and good. But the reality, at present, is the lack of a coherent, fiscally responsible approach.

Indeed, unfortunately, it does not appear that either President Biden or Congress has paid much attention – big picture – to how the various appropriations, agencies, and programs relating to the construction of broadband infrastructure will interoperate in a manner that uses precious taxpayer dollars wisely and efficiently. This must change.

The public policy goal to make high-speed Internet access universally available throughout the United States involves an unprecedented undertaking and massive expenditure of federal funds. Its successful achievement depends upon the production and use of reliable data, an unrelenting focus on the truly unserved, and, most critically, a well-considered plan. Instead, it would seem that the Biden Administration and Congress are flying by the seat of their pants. Three recent, large-scale legislative appropriations have: (1) made available an unknowable, but almost certainly excessive, amount of money for the construction of broadband infrastructure; (2) empowered three separate agencies to administer at least five different big-ticket grant programs; and (3) allowed those agencies to craft widely divergent eligibility requirements. Moreover, this mish-mash is on top of the tens of billions of dollars from the Universal Service Fund that the FCC already has committed to the expansion of broadband facilities. Absent considerably greater interagency coordination and focus on the efficient use of these federal funds than has occurred thus far, duplicative grants, subsidized overbuilds of existing, privately funded networks, and waste and fraud are all but assured.

Stepping back, it is important to recognize that the Infrastructure Investment and Jobs Act (IIJA), on its own, provides the entire amount that President Biden argued was needed to accomplish the goal of universal connectivity. And it targets that money to those locations that are in fact unserved. But before the National Telecommunications and Information Administration (NTIA) stands up the \$42.45 billion Broadband Equity, Access, and Deployment (BEAD) Program, multiple other agencies already will have handed out billions of broadband dollars. With more money available than the challenge demands and rules that encourage grant applicants to target areas where service made possible by private investment already exists, unacceptably significant inefficiencies and waste likely will be the result. This is especially so given the time required to extend broadband access to those discrete areas – typically rural, sparsely populated, and challenged by mountainous terrain and similar geographic features – that remain unserved. Even under the best of circumstances, years likely will pass between when subsidies first are allocated and the observable (and reportable) provision of service to customers begins.

Fortunately, an opportunity still exists to address these concerns. Assuming all goes as Congress [intends](#), the FCC's new broadband service availability maps, [once completed](#), will spotlight, using data the Commission on February 22, 2022, [announced](#) that broadband providers must submit no later than September 1 of this year, those specific locations that lack access to an adequate high-speed Internet connection. Those same maps can and should be leveraged to illustrate, based upon information provided by grant applicants, the precise locations that subsidies will target. The resulting visual representation of approved and funded (but in most cases not yet operational) projects would help protect against the dangers noted above.

Specifically, the [Consolidated Appropriations Act, 2021](#) directs NTIA, the FCC, and the Department of Agriculture's Rural Utilities Service to coordinate on the distribution of broadband funds, and a recently introduced bipartisan bill, the [Connect Unserved Americans Act of 2022](#), would add the Department of Treasury to that list. As part of that coordination, all four agencies should require grant applicants to make available widely data, in a format

compatible with the FCC's new maps, highlighting the specific locations their projects will target. Adherence to this requirement would create a powerful and indispensable oversight and accountability tool for policymakers and the public at large.

## **II. Overlapping, Excessive Federal Subsidy Appropriations Belie a Coherent Plan**

In March 2021, President Biden [expressed his belief](#) that "we can bring affordable, reliable, high-speed broadband to every American through a historic investment of \$100 billion." (Notably, that top-level number covered more than just infrastructure construction, including short-term subsidies, and an unspecified longer-term approach, to address affordability concerns.) A few months later, in the wake of discussions with a bipartisan group of Senators, the White House [reduced its ask to \\$65 billion](#): "The President is prepared to accept your proposed funding of \$65 billion in broadband investments. We believe we can still achieve universal access to affordable high-speed internet at your lower funding level, though it will take longer."

The [Infrastructure Investment and Jobs Act](#), which became law in November 2021, delivered to NTIA that entire amount. In addition, and as Free State Foundation President Randolph J. May and I noted approvingly in recent [comments to NTIA](#) regarding implementation of its \$42.45 billion Broadband Equity, Access, and Deployment (BEAD) Program, that bipartisan legislation includes prudent language (1) targeting subsidies to areas legitimately unserved, and (2) specifying that determinations as to high-speed Internet service availability be based upon the new broadband maps that the FCC is expected to complete ... [soon](#).

However, the IJA – curiously and regrettably – is by no means the only source of federal broadband infrastructure funds. Nor is NTIA the only government agency responsible for the distribution of that money. These two facts portend serious problems.

Improvisational comedy legend Del Close [reportedly](#) once described his signature improv game, the "Harold," as "like building a 747 mid-flight." Spectators watch in anxious amazement as the actors onstage embark on an exhilarating journey from nothing – no script, no thematic suggestion from the audience, no agreed-upon plot – to a fully formed production with a clear beginning, middle, and end. That is, if all goes well. Indeed, half the fun is waiting to see if, to continue the metaphor, the troupe can land the plane.

This approach results in a thrilling night at the theater, to be sure. But it is no way to prudently allocate limited government resources dedicated to the expansion of broadband infrastructure. That herculean task requires a detailed plan, coordinated execution over a lengthy time horizon, and an unrelenting focus on the fiscally responsible use of taxpayer dollars. By contrast, the federal government's actual approach more closely resembles a Harold that crashes and burns during the first act. First and foremost, the amount of money allocated is unknowable – and almost certainly more than what is required. Second, because multiple agencies have been tasked with distributing that money, the potential for its inefficient use, resulting from inadequate interagency coordination, is extremely high.

The [American Rescue Plan Act](#) (ARPA) made the Department of Treasury responsible for two separate appropriations that I, alone or joined by Free State Foundation President Randolph J. May, have written about in recent months: (1) the \$350 billion [State and Local Fiscal Recovery Funds \(SLFRF\) Program](#), and (2) the \$10 billion [Coronavirus Capital Projects \(CCP\) Fund](#). Notably, both of these programs will hand out subsidies before the BEAD Program gets underway: NTIA has [180 days](#) from the passage of the IIJA to finalize its rules, and Treasury began distributing SLFRF Program funds [in May of last year](#).

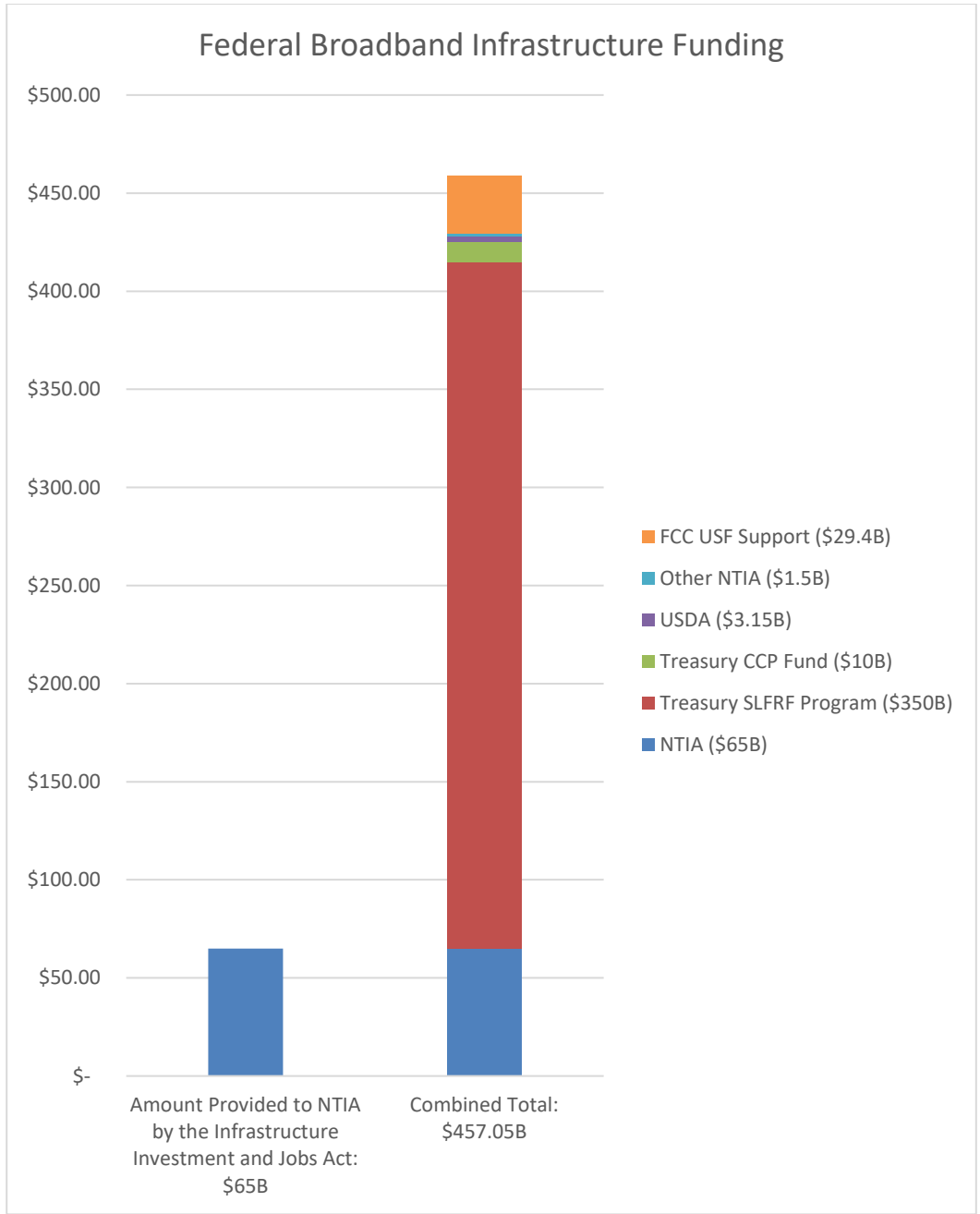
Treasury expects much of the CCP Fund to be used for broadband projects. But the extent to which the SLFRF Program, which can be tapped for a range of uses, will target network infrastructure construction is anyone's guess. As Mr. May and I explained with great concern, however, Treasury has taken deliberate steps to encourage the use of that money to subsidize construction in areas already served by privately funded providers. As a result, there is no guarantee that those SLFRF Program dollars that are used for broadband projects will have any impact on remaining digital divides.

Given the amount of money involved, efforts to track SLFRF grants not surprisingly are underway. According to [Brookings Metro, the National Association of Counties, and the National League of Cities](#), at this early stage in the process over 12 percent of spending by large counties and cities has been on infrastructure, of which broadband is a part. Anecdotally, however, it certainly seems possible that a substantial portion of that \$350 billion will be used for broadband. As just one example, earlier this month [Georgia Governor Brian Kemp](#) awarded \$408 million to broadband subsidies, federal dollars that will be augmented with an additional \$330 million in matching funds.

Though perhaps small by comparison, Congress has appropriated even more funds for broadband infrastructure than already identified. The [ReConnect Program](#), administered by the Department of Agriculture's Rural Utilities Service, currently is accepting applications for \$1.15 billion in loans and grants. The IIJA also gave Agriculture \$2 billion for rural broadband. And the [Consolidated Appropriations Act, 2021](#) provided NTIA with a separate \$1.5 billion, which it is using to fund three programs in addition to those established by the IIJA: the [Broadband Infrastructure Program](#), the [Tribal Broadband Connectivity Program](#), and the [Connecting Minority Communities Pilot Program](#).

Finally, the FCC recently awarded \$9.2 billion in [Phase I of the Rural Digital Opportunity Fund](#) (RDOF) – and soon will make available over \$20 billion more through [Phase II](#) of RDOF and the [5G for Rural America Fund](#).

The following chart offers a visual representation of these overlapping funding sources. The column on the left depicts the all-in amount ultimately requested by President Biden and delivered by the IIJA: \$65 billion. The column on the right displays the top-level number of federal dollars that – in theory, at least – could be spent on the construction of broadband infrastructure: \$457.05 billion.



By necessity, this is an incomplete picture. In practice, of course, the SLFRF Program's \$350 billion will not be spent entirely on broadband infrastructure. The larger concern, however, is that the actual amount that will be used for such grants is unknown, and will remain so for

months, if not years – certainly not before other agencies begin to distribute their own pots of money. The same is true of the CCP Fund's \$10 billion, though – as mentioned earlier – Treasury does anticipate that the majority of that total will be dedicated to network construction. On the other hand, matching funds – which, as the Georgia example above suggests, could be significant – are not represented in the nearly \$460 billion total.

In other words, the actual amount of government dollars that will be spent to achieve a \$65 billion policy objective (1) is, and will remain for the foreseeable future, a complete mystery, and (2) in all likelihood will vastly exceed the total requested by President Biden. That fact, in and of itself, underscores the problem that exists. Compound this situation with the practical reality that network construction does not happen overnight, and the likely outcome is that, at the end of the day, the process will resemble efforts to build a jet airplane at 30,000 feet: wholly lacking the coordination, oversight, and accountability appropriate to an undertaking of this magnitude. Consequently, inefficiencies – in the form of duplication, overbuilds, and waste and fraud – are all virtually assured.

### **III. Data-Driven Interagency Coordination, Rooted in the FCC's Broadband Maps, Would Help Prevent Wasteful Duplicative Subsidies and Promote Efficiency**

Fortunately, a pathway out of this potential chaos exists. As part of its ongoing efforts to produce updated broadband availability maps, the FCC [recently announced](#) that it will require Internet service providers to submit data regarding precisely where they *currently* offer service no later than September 1 of this year. So, too, should every federal agency responsible for distributing broadband infrastructure construction subsidies demand that grant applicants submit map-compatible data revealing the specific locations to which they *propose* to provide service.

As it happens, much of the groundwork already has been laid for this to take place. To wit:

- First, the [Broadband Interagency Coordination Act of 2020](#), enacted as part of the [Consolidated Appropriations Act, 2021](#), requires NTIA, the FCC, and the Department of Agriculture's Rural Utilities Service to coordinate "the distribution of funds for broadband deployment" with an eye toward their "efficient use."
- Second, the [Connect Unserved Americans Act of 2022](#), bipartisan legislation recently introduced in the Senate, would add the Department of Treasury to that list of coordinating agencies.
- Third, the Broadband Interagency Coordination Act of 2020 also directs those agencies to "consider basing the distribution of funds ... on standardized data regarding broadband coverage."
- Fourth, as congressionally required by the [Broadband Deployment Accuracy and Technological Availability \(DATA\) Act](#), the FCC is in the process of generating updated broadband service availability maps – in other words, the "standardized data regarding broadband coverage" referenced directly above. That effort includes the creation of a "Broadband Serviceable Location Fabric," [described by Chairwoman](#)

[Rosenworcel](#) as "a common dataset of all locations in the United States where fixed broadband internet access service can be installed."

If applicants to receive government subsidies, whatever the source and/or timing, were required to define the areas they intend to serve in a data format compatible with that "fabric," the same broadband maps that indicate where service is and is not available also could reveal the exact locations that subsidies will target. Such a visual representation would facilitate and simplify efforts to avoid duplicative grants, overbuilds, and waste and fraud.

#### **IV. Conclusion**

As history has shown, challenging economics render achievement of the goal of universal high-speed Internet access a mighty, time-consuming, and expensive undertaking. For this latest publicly funded effort to succeed, a coordinated, data-driven, and fiscally disciplined plan is essential. Unfortunately, President Biden and Congress instead have embraced a throw-everything-at-the-wall approach that renders a near certainty a host of inefficient outcomes: duplicative grants, overbuilds of existing, privately funded operations, and waste and fraud.

It seems a virtual certainty that far more money than is needed has been appropriated. Troublingly, however, precisely what that total dollar amount actually is remains a mystery. Multiple agencies – Treasury, NTIA, and Agriculture – have been given responsibility for an even greater number of programs, all of which have the potential to provide funds to the same areas and/or to those targeted by the FCC's existing high-cost programs. Moreover, Treasury has adopted eligibility criteria and other guidelines that encourage the use of taxpayer dollars to subsidize competitors rather than close remaining digital divides. And the current mechanisms in place relating to interagency coordination fall short, a problem exacerbated by the time required to complete network infrastructure construction projects, particularly those in the rural, sparsely populated, and terrain-challenged areas where consumers still lack access.

The FCC's highly anticipated new broadband maps present a means to mitigate these concerns. Just as existing providers in the coming months must provide map-compatible data depicting precisely where they offer service, so, too, should applicants be required to include data in their grant requests revealing the exact locations covered by their proposals. Existing law directs the FCC, NTIA, and Agriculture to coordinate on the distribution of broadband funding, and recently proposed bipartisan legislation would sweep in Treasury. It is imperative that those four agencies work together to create a visual representation of the grants they disburse in order to (1) help prevent inefficiency and waste in the distribution of federal funds, and (2) produce a valuable oversight resource for government officials and the public.

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*Perspectives* do not necessarily reflect the views of others on the staff of the Free State Foundation or those affiliated with it.

### **Further Readings**

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[Comments of the Free State Foundation](#), *In the Matter of Infrastructure Investment and Jobs Act Implementation*, NTIA Docket No. 220105-0002 (February 3, 2022).

Andrew Long, "[GOP Senators Criticize Treasury for Promoting Broadband Overbuilds](#)," *FSF Blog* (February 1, 2022).

Randolph J. May and Andrew Long, "[Self-Defeating Treasury Subsidy Rule Wrongly Champions Broadband Overbuilds](#)," *Perspectives from FSF Scholars*, Vol. 17, No. 4 (January 19, 2022).

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Andrew Long, "[Treasury Department Resurrects the Scary Biden Broadband Plan](#)," *Perspectives from FSF Scholars*, Vol. 16, No. 56 (October 20, 2021).