



*Perspectives from FSF Scholars*  
*July 13, 2023*  
*Vol. 18, No. 29*

**Broadband: Billions at Risk of Wasteful Duplication**

by

**Andrew Long \***

[The Messenger](#)

July 12, 2023

On June 26, the Department of Commerce announced it would begin disbursing early next year the \$42.5 billion Congress appropriated to fund broadband deployment so that high-speed internet access will be available more ubiquitously across the country. This is a worthy goal. But the sad truth is that government efforts to connect every American to the internet lack a coherent overarching strategy because there are too many cooks in the proverbial kitchen. This means there is likely to be a wasteful misdirection of taxpayer dollars to locations already connected.

There is even disagreement as to what speeds constitute “broadband.”

What's more, federal subsidy programs blindly favor fiber deployments over other broadband platforms and encourage the overbuilding of existing, privately funded broadband networks. Consequently, there is a real risk that, after all the billions of taxpayer funds have been spent, some areas will remain unserved.

**The Free State Foundation**  
**P.O. Box 60680, Potomac, MD 20859**  
**[info@freestatefoundation.org](mailto:info@freestatefoundation.org)**  
**[www.freestatefoundation.org](http://www.freestatefoundation.org)**

Thanks to [\\$2 trillion](#) in private investment thus far, the vast majority of Americans do have access to broadband. In most cases, consumers enjoy the luxury of choice between a range of providers and technologies, both fixed and mobile. But there are pockets, typically in remote areas, that remain wholly unserved. This is primarily due to practical, on-the-ground challenges that render the construction of networks prohibitively expensive.

Recognizing the increasing importance of internet access to 21<sup>st</sup> century life, government leaders have made universal coverage a top priority. That commitment comes with a massive price tag: to date, Congress has allocated hundreds of billions to closing remaining digital divides. To encourage continued private-sector leadership and the prudent use of limited resources, it is essential that federal efforts target, with laser-like precision, those locations that are truly unserved.

Specifically, success hinges upon two things: (1) a unified and coordinated national broadband strategy, and (2) a single definition of “broadband.”

What we currently have, instead, is a recipe for fiscal disaster. Specifically, a [May 2022 report prepared by the Government Accountability Office](#) identified upwards of 133 different programs managed by 15 different agencies — truly a “patchwork of programs [that] could lead to wasteful duplication of funding and effort.”

Even under the best of circumstances, we should expect such a scattershot, uncoordinated approach to result in duplicate funding. Here, however, the situation is exacerbated exponentially by the fact that different federal subsidy programs embrace different definitions of “broadband.”

- The Federal Communications Commission [currently](#) defines "broadband" as [25 Megabits per second \(Mbps\) downstream and 3 Mbps upstream \(25/3 Mbps\)](#). And it recognizes that fiber alternatives have a role to play, particularly in areas where terrain and other considerations render fiber deployments prohibitively expensive. Nevertheless, the National Telecommunications and Information Administration, which is responsible for distributing \$42.45 billion in construction subsidies through the Broadband Equity, Access, and Deployment (BEAD) Program, considers a location without access to [speeds of at least 100/20 Mbps as "underserved"](#) and potentially eligible for subsidies. It also generally disregards satellite-based offerings and those that operate in unlicensed spectrum frequencies.
- The Department of Agriculture's ReConnect Program also [embraces a 100/20 Mbps](#) eligibility threshold – but only if delivered using "fixed, terrestrial" means, not by any wireless technology.
- Similarly, the Department of Treasury's \$10 billion Capital Projects Fund overlooks wireless distribution platforms — and its \$350 billion State and Local Fiscal Recovery Funds (SLFRF) Program [openly encourages](#) applicants to overbuild existing networks in service to the dubious concept of "greater flexibility."

In a [recently published case study](#), I applied these divergent definitions of “broadband” to a neighborhood in the foothills west of Denver, one where mountainous terrain and waterways seemingly render terrestrial deployments (cable, fiber) cost prohibitive.

According to the FCC's [National Broadband Map](#), these homes today can choose between six different providers, four of which meet or exceed the FCC's 25/3 Mbps threshold, and three by significant margins: satellite-delivered offerings at 150/3 Mbps and 100/10 Mbps and fixed wireless service utilizing unlicensed spectrum at 100/20 Mbps. From the FCC's perspective, and [by any reasonable measure](#), these houses are "served" with broadband.

Nevertheless, because these existing providers utilize disfavored distribution technologies, it appears that potential competitors could tap into the four subsidy programs identified above and overbuild this neighborhood using government funds. Presumably, the grant recipient would construct a more expensive, less cost effective, fiber-based network.

To be sure, there are many within the Biden administration, [including the President himself](#), who appear to advocate a fiber-no-matter-what-the-cost approach. Congress, however, appropriated these hundreds of billions to connect those who are truly, not semantically, unserved. The deliberate use of these inconsistent definitions of “broadband” contravenes that legislative intent. It also increases the likelihood that, after all the money is gone, rural Americans will remain stranded on the wrong side of the digital divide.

\* Andrew Long is a Senior Fellow of the Free State Foundation, an independent, nonpartisan free market-oriented think tank located in Rockville, Maryland. The views expressed in this *Perspectives* do not necessarily reflect the views of others on the staff of the Free State Foundation or those affiliated with it. *Broadband: Billions at Risk of Wasteful Duplication* was published in *The Messenger* on July 12, 2023.