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The BEAD Program Puts the Cart Before the Horse

by

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In [remarks](#) on September 19, 2024, President Biden prematurely touted his administration's actions to "provid[e] affordable high-speed Internet for every American, no matter where they live." The cornerstone of those efforts is the \$42.45 billion Broadband Equity, Access, and Deployment (BEAD) Program, a supposedly "once-in-a-lifetime" initiative created nearly three years ago by Congress and managed by the National Telecommunications and Information Administration (NTIA).

Unfortunately, it's a program that has not yet distributed a single dollar to a broadband service provider or wired a single location.

A June 2024 [Perspectives from FSF Scholars](#) identified a major reason why this is so – namely, NTIA's dogged pursuit of superfluous, extraneous policy priorities, such as the desire to regulate rates and a highly biased preference for fiber builds, nowhere found in the plain language of the authorizing statute. A recent report prepared by NTIA itself, meanwhile, demonstrates an abject failure to address adequately an issue essential to the BEAD Program's success: continued interagency coordination even after BEAD Program funds have been distributed by the states.

In May 2022, the Government Accountability Office (GAO) released a [report](#) identifying "at least 133 funding programs that could support increased broadband access" and warning that "[t]his patchwork of programs could lead to wasteful duplication of funding and effort." Nearly three-and-a-half years later, NTIA at long last has responded to GAO's concerns. In and of itself, that remarkable delay reveals an alarming lack of urgency. More broadly, the substance of [NTIA's response](#) exposes a myopic misunderstanding of the critical role that interagency coordination must perform going forward to prevent the wasteful overbuilding of existing – and, in many cases, privately funded – networks.

Put simply, NTIA blindly assumes that the BEAD Program represents the final chapter in federal efforts to subsidize broadband connectivity despite clear evidence to the contrary. And, on that basis, it disregards the importance of data-collection and data-sharing efforts *after* states distribute BEAD Program funds to the "subgrantees" that will construct broadband infrastructure.

To be sure, and as the GAO response describes, NTIA, the FCC, the Department of Treasury, and the Department of Agriculture (USDA) have taken steps – some voluntary, some mandated by statute – to collect and share data regarding (1) where broadband connectivity already exists, and (2) where federal subsidies already have been committed to connect locations still unserved. The FCC maintains two maps designed to assist these coordination efforts. The [National Broadband Map](#) strives to illustrate each individual location served and unserved, while the [Broadband Funding Map](#) endeavors to depict the areas where certain federally funded construction projects will provide service once completed.

The problem is that, years after the GAO sounded the alarm, NTIA does not appear to have taken concrete steps to ensure that BEAD Program subgrants – which are made by the states – will be reflected in a timely manner on the Broadband Funding Map. NTIA's response to the GAO response does acknowledge that "[t]he potential for unexpected federal awards at certain phases of BEAD implementation could create uncertainty and complexity that may reduce participation from internet service providers, chill outside investment, and delay the achievement of Internet for All."

But with respect to what the GAO response obliquely refers to as a "pass-through award," which would seem to include any BEAD Program subgrant made by the states, the NTIA response fails to articulate, or advocate for, a requirement that states or subgrantees provide subsidy coverage information to the FCC for inclusion in the Broadband Funding Map:

This map, which the FCC initially released in May 2023, will (where possible) show Congress and the American public where the federal government is investing in broadband infrastructure at a location level. NTIA is assisting the FCC to promote awareness of the obligation placed on broadband infrastructure-funding agencies to provide their information to the FCC. *NTIA also recognizes that the inclusion of state-level broadband funding is important to prevent duplication and has encouraged the FCC to explore ways to incentivize states to provide their data to the map* (emphasis added).

It is one thing to recognize the importance of BEAD Program subgrantee coverage information to the accuracy of the Broadband Funding Map. It is another thing entirely to engage in meaningful measures, including making explicit legislative recommendations to Congress, to draw attention to and resolve this data-collection blind spot. Sadly, NTIA's GAO response only suggests that the agency "will continue to explore ways to encourage or incentivize states to contribute data to the Broadband Funding Map."

Perhaps this is because, as the language directly below suggests, NTIA believes that the BEAD Program will be the final word in federal subsidies: "NTIA has encouraged states to view the broadband deployment programs of the FCC, USDA, Treasury, and NTIA as 'waves' of funding, with each successive program filling in gaps left by the preceding one.... *Eventually, any remaining unconnected areas will be eligible for funding through a state's BEAD subgrantee selection process*" (emphasis added).

The reality, by contrast, is that federal agencies continue to dole out additional taxpayer dollars for the construction of broadband infrastructure. As one example, USDA's [ReConnect Loan and Grant Program](#) has [announced](#) that it will make available another \$700 million before the end of 2024. More significantly, the FCC [voted](#) at its August open meeting to "reignite" the \$9 billion 5G Fund.

In his [Dissenting Statement](#), Commissioner Brendan Carr wrote that, far from the final wave of funding, "the \$42 billion [BEAD] program – for better or worse – now serves as the country's foundational broadband funding initiative. Everything else the government does from a broadband infrastructure funding perspective will, by definition, be built on top of BEAD." He went on to characterize that foundation as "faulty":

Indeed, there is not even a clear timeline by which we will know when exactly the \$42 billion will flow. Nor is there any strategy in place to coordinate the federal government's various broadband funding efforts that are now spread across 15 different agencies and more than 130 funding programs. It is a recipe for overbuilding and wasteful duplication.... I cannot support today's decision because it puts the cart before the horse. Unlike our 2020 decision, which aligned with RDOF funding decisions, the Commission is moving forward today before the results of the Administration's \$42 billion BEAD program are known.

It is an inescapable truth that, for federal broadband funding to be allocated in a manner that in fact closes all remaining digital divides, interagency coordination and data sharing at the federal and state levels must continue throughout the drawn-out duration of the BEAD Program and well beyond. That NTIA's long-delayed response to GAO regarding interagency coordination fails to explicitly acknowledge this reality is yet another troubling reason to question its stewardship.

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Further Readings

Andrew Long, "[House Commerce Hearing Critiques NTIA's Handling of BEAD Program](#)," *FSF Blog* (September 13, 2024).

Andrew Long, "[House Commerce Subcommittee to Hold Hearing on BEAD Program](#)," *FSF Blog* (September 9, 2024).

Andrew Long, "[House Commerce, Commissioner Carr Target BEAD Program](#)," *FSF Blog* (July 11, 2024).

Randolph J. May, "[Congress Shouldn't Have to Mandate Another Broadband Plan](#)," *FSF Blog* (May 21, 2024).

Andrew Long, "[GAO Reiterates Broadband Funding Coordination Concerns](#)," *FSF Blog* (June 12, 2023).

Andrew Long, "[Wasteful Duplication by Design: A Case Study on Overlapping Federal Broadband Subsidies](#)," *Perspectives from FSF Scholars*, Vol. 18, No. 19 (May 8, 2023).

Andrew Long, "[Senators Thune, Luján Urge GAO to Revisit Broadband Funding](#)," *FSF Blog* (April 25, 2023).

Andrew Long, "[Absent Oversight, the Broadband Funding Faucet Likely Will Overflow](#)," *Perspectives from FSF Scholars*, Vol. 17, No. 58 (November 10, 2022).

Seth L. Cooper, "[PLAN for Broadband Act Addresses Funding Coordination Concerns](#)," *FSF Blog* (August 15, 2022).

Andrew Long, "[GAO, FCC's Carr Echo Broadband Funding Coordination Concerns](#)," *FSF Blog* (June 14, 2022).

Andrew Long, "[Overlapping Broadband Appropriations Demand Agency Coordination: New FCC Maps Can Track Grants, Avert Waste](#)," *Perspectives from FSF Scholars*, Vol. 17, No. 12 (March 2, 2022).