



Perspectives from FSF Scholars
February 9, 2026
Vol. 21, No. 6

Accomplish the Mission:
Use BEAD Program "Nondeployment" Funds to *Ensure* Universal Coverage

by

Andrew Long *

I. Introduction and Summary

On February 11 at 2 pm, the National Telecommunications and Information Administration (NTIA) will host a [listening session](#) to gather public input on the [\\$21 Billion Question](#): what to do with Broadband Equity, Access, and Deployment (BEAD) Program funds beyond those already allocated to the states for infrastructure construction. At a [December 2025 event held by the Free State Foundation](#), Arielle Roth, Assistant Secretary of Commerce and NTIA Administrator, [indicated](#) that NTIA is "operating under the assumption that the states will get to use their BEAD savings." Exactly *how* they might use that surplus, however, [remains to be determined](#).

The \$42.45 billion BEAD Program represents a once-in-a-lifetime concerted push to connect *every* location in the United States to broadband. Consequently, the first-and-foremost function of taxpayer dollars that – on paper, at least – exceed those required to deploy broadband infrastructure in areas not served by private-sector Internet service providers (ISPs) ought to be

to guarantee that, when all is said and done, the states actually accomplish the mission of universal broadband access.

To that end, the primary role of so-called "nondeployment" funds should be to serve as a rainy-day fund to address the inevitable gaps that persist after all the BEAD Program-subsidized infrastructure is operational. Beyond that, such money could target administrative and logistic bottlenecks that directly threaten to delay construction and/or impose unnecessary costs: [permitting delays](#), an [insufficient workforce](#), [pole-attachment cost-allocation disputes](#), and so on.

II. So-Called "Nondeployment" Funds: A Policy Perspective

At a [Free State Foundation luncheon address on December 2, 2025](#) (video available [here](#), prepared remarks available [here](#)), NTIA Administrator Roth stated that her agency is "operating under the assumption that the states will get to use their BEAD savings. But again, nothing has been finalized."

(By way of background, in June 2025 – that is, prior to [Ms. Roth's swearing in the following month](#) – Commerce Secretary Howard Lutnick [released a policy notice](#) announcing that "[f]unding for allowable non-deployment purposes is under review and NTIA will issue updated guidance in the future. As of the date of this Policy Notice, NTIA rescinds approval of all non-deployment activities approved in Initial Proposals." According to the [notice](#) announcing the listening session on February 11, it " will gather input from stakeholders to inform NTIA's future planning and policy development regarding the use of these 'nondeployment' funds.")

Ms. Roth also set forth several foundational principles regarding the use of so-called "nondeployment" funds, which I discussed in a [recent *Perspectives from FSF Scholars*](#). Broadly speaking, she rightly declared that these surplus funds, which are the hard-fought result of the technologically neutral "Benefit of the Bargain" round of revisions to the Biden Administration's "fiber-at-all-costs" wasteful approach, should be put to their highest and best use. Above all else, they should "not duplicate investment the private sector is already making."

III. Priority One: Finish the Job

Despite the best intentions of those tasked with implementing the BEAD Program, there are many practical reasons to expect that some locations will fall through the cracks.

First, while the FCC's location-specific [National Broadband Map](#) without question is a vast improvement over previous census-block-based efforts, it would be unreasonable to expect it to be completely error free. Moreover, NTIA capped the universe of eligible locations for the purpose of BEAD Program funding decisions [at the end of 2024](#). Beginning in 2025, locations could only be deleted, not added, raising the possibility that new construction, as well as changes attributable to biannual [mapping updates](#), would not be reflected in grant allocations.

Second, [press reports](#) indicate that the timing of recent defaults by recipients of Rural Digital Opportunity Fund (RDOF) subsidies will place entire census blocks in a funding no-man's land, as BEAD Program funding allocations appropriately were made assuming that locations within

those census blocks ultimately would be connected pursuant to that separate government-led effort. During an August 2025 public appearance, NTIA Chief of Staff Brooke Donilon stated that locations affected by RDOF defaults on or after June 6, 2025, would not be deemed eligible for BEAD Program subsidies:

"At some point we just had to draw a line and get to the 'Benefit of the Bargain' program," Donilon said. "We can't let perfect be the enemy of the good here. We have to get communities connected. We could spend the next three years debating the policy cuts, or we could actually be productive, roll up our sleeves, and get things done."

Third, and as Free State Foundation Adjunct Senior Fellow Michael O'Rielly pointed out in an [October 2025 Perspectives from FSF Scholars](#), history shows that some level of waste, fraud, and abuse likely will occur:

Notwithstanding all the good work being done, it is important to recognize that any calculations of BEAD savings will need to account for the simple fact that not all broadband builds will happen as planned. In other words, some BEAD funding winners (i.e., state-selected recipient providers) will fumble. Despite best intentions, experience suggests that a reserve funding stream could be useful to handle this inevitability.

Given the certainty that connectivity gaps will persist – including those that, for the practical reasons identified above, already can be identified – before turning to ancillary concerns states first should estimate and request whatever additional subsidies might be needed to achieve ubiquitous broadband access.

IV. A Second-Order Objective: Eliminating Practical and Administrative Hurdles

To the extent that BEAD Program funds are not used to subsidize the construction of broadband infrastructure directly, they should enable and expedite that process by addressing practical and administrative bottlenecks directly impacting achievement of the central goal: universal broadband access.

One such example is permitting reform, an application that NTIA Administrator Roth herself has suggested. In [remarks delivered at the Hudson Institute last October](#), she stated that "providers face a litany of issues, including lengthy approval times for permits, inconsistent regulations across jurisdictions, excessive fees, [and] delays receiving approval to attach from pole owners" and that permitting obstacles are a "major factor that will determine whether BEAD projects succeed or fail." Consequently, she indicated that "NTIA is ... considering how states can use some of the BEAD savings – what has commonly been referred to as nondeployment money – on key outcomes like permitting reform." BEAD Program "nondeployment" funds might be used to expand staffing and upgrade computer systems so that applications can be processed more quickly and efficiently.

Another is workforce training. A [2024 report released by the Fiber Broadband Association](#) projects a shortage of nearly 180,000 trained workers – in particular, fiber splicers and directional drill operators – by 2032. This could substantially impact grant recipients' ability to transform subsidies into operational broadband networks. BEAD Program "nondeployment" funds could be used to support properly designed programs to prepare new workers to enter the broadband industry and retrain those currently in the field to handle new and emerging technologies.

Third, pole attachment disputes have long plagued broadband deployment. As noted by Bill Maguire in a recent [Broadband Breakfast op-ed](#), "[f]or decades, disputes between broadband providers and pole owners have slowed deployment." Noting that states including Kentucky, North Carolina, Ohio, and Texas have established funding programs to ameliorate such impasses, Mr. Maguire proposes that "[s]ubsidizing pole replacement or make-ready work could significantly reduce those frictions" in other states.

V. Conclusion

Understandably, the substantial savings generated by the "Benefit of the Bargain" round of revisions to states' BEAD Program Final Proposals – estimated as high as \$21 billion – has attracted a lot of attention. At its upcoming listening session, NTIA undoubtedly will be inundated with a host of outside-the-box suggestions as to how (and whether) that money should be spent.

However, where states have remaining BEAD Program dollars that they elect not to return to the U.S. Treasury – a suggestion made by [Mr. O'Rielly](#), among [others](#) – NTIA should require them to direct expenditures to the goal at hand: truly universal broadband access. Such efforts ought to include, at a minimum, the establishment of contingency funds to connect any locations that remain unserved post-BEAD Program. Other closely related purposes could encompass efforts to address permitting delays, workforce shortages, and pole-attachment disputes, among others.

* Andrew Long is a Senior Fellow of the Free State Foundation, an independent, nonpartisan free market-oriented think tank located in Potomac, 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.

Further Readings

Andrew Long, "[The \\$21 Billion Question: What Should NTIA's Roth Do With the BEAD Program Surplus?](#)", *Perspectives from FSF Scholars*, Vol. 21, No. 2 (January 6, 2026).

Andrew Long, "[Draft Bill Would Reclaim BEAD Program Nondeployment Funds](#)," *FSF Blog* (November 10, 2025).

Andrew Long, "[NTIA's Roth Targets Net Neutrality, Duplicate Funding](#)," *FSF Blog* (November 4, 2025).

Randolph J. May, "[USTelecom Report: Broadband Investment Continues to Rise Rapidly](#)," *FSF Blog* (October 22, 2025).

Michael O'Rielly, "[How to 'Spend' Unused BEAD Funding](#)," *Perspectives from FSF Scholars*, Vol. 20, No. 40 (October 14, 2025).

Andrew Long, "[Roth's NTIA Takes Early Aim at Rate Regulation](#)," *FSF Blog* (August 7, 2025).

Andrew Long, "[House Commerce, Commerce Department Commence BEAD Reforms](#)," *FSF Blog* (March 13, 2025).

Andrew Long, "[Affordable Connectivity Program Ends, ISPs Voluntarily Fill the Void](#)," *FSF Blog* (June 4, 2024).

Randolph J. May, "[Reform the Affordable Connectivity Program Before Extending It](#)," *Perspectives from FSF Scholars*, Vol. 19, No. 9 (March 5, 2023).