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Let the BEADs Settle: Congress Should Pause the Subsidy Pipeline

by

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I. Introduction and Summary

When it comes to in-progress public and private efforts to achieve the policy goal of universal broadband access, the sheer number of moving parts is daunting. According to a [Government Accountability Office \(GAO\) report](#), as of 2022 there were over 130 different funding programs, overseen by 15 different agencies, available to support broadband infrastructure with various subsidies. All the while, privately funded providers continue to invest heavily in their networks. A recent study by USTelecom - The Broadband Association revealed that broadband providers spent [\\$96.2 billion in 2025 alone](#) – and have spent nearly \$2.3 trillion since 1996. (Those figures do not include investment by all providers, most notably low-Earth orbit (LEO) satellite operators.)

Meanwhile, the universe of unserved locations in need of government subsidies is in constant flux. [Regular updates](#) to the FCC's [National Broadband Map](#) improve its accuracy, adding locations to, and removing them from, the unserved total. The [expanding reach of the aforementioned LEO satellite-based offerings](#) effectively covers ever more locations, especially in rural areas. On the other side of the equation, some grant awardees are [declining Broadband Equity, Access, and Deployment \(BEAD\) Program awards for various stated reasons](#), including

rising costs and a range of pole-attachment roadblocks, while others have had their BEAD Program awards rescinded amid allegations of misuse of funds, including [a high-profile example in Colorado involving over \\$100 million](#).

The federal government's flagship funding program, the \$42.45 billion BEAD Program managed by the National Telecommunications and Information Administration (NTIA), is doing its best to respond in real time to changes on the ground. Assistant Secretary of Commerce for Communications and Information and NTIA Administrator Arielle Roth recently reported that the "Benefit of the Bargain" round of revisions to state proposals, which rejected the Biden Administration's fiber-at-all-costs approach and instead reembraced the principle of technological neutrality, [generated roughly \\$21 billion in cost savings](#). The agency she leads intends to allow states [to use that money](#) to connect unserved locations that were identified after their proposals were approved or that were slated to be addressed by entities awarded grants from other programs that subsequently defaulted on those commitments.

Not surprisingly, policymakers are finding it challenging to keep up with all these developments. As but one stark example, the FCC, in its [2026 Section 706 Report](#) released in August, noted that its [Broadband Funding Map](#), a tool intended to facilitate interagency coordination, "does not yet include all of the funding commitments made as part of" the BEAD Program.

Have Congress and the various agencies responsible for distributing broadband infrastructure deployment subsidies allocated too much, allocated too little, and/or misallocated funding to locations already served? Today it is impossible to say – and that is precisely the concern. For as I cautioned in a [November 2022 Perspectives from FSF Scholars](#), "the appropriation of more money than the objective requires invites waste, fraud, and abuse, along with private investment-suppressing overbuilds of existing broadband infrastructure."

Until the impact of subsidized construction projects already underway, many with multiyear buildout deadlines, is readily apparent, it would be prudent for Congress to pause the appropriation pipeline, lest more taxpayer dollars than necessary be spent. Pending legislative proposals – such as the [Agricultural Act of 2026](#), which would authorize the appropriation of \$100 million annually for fiscal years 2027 through 2031 – should move forward only if, at an appropriate point in the future, an evidence-driven determination is made that additional money in fact is required.

And, importantly, given the current level of uncertainty, including whether any more subsidies at all are needed to complete the largely achieved goal of universal broadband deployment, Congress should make no definitive judgments now regarding reform of the Universal Service regime. This is especially true with regard to the High-Cost Fund. This does not mean that the [ongoing congressional efforts to reform the Universal Service regime](#) should not continue. But it does mean it would be ill-advised to lock-in additional deployment subsidies before the impact of already committed federal spending becomes much clearer.

II. Warnings About Potentially Overlapping Subsidies Are Nothing New

This by no means is the first time that I and other Free State Foundation scholars have raised concerns that a multitude of overlapping federal broadband subsidy programs could lead to duplicate grants and wasteful overbuilds of existing networks. In "[Overlapping Broadband Appropriations Demand Agency Coordination: New FCC Maps Can Track Grants, Avert Waste](#)," a March 2022 *Perspectives from FSF Scholars*, I explained that "[t]hree 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." I therefore warned that, "[a]bsent 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."

Free State Foundation President Randolph May and I reiterated that point several months later in [comments](#) filed with the FCC regarding the effectiveness of the interagency agreement required by the [Broadband Interagency Coordination Act of 2020](#): "the use of multiple federal funding sources creates an unacceptably high risk that duplication, as well as waste, fraud, and abuse, will occur." And in "[Absent Oversight, the Broadband Funding Faucet Likely Will Overflow](#)," the November 2022 *Perspectives* referenced in the previous section, I argued that "far greater administration and congressional oversight and coordination than currently exists is essential to achieving the efficient and responsible use of taxpayer dollars."

Inadequate coordination, moreover, is only part of the problem. In "[Wasteful Duplication by Design: A Case Study on Overlapping Federal Broadband Subsidies](#)," a May 2023 *Perspectives*, I used a neighborhood in the foothills west of Denver – one with a choice of six providers – to illustrate how, as a result of inconsistent eligibility requirements across the BEAD Program, the Department of Agriculture's ReConnect Program, and Treasury's Capital Projects Fund and State and Local Fiscal Recovery Funds (SLFRF) Program, duplicate awards effectively were "baked into the cake." Similarly, in "[Broadband: Billions at Risk of Wasteful Duplication](#)," a July 2023 *Perspectives*, I argued that success "hinges upon two things: (1) a unified and coordinated national broadband strategy, and (2) a single definition of 'broadband.'" More than three years later, neither prerequisite has been fully realized.

III. Existing Coordination Safeguards Have Fallen Short

Subsequent events have validated these concerns. In "[The BEAD Program Puts the Cart Before the Horse](#)," a September 2024 *Perspectives*, I criticized the Biden NTIA's long-delayed response to the [May 2022 GAO report](#) referenced above, which warned that "[t]his patchwork of programs could lead to wasteful duplication of funding and effort." As I wrote at the time, "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, as a result, had not taken concrete steps to ensure that BEAD Program subgrants would be reflected in a timely manner on the FCC's [Broadband Funding Map](#). (As noted above, the [2026 Section 706 Report](#) revealed that this continues to be an issue.)

In an August 2024 [dissenting statement](#) regarding the FCC's decision to "reignite" the \$9 billion 5G Fund, then-Commissioner Brendan Carr described the absence of a strategy to coordinate funding across "15 different agencies and more than 130 funding programs" as "a recipe for overbuilding and wasteful duplication," objecting that the Commission was "moving forward ... before the results of the Administration's \$42 billion BEAD program are known."

Just a few months later, a real-world example proved the point. As I detailed in "[The Failure's in the Footnote: Agencies Must Improve Broadband Expenditure Coordination Efforts](#)," a January 2025 *Perspectives*, RiverStreet Communications had been authorized to receive roughly \$40 million from the FCC's Rural Digital Opportunity Fund (RDOF) to connect 24,213 locations in New Kent County, Virginia, only for the county subsequently to contract with Cox Communications – using roughly \$4 million from Treasury's SLFRF Program – to connect those same locations. This occurred notwithstanding the interagency agreement among the FCC, NTIA, and the Department of Agriculture referenced above as well as a subsequent [Memorandum of Understanding](#) adding the Department of the Treasury, both intended to prevent precisely this outcome. Tellingly, "the duplication was identified not by the responsible agencies, but by a recipient of broadband subsidies at risk of non-compliance consequences through no fault of its own," which then was forced to [secure a waiver](#) of its RDOF obligations.

IV. The BEAD Program's Footprint Remains a Moving Target

The inescapable uncertainty regarding the BEAD Program's ultimate footprint compounds the problem. In "[The \\$21 Billion Question: What Should NTIA's Roth Do With the BEAD Program Surplus?](#)," a January 2026 *Perspectives*, I commended Assistant Secretary Roth's insistence that any use of BEAD Program savings "produce real, measurable value" and "not duplicate investment the private sector is already making." As noted above, NTIA since has announced that states may use a portion of those savings to "[true up](#)" their location counts – specifically, to direct funds toward "newly identified unserved locations that were not previously included in the FCC's broadband map, as well as other locations that have become eligible as a result of defaults or changes in previous federal and state broadband programs."

That decision is significant for present purposes. It means that the BEAD Program is now positioned to serve as a backstop for locations left behind by RDOF defaults, the declined and rescinded awards described above, and other locations that, for whatever reason, have fallen through the cracks and since have reappeared as unserved on the National Broadband Map. Moreover, the program's own footprint necessarily continues to shift: [according to one analysis](#), more than 300,000 of the roughly 900,000 locations initially awarded to satellite providers subsequently were removed because they either were not serviceable or already were served by a terrestrial provider.

At the same time, commercial providers continue to extend their networks, [spending just shy of \\$2.3 trillion since 1996 and \\$96.2 billion just in 2025](#). Each of these variables affects precisely how many, and which, locations will require additional taxpayer support. None of them is yet settled.

V. Conclusion

Given this state of flux, the prudent course is clear: before Congress allocates a single additional dollar to connect remaining unserved locations, it should let the BEADs settle – that is, wait until the BEAD Program and other pending subsidy programs have run their course and the data make clear whether – and, if so, where – more money in fact is needed. And, for the same reason, while congressional task forces should continue their consideration of reforms to the Universal Service regime, it would be imprudent for Congress to make any definitive judgments at this time regarding the need for ongoing subsidies for broadband deployment.

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Further Readings

Joseph V. Kennedy, "[NTIA Release of More BEAD Money Properly Targets Deployment](#)," *FSF Blog* (September 8, 2026).

Joseph V. Kennedy, "[Do Pole Attachment Issues Threaten BEAD Projects?](#)" *FSF Blog* (May 21, 2026).

Andrew Long, "[Revised BEAD Program Connects its First Location](#)," *FSF Blog* (May 19, 2026).

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, "[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).

Andrew Long, "[The Failure's in the Footnote: Agencies Must Improve Broadband Expenditure Coordination Efforts](#)," *Perspectives from FSF Scholars*, Vol. 20, No. 4 (January 22, 2025).

Andrew Long, "[The BEAD Program Puts the Cart Before the Horse](#)," *Perspectives from FSF Scholars*, Vol. 19, No. 37 (September 25, 2024).

Andrew Long, "[Broadband: Billions at Risk of Wasteful Duplication](#)," *Perspectives from FSF Scholars*, Vol. 18, No. 29 (July 13, 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, "[Absent Oversight, the Broadband Funding Faucet Likely Will Overflow](#)," *Perspectives from FSF Scholars*, Vol. 17, No. 58 (November 10, 2022).

[Comments of the Free State Foundation](#), *Facilitating Interagency Coordination of Broadband Deployment Funding*, WC Docket No. 22-251 (August 1, 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).