

THE BEAD PROGRAM: A Quick Look at State Progress

As of mid-August, states and territories were well on their way to finishing their five-year action plans for distributing grants and digital equity funds. But few plans have been made available for public comment.

By Steven S. Ross / *Broadband Communities*

The National Telecommunications and Information Administration (NTIA), tasked with distributing \$42.5 billion in Broadband Equity, Access, and Deployment (BEAD) Program funds to the states and U.S.

territories, does not require public disclosure or comment on state BEAD five-year action plans. Not all states opted to post their plans for public notice and comment – at least not yet. In general, the plans seen so far are long on platitudes but sometimes short on details about how exactly broadband deployers or potential deployers might position themselves to actually win grants. Many details have not yet been seen in NTIA filings but are available on state websites or by talking to state officials and local activists.

As of mid-August, the 12 states and one territory that had published their five-year plans for public comment were

Commonwealth of Northern Mariana Islands	Montana North Carolina Ohio
Delaware	Oregon
Hawaii	Pennsylvania
Idaho	Utah
Louisiana	Vermont
Maine	

Draft Digital Equity plans were posted for six states. It is worth noting that the pool of subsidies for \$30/month digital service will likely run out by mid-2024 unless renewed. The six states so far are:

Louisiana	Montana
Maine	Utah
Michigan	Wyoming

At least one volume of draft BEAD initial proposals were also available for six states. The NTIA gave states the option of distributing these proposals in one or two volumes. The states are:

Delaware	Ohio
Kansas	Vermont
Louisiana	Virginia

Sign up for updates from NTIA at <https://ntiacrmgrants.my.site.com/broadbandusanewsletter/s/>.

TEXAS AND CALIFORNIA RECEIVE TOP FUNDING

None of the top three “winners” of BEAD funding (see Table 1) formally filed a public plan with NTIA, but the top two (Texas and California) provided quite a bit of detail anyway. The third, Missouri, expects to go public around September 1.

Texas has a vast land area and \$3.3 billion of BEAD money to spend. The Texas Broadband Development Office split the state into 12 planning/implementation regions, each with its own working group (see <https://comptroller.texas.gov/programs/broadband/outreach/#working-groups>). Activists worry about the influence of national carriers, especially AT&T, but they certainly seem to expect the big carriers to get some BEAD funds.

California, with almost \$1.9 billion from BEAD, completed quite a bit of policy and planning even before BEAD. In July 2021, the state passed a \$6 billion effort to “help bridge the digital divide and provide reliable and affordable internet access to all Californians.” Senate Bill 156 (Chapter 112, Statutes of 2021) funds expansion of the state’s broadband fiber infrastructure and increases internet connectivity for families and businesses.

The goal was to provide equitable access to high-speed broadband to unserved and underserved populations in California. Slightly more than \$6 billion was allocated for the following:

- \$3.25 billion for an open-access, statewide, broadband middle-mile network
- \$2 billion for broadband last-mile infrastructure projects
- \$750 million for a loan loss reserve to support local government broadband infrastructure development
- \$50 million for local agency technical assistance grants including funding for tribal entities.

Now BEAD supplements that money. The California Public Utilities Commission (CPUC) is implementing

I've found that all other things being equal, the "best" entities to deploy broadband are the ones with the lowest cost of capital.

these investments and requesting public input through the Broadband Infrastructure Deployment Proceeding Rulemaking 20-09-001 and through the California Advanced Services Fund (CASF) Rulemaking 20-08-021.

Here is a summary of the budget package and an overview of broadband implementation in California. The state already has a Federal Funding Account, also administered by CPUC, from that \$2 billion last-mile grant program under the 2021 law. A Broadband Investments Package fact sheet provides more information: www.cpuc.ca.gov/industries-and-topics/internet-and-phone/broadband-implementation-for-california.

Table 1: The 10 Biggest BEAD Allocations

Texas	\$3,312,616,455
California	\$1,864,136,509
Missouri	\$1,736,302,708
Michigan	\$1,559,362,479
North Carolina	\$1,532,999,481
Virginia	\$1,481,489,573
Alabama	\$1,401,221,902
Louisiana	\$1,355,554,553
Georgia	\$1,307,214,371
Washington	\$1,227,742,066

STATE BROADBAND OFFICERS' ESSENTIAL ROLES

Drew Clark was an early advocate of broadband mapping – his efforts helped get funds for mapping into the Obama-era stimulus bill of 2009. Now CEO of Broadband Breakfast, a media community focused on “Better Broadband, Better Lives,” Clark says states need to adopt a data-driven approach to universal digital connectivity to ensure that state broadband offices won’t succumb to political or other pressure that will limit broadband connectivity. He says states are doing just that.

I suspect not all will be as transparent as Clark hopes, but he says the state broadband offices most likely to succeed “will be those that can build long-term relationships with a range of stakeholders. In a word, state broadband officers need to be connectors.”

Clark once worked on Illinois broadband issues. He says Matt Schmit, chair of the Illinois Broadband Advisory Council, told him Illinois is working to achieve universal access for all residents in “a sustainable way,” not dependent on federal funds over the long haul.

In an event Clark ran, Rebecca Dilg, director of the Utah Broadband Center, added that Utah is working with community agencies on the ground that can help address digital equity concerns. The state’s pioneering and once state-attacked and trouble-plagued UTOPIA Fiber project dating from 2004 spawned a successful consulting firm that helps establish public broadband projects – even in other states.

Clark noted that some states continue to have lingering issues with laws that limit broadband deployment by municipalities – an issue discussed in detail in this magazine since 2014 (see **BROADBAND COMMUNITIES’** research here: www.bbcmag.com/tools-and-resources/economic-research). BEAD bans most such restrictions affecting projects it helps fund.

Brandy Reitter, state broadband officer for Colorado, noted the importance of the state’s recent change to its former law requiring municipalities to opt out of state restrictions through a municipal vote – a vote that always passed but added costs to public deployments. The old Colorado law would have made participating in BEAD impossible for cities.

Incumbents can challenge designation of any area as currently “underserved” or “unserved” and thus eligible for BEAD funds. As the FCC broadband map evolves, managing each state’s process for determining its eligibility will be a “challenging” endeavor, Clark says.

Dr. Tamarah Holmes, broadband director in Virginia, said her state is working on outreach and awareness to let local governments know how they can participate in the upcoming challenge process. The same is true of Minnesota, said Bree Maki, executive director of the Minnesota Office of Broadband Development. Minnesota already has a “robust challenge process” in which providers can challenge coverage claims by other providers.

Clark says states should keep an open mind about the technologies they deploy. “In a luncheon discussion ... at Mountain Connect,” Clark said, “I asked Brandy Reitter about Colorado’s mix of fiber and wireless technologies that will be deployed under BEAD.”

Clark is among many known “fiber advocates” who say that though the NTIA expresses a clear preference for fiber, the agency will need to give states leeway about the technologies they fund. It is clear – in Colorado at least – that wireless technologies are going to be part of the mix.

“Fiber is going to be a very hard thing to achieve in some parts of the state,” said Reitter – even as the state intends to do as much as it can to drive fiber deployment deeper into unserved and underserved regions.

LOW CAPITAL COSTS HELP SUCCESS

I expect that national and large regional carriers will snag some BEAD funding that activists have always

complained the carriers should have spent their own funds on. In Kentucky, for instance, I already see Spectrum and Windstream lining up for BEAD funding, and seemingly driving the process. I would expect that AT&T, which handles many E-Rate clients there, will join in.

I also worry about local carriers that regard themselves as perhaps too small to fight the bigger carriers, or to even bother to apply for BEAD funds for small builds. Thus, I would like to see all state BEAD plans address roadmaps – regulatory processes that allow smaller local carriers to more easily join either as operating partners or in outright mergers to regionalize in low-population areas. Some companies that supply network operating services, truck rolls or regional network deployment designs tell me they want to help smaller operators – their current customers – hang together, lest they hang separately.

All that said, over the years I have noted that all other things being equal, the “best” entities to deploy broadband are the ones with the lowest cost of capital. BEAD helps level that part of the playing field. Regional private operators, public operators and public-private partnerships tend to offer consistently lower customer prices in areas in which they hold monopolies. National carriers, contrary to activist opinions, often offer very reasonable prices and great service, especially

in places where they have to compete – but make their money in locales where they have effective monopolies.

No one has a monopoly everywhere. That’s why national broadband carriers have long lagged the S&P 500 index. Rural deployments and deployments in low-income areas, have always been hard to justify. Europe, often is cited for low broadband costs, has far greater population density.

BEAD should be seen as an astonishing, once-in-a-generation opportunity to get broadband to almost everybody, not as a basis for class warfare. 🙌



*Steve Ross is the founding editor of and now editor-at-large for **BROADBAND COMMUNITIES**. He can be reached at steve@bbcmag.com.*

Thanks to Drew Clark for his input. He can be reached at <https://BroadbandBreakfast.com> and at <http://twitter.com/broadbandcensus>.

Broadband Communities Magazine Congratulates



For becoming a **Gold Sponsor** at the
2024 Broadband Communities Summit

For more information on **Spectrum Community Solutions**,
visit www.spectrumcommunitysolutions.com.

You are cordially invited to come see **Quantum Fiber** at the upcoming



MAY 6 – 9, 2024

HOUSTON, TX

The Woodlands Waterway Marriott
Hotel & Convention Center

TO EXHIBIT OR SPONSOR: Irene G. Prescott – irene@bbcmag.com | 505-867-3299
For other inquiries: 877-588-1649 | www.bbcmag.com

