



MEMORANDUM

To: Members and Staff, Subcommittee on Oversight and Investigations

From: Majority Committee Staff

Re: Hearing entitled “Closing the Digital Divide: Overseeing Federal Funds for Broadband Deployment.”

On Wednesday, May 10th at 10:30 A.M. (ET) in 2322 Rayburn House Office Building, the Subcommittee on Oversight and Investigations will hold a hearing entitled “Hearing on Closing the Digital Divide: Overseeing Federal Funds for Broadband Deployment.”

I. WITNESSES

- Andrew Von Ah, Director, Physical Infrastructure, Government Accountability Office
- Dr. George Ford, PhD, Chief Economist, Phoenix Center for Advanced Legal & Economic Public Policy Studies
- Angela Siefer, Executive Director, National Digital Inclusion Alliance

II. BACKGROUND

The federal government, through various agencies and programs, seeks to narrow the differing levels of public access to and adoption of broadband, otherwise known as the digital divide.¹ According to the Federal Communications Commission (FCC), 17 percent of rural Americans cannot access broadband speeds that meet the standard of “25 megabits per second when downloading and 3 megabits per second when uploading,”² in contrast to just 1 percent of urban broadband users. From fiscal years 2015 to 2020, federal agencies spent \$44 billion dollars for broadband-related purposes through various programs.³ In 2021, nearly \$65 billion was appropriated to close the Digital Divide in the *Infrastructure Investment and Jobs Act (IIJA)*.⁴

However, in 2022, the Government Accountability Office (GAO) found that U.S. broadband efforts are not guided by a national strategy with clear goals, objectives, and

¹ GOV’T ACCOUNTABILITY OFFICE, GAO-22-104611, BROADBAND: NATIONAL STRATEGY NEEDED TO GUIDE FEDERAL EFFORTS TO REDUCE DIGITAL DIVIDE (2022), <https://www.gao.gov/assets/730/720776.pdf>.

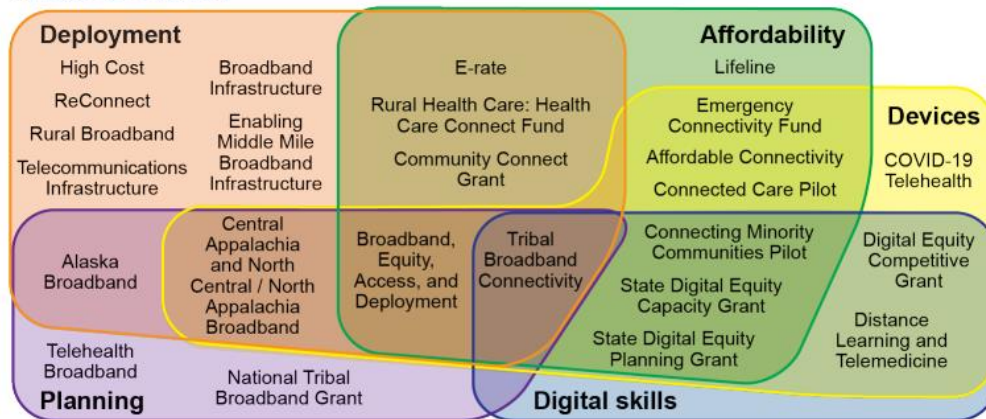
² *Id.* at 6.

³ *Id.* at 12.

⁴ *Id.* at 3.

performance measures. According to the GAO, there are more than 100 federal programs administered by 15 agencies that could be used to expand broadband access.⁵ In the report, the GAO recommended that the federal government develop and implement a national broadband strategy to manage fragmented, overlapping federal broadband programs, but as of March 2023, a strategy had not been created.⁶ The GAO has also issued reports and recommendations related to the Affordable Connectivity Program (ACP),⁷ Tribal Broadband Connectivity Program (TBCP),⁸ Broadband Infrastructure Program (BIP),⁹ ReConnect Program,¹⁰ and the telecom workforce needs.¹¹

The Mosaic of 25 Federal Programs with Broadband as a Main Purpose, as of November 2021, by Purpose Category



Source: GAO analysis. | GAO-22-104611

Selected programs of interest for this hearing include:

- *The Broadband Equity, Access, and Deployment Program* provides \$42.45 billion to expand high-speed internet access by funding planning, infrastructure deployment and adoption programs.¹² Under the *IIJA*, the National Telecommunications and Information Administration (NTIA) administers the program to eligible entities,

⁵ *Id.* at 1.

⁶ *See id.* at 31.

⁷ GOV'T ACCOUNTABILITY OFFICE, GAO-23-105399, AFFORDABLE BROADBAND: FCC COULD IMPROVE PERFORMANCE GOALS AND MEASURES, CONSUMER OUTREACH, AND FRAUD RISK MANAGEMENT (2023), <https://www.gao.gov/assets/gao-23-105399.pdf>.

⁸ GOV'T ACCOUNTABILITY OFFICE, GAO-23-105426, BROADBAND FUNDING: STRONGER MANAGEMENT OF PERFORMANCE AND FRAUD RISK NEEDED FOR TRIBAL AND PUBLIC-PRIVATE PARTNERSHIP GRANTS (2023), <https://www.gao.gov/assets/gao-23-105426.pdf>.

⁹ *Id.*

¹⁰ GOV'T ACCOUNTABILITY OFFICE, GAO-23-105265, BROADBAND: USDA SHOULD SET PERFORMANCE GOALS AND IMPROVE FRAUD RISK MANAGEMENT FOR FUNDING PROGRAM (2022), <https://www.gao.gov/assets/gao-23-105265.pdf>.

¹¹ GOV'T ACCOUNTABILITY OFFICE, GAO-23-105626, TELECOMMUNICATIONS WORKFORCE: ADDITIONAL WORKERS WILL BE NEEDED TO DEPLOY BROADBAND, BUT CONCERNS EXIST ABOUT AVAILABILITY (2022), <https://www.gao.gov/assets/gao-23-105626.pdf>.

¹² NAT'L TELECOMM. AND INFO ADMIN., *Broadband Equity, Access, and Deployment (BEAD) Program*, <https://broadbandusa.ntia.doc.gov/funding-programs/broadband-equity-access-and-deployment-bead-program-0#:~:text=The%20Broadband%20Equity%2C%20Access%2C%20and,and%20the%20Commonwealth%20of%20the> e (last visited May 5, 2023).

including all 50 states, D.C., Puerto Rico, and other territories, which must submit 5-year plans and initial proposals this year.¹³

- *The Universal Service Fund* includes four programs: the High-Cost/Connect America Fund, E-Rate, the Rural Health Care program, and Lifeline. The High-Cost/Connect America Fund is specifically targeted toward broadband deployment and provides approximately \$4.5 billion annually to eligible telecommunications carriers that offer services in rural, insular, and high-cost areas.¹⁴ The USF is funded by fees assessed on telecommunications and interconnected Voice over Internet Protocol (VoIP) providers based on a percentage of their interstate voice-service revenues. The percentage, known as the “contribution factor,” is set by the FCC each quarter. Providers typically pass this assessment to their customers. In 2019, the GAO found that the FCC’s efforts to detect and manage fraud risk did not include planning regular fraud-risk assessments nor did the FCC design and implement an antifraud strategy for the program.¹⁵
- *The Tribal Broadband Connectivity Program (TBCP)* is a \$3 billion program provided by NTIA to tribal governments for broadband deployment on tribal lands as well as for telehealth, distance learning, broadband affordability, and digital inclusion.¹⁶ In January 2023, the GAO issued 8 recommendations to improve the TBCP including the need to establish performance goals and measures for the program and identify inherent fraud risks.¹⁷
- *The Affordable Connectivity Program (ACP)* is an FCC benefit program that provides a discount of up to \$30 per month toward internet service for eligible households and up to \$75 per month for households on qualifying Tribal lands.¹⁸ The program also includes discounts to purchase a laptop, desktop computer, or tablet.¹⁹ The ACP began as the \$3.2 billion Emergency Broadband Benefit Program during the Covid-19 pandemic but was made permanent by the *IIJA* and received \$14.2 billion in appropriations.
- *The Emergency Connectivity Fund* is a \$7.2 billion FCC program, authorized as part of the *American Rescue Plan Act of 2021*, that helped schools and libraries provide tools and services communities need for remote learning during the COVID-19

¹³ NAT’L TELECOMM. AND INFO ADMIN., *The Broadband Equity, Access, and Deployment (BEAD) Program Overview*, National Telecommunications and Information, <https://www.internetforall.gov/sites/default/files/2022-05/BEAD%20Info%20Sheet%20-%20IFA%20Launch%20-%20Final.pdf> (last visited May 5, 2023).

¹⁴ GOV’T ACCOUNTABILITY OFFICE, GAO-20-27, TELECOMMUNICATIONS: FCC SHOULD TAKE ADDITIONAL ACTION TO MANAGE FRAUD RISKS IN ITS PROGRAM TO SUPPORT BROADBAND SERVICE IN HIGH COST AREAS (2019), <https://www.gao.gov/assets/gao-20-27.pdf>.

¹⁵ *Id.*

¹⁶ NAT’L TELECOMM. AND INFO. ADMIN., *Tribal Broadband Connectivity Program*, <https://broadbandusa.ntia.doc.gov/funding-programs/tribal-broadband-connectivity> (last visited May 5, 2023).

¹⁷ GOV’T ACCOUNTABILITY OFFICE, GAO-23-105426, BROADBAND FUNDING: STRONGER MANAGEMENT OF PERFORMANCE AND FRAUD RISK NEEDED FOR TRIBAL AND PUBLIC-PRIVATE PARTNERSHIP GRANTS (2023), <https://www.gao.gov/assets/gao-23-105426.pdf>.

¹⁸ FED. COMMUNICATIONS COMMISSION, *Affordable Connectivity Program*, accessed May 4, 2023, <https://www.fcc.gov/acp>.

¹⁹ *Id.*

emergency period.²⁰ Schools and libraries could use the funds to cover laptops, tablets, Wi-Fi hotspots, modems, routers, and broadband connectivity purchases for off-campus use by students, school staff, and library patrons.²¹

- *The ReConnect Program* is administered by the U.S. Department of Agriculture’s Rural Utilities Service and offers loans, grants, and loan-grant combinations to facilitate broadband deployment in areas of rural America that do not have sufficient access to broadband.²² Congress created the program in the Consolidated Appropriations Act, 2018, but has never formally authorized it. In October 2022, the GAO found that the agency’s oversight of ReConnect aligned with some but not all selected leading practices in the GAO’s fraud risk framework.²³

III. DISCUSSION

This hearing will provide an opportunity for Members to learn more about the broadband programs across the federal government and identify opportunities to maximize the value and effectiveness of federal broadband spending. Key questions to explore may include:

- What fragmentation, duplication, and overlap currently exist in federal broadband programming across multiple agencies?
- Do existing federal programs appropriately target the most critical challenges to availability and adoption?
- What inefficiencies limit the utility of existing federal broadband programs?
- How well do federal agencies coordinate their funding decisions and do they use common datasets, such as maps?
- How would a federal government-wide national broadband strategy support broadband access and affordability, and what should such a strategy look like?

IV. STAFF CONTACTS

If you have questions or would like help developing specific questions for your boss, please contact Michael Steinberg or Anudeep Buddharaju of the Committee staff.

²⁰ FED. COMM’NS COMM’N, *Emergency Connectivity Fund*, <https://www.fcc.gov/emergency-connectivity-fund> (last visited May 5, 2023).

²¹ *Id.*

²² DEP’T OF AGRIC., *ReConnect Loan and Grant Program: Program Overview*, <https://www.usda.gov/reconnect/program-overview> (last visited May 4, 2023).

²³ GOV’T ACCOUNTABILITY OFFICE, GAO-23-105265, BROADBAND: USDA SHOULD SET PERFORMANCE GOALS AND IMPROVE FRAUD RISK MANAGEMENT FOR FUNDING PROGRAM (2022), <https://www.gao.gov/assets/gao-23-105265.pdf>.