



## MEMORANDUM

To: Members, Energy and Commerce Committee  
From: Majority Staff  
Re: Communications and Technology Subcommittee Hearing

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### I. INTRODUCTION

On Wednesday, May 15, 2024, at 10:30 a.m. (ET), the Subcommittee on Communications and Technology will hold a hearing in 2322 Rayburn House Office Building. The hearing title is “The Fiscal Year 2025 National Telecommunications and Information Administration Budget.”

### II. WITNESS

- **The Honorable Alan Davidson**, Assistant Secretary of Commerce for Communications and Information and Administrator, National Telecommunications and Information Administration.

### III. BACKGROUND

The National Telecommunications and Information Administration (NTIA), a division of the U.S. Department of Commerce, is the Executive Branch agency principally responsible for advising the President on telecommunications and information policy issues.<sup>1</sup> The NTIA states that its programs and policymaking focus largely on expanding broadband internet access and adoption in America, expanding the use of spectrum by federal and non-federal users, and ensuring that the internet remains an engine for continued innovation and economic growth.<sup>2</sup> In addition to working with other Executive Branch agencies to develop policy, the NTIA represents the Executive Branch in both domestic and international telecommunications and information policy activities.<sup>3</sup>

The NTIA accomplishes its mission in the following core areas: (1) Domestic and International Policies; (2) Spectrum Management; (3) Advanced Communications Research; (4) Broadband Programs; and (5) Public Safety Communications.

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<sup>1</sup> 47 U.S.C. 902(b)(2)(D).

<sup>2</sup> See About NTIA, available at <https://ntia.gov/page/about-ntia>.

<sup>3</sup> See Office of International Affairs (OIA), available at <https://ntia.gov/office/office-international-affairs-oia>.

The Consolidated Appropriations Act of 2024, appropriated \$57 million to NTIA.<sup>4</sup> The total NTIA budget request for Fiscal Year (FY) 2025 is \$67 million, which is \$10 million more than the amount appropriated for FY24.<sup>5</sup>

#### IV. SELECT ISSUES

##### 1. BEAD and other Broadband Programs

The Consolidated Appropriations Act of 2021,<sup>6</sup> and the Infrastructure Investment and Jobs Act (IIJA)<sup>7</sup> tasked NTIA with managing several grant programs that carry out broadband deployment and adoption activities. The Committee has prioritized oversight of the NTIA's administration of these programs this Congress.

##### *Broadband, Equity and Deployment (BEAD) Program*

The BEAD program is the largest broadband grant program in the government, totaling \$42 billion. Through this program, the NTIA will provide grants to states, who will then distribute subgrants of that money to broadband providers to deploy last-mile broadband with speeds of at least 100/20 Mbps to unserved and underserved locations.

In May 2022, the NTIA released its Notice of Funding Opportunity (NOFO) outlining requirements for the BEAD program.<sup>8</sup> NTIA is in the process of reviewing state submissions of Volume II plans.

On February 22, 2024, the NTIA released the final rule for a limited waiver of the IIJA's "Build America, Buy America" requirements, which require products paid for by government funds to be manufactured in the United States.<sup>9</sup>

On February 29, 2024, the Department of Commerce Office of Inspector General (OIG) issued a management alert to the NTIA on the challenges industry stakeholders face with broadband deployment.<sup>10</sup>

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<sup>4</sup> Consolidated Appropriations Act, 2024, Pub. L. No. 118-42 (Mar. 3, 2024), <https://www.congress.gov/bill/118th-congress/house-bill/4366>.

<sup>5</sup> Consolidated Appropriations Act, 2024, Pub. L. No. 118-42 (Mar. 3, 2024)

<sup>6</sup> Consolidated Appropriations Act, 2021, § 902.

<sup>7</sup> Infrastructure Investment and Jobs Act, P.L. 117-58, div. F, tit. I-V (2021), <https://www.congress.gov/bill/117th-congress/house-bill/3684>. (IIJA)

<sup>8</sup> "Notice of Funding Opportunity, Broadband, Equity, Access, and Deployment Program," National Telecommunications and Information Administration (rel. May 13, 2022), <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>.

<sup>9</sup> "Limited General Applicability Nonavailability Waiver of the Buy America Domestic Content Procurement Preference as Applied to Recipients of Broadband Equity, Access, and Deployment Program"

<sup>10</sup> *Management Alert: Challenges Industry Stakeholders Face with Broadband Deployment*, Memorandum for Assistant Secretary of Commerce for Communications and Information and NTIA Administrator, Alan Davidson from Assistant Inspector General for Audit and Evaluation, Arthus L. Scott Jr. (Feb 29, 2024), <https://www.oig.doc.gov/OIGPublications/Management%20Alert%20Broadband%20Deployment%20Challenges%20Report.pdf>.

## 2. Spectrum

The NTIA is statutorily responsible for managing spectrum for all federal agencies,<sup>11</sup> and is actively pursuing innovative approaches to protect federal interests, while also granting greater access to spectrum for commercial purposes. The NTIA is also responsible for communicating the Executive Branch's position on communications issues, including those related to federal spectrum, to the Federal Communications Commission (FCC).<sup>12</sup>

On March 12, 2024, the NTIA released the National Spectrum Strategy Implementation Plan,<sup>13</sup> a public roadmap to meet the goals of the National Spectrum Strategy, which was directed by a Presidential Memorandum to the heads of Executive departments and agencies.<sup>14</sup>

## 3. The Public Wireless Supply Chain Innovation Fund

The Public Wireless Supply Chain Innovation Fund (Innovation Fund) provides grants to facilitate the promotion and deployment of open and interoperable wireless networks by accelerating commercial deployment of interoperable 5G equipment; promoting a multi-vendor environment; identifying compliance standards; and promoting security features in these networks.<sup>15</sup> NTIA released the NOFO for the \$1.5 billion program on April 12, 2023. In the 9 months since the program began awarding funding, NTIA has awarded \$138 million (9.2 percent) of the program's funding. On May 7, 2024, the NTIA released the second Notice of Funding Opportunity for the Innovation Fund, making \$420 million available in funding for commercialization and innovation.

## 4. First Responder Network Authority (FirstNet)

The First Responder Network Authority (FirstNet) was created in 2012 as an independent authority within the NTIA charged with developing a reliable, secure, and interoperable nationwide public safety broadband network (NPSBN) to support the communications needs of first responders and other public safety officials.<sup>16</sup> In March 2017, AT&T won a 25-year contract to build the network.<sup>17</sup>

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<sup>11</sup> 47 U.S.C. 902 § (b)(2)(A).

<sup>12</sup> 47 U.S.C. 902 § (b)(2)(J).

<sup>13</sup> *National Spectrum Strategy Implementation Plan*, National Telecommunications and Information Administration (Mar. 12, 2024), <https://www.ntia.gov/report/2024/national-spectrum-strategy-implementation-plan>.

<sup>14</sup> *Memorandum on Modernizing United States Spectrum Policy and Establishing a National Spectrum Strategy*, The White House (Nov. 13, 2023), <https://www.whitehouse.gov/briefing-room/presidential-actions/2023/11/13/memorandum-onmodernizing-united-states-spectrum-policy-and-establishing-a-national-spectrum-strategy/>.

<sup>15</sup> *Public Wireless Supply Chain Innovation Fund*, National Telecommunications and Information Administration (accessed Oct. 17, 2023), <https://www.ntia.gov/page/innovation-fund>.

<sup>16</sup> Middle Class Tax Relief and Job Creation Act of 2012, P.L. 112-96, tit. VI, subtit. B, § 6204 (2012), <https://www.congress.gov/bill/112th-congress/house-bill/3630/text>.

<sup>17</sup> *See FirstNet Partners with AT&T to Build Wireless Broadband Network for America's First Responders*, FirstNet (Mar. 30, 2017), <https://2014-2018.firstnet.gov/news/firstnet-partners-att-build-wireless-broadband-network-america-s-first-responders>.

On February 22, 2024, AT&T network experienced a broad outage in the United States that impacted the FirstNet network. FirstNet's network was down for approximately three hours and affected public safety users.<sup>18</sup> AT&T stated that the outage was due to the application and execution of an incorrect process used while expanding its network.<sup>19</sup>

## V. KEY QUESTIONS

- What will be the biggest barriers to deployment as BEAD funding becomes available to states?
- How is NTIA ensuring that the right technologies are being deployed to stretch BEAD funding as far as possible?
- What steps is the NTIA taking to conduct the spectrum studies identified in the National Spectrum Strategy?
- What steps is the NTIA taking to provide oversight of public safety activities, including the First Responder Network Authority?

## VI. STAFF CONTACTS

If you have any questions regarding this hearing, please contact Kate O'Connor, John Lin, Giulia Leganski, or Slate Herman of the Committee Staff at (202) 225-3641.

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<sup>18</sup> Joe Wassel, *Update on February 22 Network Outage*, FirstNet Authority (Feb. 29, 2024), <https://www.firstnet.gov/newsroom/blog/update-february-22-network-outage>.

<sup>19</sup> *AT&T Shares Letter Sent to Employees on Resolved Network Outage*, AT&T (Feb. 25, 2024), <https://about.att.com/story/2024/employee-letter-on-outage.html>.