

**Written Statement of  
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**Before the House Committee on Energy & Commerce  
Subcommittee on Communications & Technology**

**“From Introduction to Implementation: A BEAD Program Progress Report.”**

**September 10, 2024**

Chair Latta, Chair Rodgers, Ranking Member Matsui, Ranking Member Pallone, and Members of the Subcommittee, thank you for the invitation to speak with you today regarding NTIA's BEAD implementation.

My name is Misty Ann Giles. I serve as the Director of the Department of Administration and am the Chief Operating Officer for the State of Montana.

**Background**

Before joining Governor Greg Gianforte's administration, I served under former governors Sonny Perdue and Nathan Deal of Georgia and as Chief of Staff for Rural Development at USDA. While my roles varied, deploying federal funding was always a common theme, including leading the effort to stand up USDA's ReConnect program in 2018, a broadband loan and grant program still in operation today.

In Montana, Governor Gianforte prioritized broadband in 2021 by establishing the state's first broadband office and allocating \$310 million in American Rescue Plan Act dollars to begin closing the state's digital divide. This funding supported 62,000 serviceable locations and well-positioned us to deploy our BEAD allocation.

Montana is proud to be the first state in the country to be open for business to receive BEAD applications. However, this success has not been achieved without difficulty. I thank NTIA for their hard work and dedication to this program. Today's hearing is critical for the subcommittee to understand the issues we face with implementation at the state level, both past and present.

We all recognize that broadband is no longer a luxury but a necessity in the modern world.

Our teachers and students rely on it for education, our healthcare industry to provide medical care, and our citizens predominantly access government services online. BEAD is a historic and generational investment intended to create unprecedented connectivity in our nation. With broadband deployment, the problem is that a one-size-fits-all approach is not workable.

## State Implementation Challenges

States face a common issue - navigating the complex BEAD process. NTIA's functional requests are akin to building a plane while flying it without having the necessary instructions to be successful. NTIA has provided either no guidance, guidance given too late, or guidance changing midstream, all with a lack of appreciation for state operations and costs and the needs of our telecommunication providers – this has created a chaotic implementation environment.

In addition, while prioritizing advancement in social policies is well intended, these policies create undue complications that states and providers have never faced in other broadband programs. Our telecommunication providers, many of whom are small businesses, are left to navigate these trials while being tasked with successfully deploying BEAD dollars.

The Big Sky State is known for its epic beauty and rurality - and harsh winters, serving as home to both the Great Plains and the Rocky Mountains. This geography, though spectacular, carries a cost in the broadband world.

To bring this into focus, I'd like to provide the subcommittee with a few concrete examples of what Montana has faced.

Montana is our country's 4th largest state, with a land area of over 145,000 square miles, yet we rank 44th in population with a density of 7.4 people per square mile. For comparison, my home state of Georgia has 168 persons per square mile.

Montana received a nearly \$629 million BEAD allocation. However, based on FCC CostQuest data, Montana's estimated need is closer to \$1 billion to reach all unserved and underserved citizens.

It is estimated that 10% of our locations will consume 72% of our funding, with the last 1% of locations accounting for almost 25% of our spending. The cost of deployment, combined with a 4-year implementation period, will strain Montana's ability to meet this charge. Some states will have their entire construction window of 48 months. Due to long winters, providers in Montana and comparable states will be lucky to have half that time to deploy their networks.

Lack of funding and the litany of requirements set forth by NTIA demand that states shoulder an aggressive weight. NTIA has met this weight with delays and constant requests for clarity. For example, Montana has often received conflicting or even new and changed guidance after submitting our plans or beginning a previously approved NTIA operational process.

Another example of dysfunction is in the challenge process – a critical process for ensuring we are the best stewards of taxpayer dollars and do not overbuild. As states were actively drafting their model challenge processes, NTIA changed the process several times.

Montana received NTIA approval to begin our process in January 2024. Shortly after beginning our challenge process upon this approval, we suddenly received new process guidance with additional data requirements from NTIA in February 2024. We could not modify our system and had to work with companies to manually manage the data to ensure accuracy.

NTIA has also issued "true-up" guidance to move to a more recent version of the FCC map, but doing so may invalidate some challenge data, wasting time and cost of the state's challenge process. NTIA's extensive process for validating the data from the challenge process continues to

stress Montana's timeline for selecting subgrants. Since June, Montana has endured seemingly endless revision cycles and changing data requirements for 32 locations. NTIA's micromanagement over what is supposed to be an approved process needs to be addressed.

After submitting Montana's Initial Proposal Volume 2 last year, we went back and forth with NTIA, submitting multiple required and sometimes conflicting or non-substantive revisions. Once approved, we opened Montana's main round BEAD application. After we began taking applications on August 14, NTIA issued proposed guidance on Alternative Technologies. While much of the guidance is helpful and needed, it has come at the 11th hour for Montana.

We have yet to receive clarity on permitting, a foundational component of broadband deployment. Based on information in NTIA's recent permitting workshop, we are mandated to use an NTIA system that will not be available for another 6 to 8 months to evaluate each project's environmental and historic preservation effects. Just last week, we received an adverse finding on a post-award process that NTIA has yet to release guidance on.

This process is included as one of the statutory final proposal requirements, and it is surprising that it should already be in place for BEAD grants that we have yet to award. Looking toward the final required proposal, we eagerly await guidance from NTIA to prepare as much as possible in parallel with our subgrant application process. Currently, we are torn between either trying to get ahead of the guidance or facing further delays in completing the proposal. These concerns are further exacerbated as the BEAD NOFO requires more elements than the statute while NTIA continues to issue more unfunded mandates. These are just a few examples of countless encounters states face with NTIA and executing the BEAD program.

In summary, we are almost three years in - the NTIA is slowing states down and second-guessing good-faith efforts, not providing pro-active guidance to speed deployment.

## **Conclusion**

The NTIA has a challenging task of implementing BEAD - it is the most significant investment in rural broadband this country has ever seen. I understand that trying to have all states and territories swimming in the same direction in the same lane is no small task.

We appreciate the hard work and dedication to these efforts, but unnecessary risk of deployment has been created in implementation. I welcome the opportunity to discuss further to ensure that all states successfully close our nation's digital divide.