

Written Statement of  
Sarah Morris  
Former Principal Deputy Assistant Secretary of Commerce for Communications & Information  
and Former Deputy Administrator  
National Telecommunications and Information Administration  
U.S. Department of Commerce

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Subcommittee on Communications & Technology

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*“Fixing Biden’s Broadband Blunder”*

Chairman Hudson, Chairman Guthrie, Ranking Member Matsui, Ranking Member Pallone, and Members of the Subcommittee, thank you for the opportunity to speak with you today.

This is a moment of transition and great uncertainty for the future of the programs funded by the Infrastructure Investment and Jobs Act (IIJA). After three years of intense work and growing momentum, Middle Mile projects have broken ground, state Digital Equity planning and capacity funds are moving, and Digital Equity competitive grants have been announced. Building on the progress of other federal programs like Treasury’s Capital Projects Fund, states are on the final yard line of the 14-step BEAD process laid out in the statute, with some states having completed all 14 steps, and many more at their heels. We are on the cusp of a game-winning touchdown where we finally meet IIJA’s stated goal: connecting everyone in the country to affordable, reliable, high-speed Internet service.<sup>1</sup>

However, every one of these programs is currently at a standstill, with no guidance or approvals coming out of the Department of Commerce since the new administration took office. That means communities across the country and across your districts are still waiting to reap the benefits of a high-speed Internet connection. Under the new administration, NTIA must restart work on these programs to maintain the momentum in the states and finish the careful job the prior administration carried so far.

NTIA must also continue to give states the flexibility to implement program requirements. Major changes to the structure of the programs will only lead to further delay that members of this committee are eager to avoid. I share your sense of urgency about beginning construction, but making significant changes to BEAD would create delays, not solve them.

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<sup>1</sup> IIJA 60101 (1)

Moreover, a cornerstone of this law is its state-driven approach. Congress recognized that states know best when it comes to the needs on the ground, and NTIA left ample flexibility for states to make their own choices about how to meet the goal of connecting everyone in the country.

### **Benefits of the IIJA Broadband Grant Programs**

These investments are critical. The IIJA broadband grant programs were designed—wisely—to clear the economic and social hurdles that keep the most expensive and hardest to reach communities offline. Without high-speed Internet service and the tools to use it, these communities lack the baseline resources to propel transformative economic investment, and the households in these communities lack access to healthcare, jobs, education, and other critical resources. Similarly, ISPs serving these communities face a challenging business case to justify their capital investment and operating costs.

For example, a lack of affordable, high-speed Internet service prevents veterans across the country from receiving lifesaving treatment. The VA has found that virtual mental health appointments can be just as effective as in-person visits,<sup>2</sup> and certain recipients of connected tablets have a 36 percent reduction in suicide-related emergency department visits when compared to their peers in the digital divide.<sup>3</sup> For veterans, connectivity is literally a life-or-death resource.

In rural areas, the lack of access can drag down entire communities. Without connectivity, rural areas are more susceptible to brain drain, economic stagnation, worse health outcomes, and lower property values.

However, in areas that invest in broadband, like Bemidji, MN, the benefits can be enormous. After implementing universal fiber, Bemidji saw a boom in entrepreneurship, business revenue, telehealth adoption, and positive youth activities. Bemidji now leads most other rural communities on economic metrics and, due to their network's scalability, is well positioned to integrate new technologies on top of the network.<sup>4</sup>

This money is an investment in states that will pay immediate and long-term economic dividends. Onshoring of fiber production facilities, workforce development to build the networks, and the economic benefits that come from having communities connected to cutting-edge technology—these are all direct outcomes of IIJA's broadband grant programs.

These programs will make real, measurable differences for communities across the country. **Re-litigation of the law and the inevitable delays it would cause will only disrupt these benefits and perpetuate the harms.**

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<sup>2</sup> <https://pubmed.ncbi.nlm.nih.gov/articles/PMC11420580/>

<sup>3</sup> <https://europepmc.org/article/MED/35385088>

<sup>4</sup> <https://ruralinnovation.us/blog/broadband-case-study-bemidji-minnesota/>

## Current Status of BEAD

We have seen much hand wringing about the slow pace of BEAD. The persistent lack of access in the hardest to serve corners of our country remains a deep and urgent concern. It is also a challenging problem to solve, and solutions must be driven by and tailored to the needs of each state. Congress wisely laid out a state-driven approach, and with it, a 14-step process to ensure that BEAD’s unprecedented federal investment would be spent wisely, carefully, and be based on the best data available at the time.

If these unserved and underserved locations were easy to reach through a single policy lever or a simple disbursement of funds, they would have already been served. And as Congress noted, NTIA and the states needed the data to understand not only the scope of the problem, but the actual locations that would be put out to bid through BEAD.

States, in partnership with NTIA, have spent the past three years completing these 14 steps, which include:

	<b>Action</b>	<b># States Completing</b>	<b>Status</b>
Step 1	NTIA must issue NOFO within 180 days		S
Step 2	States who want to participate must submit LOI	56/56	S
Step 3	States can request up to \$5M in planning grants	56/56	S
Step 4	NTIA must review, approve, and award planning grants	56/56	S
Step 5	States must submit a 5-year Action Plan	56/56	S
Step 6	FCC must publish the broadband DATA maps before NTIA allocates funds (and states needed opportunities to challenge map for accuracy)		S
Step 7	NTIA must use the FCC maps to make allocation decisions		S
Step 8	States must submit an Initial Proposal to NTIA	56/56	S
Step 9	NTIA must review and approve each state’s initial proposal	56/56	S

Step 10	States must publish their own map and allow challenges	56/56	S
Step 11	NTIA must review and approve challenge results and final map	*47/56	S
Step 12	States must run a competitive sub-granting process	^30/56	S
Step 13	States must submit a Final Proposal to NTIA	3/56	S
Step 14	NTIA must review and approve the state's Final Proposal	3/56	S

Source: NTIA BEAD Dashboard <https://www.ntia.gov/funding-programs/internet-all/broadband-equity-access-and-deployment-bead-program/progress-dashboard> (includes states and territories)

\* 56/56 have finished running their challenge window. But, per NTIA dashboard, only 47/56 have "concluded" their challenge process.

^ 30 in process, but only 4 completed.

**In summary: states are nearly at the finish line.** To stop their progress now—or worse, to make them go backwards—would be a stick in the spokes of the most promising broadband deployment plans we have ever seen. Nearly every state has identified the locations it will put out to bid, many are actively reviewing and accepting bids for work, and all states have spent the past three years honing the best approach for their sub-grant processes based on the law Congress wrote. Each approach is driven by the unique needs in the state—the geography, topography, number and type of service providers, and number of unserved and underserved locations.

Congress should support the flexible approach and carefully considered decisions that have gone into each state's process.

### **Flexibility to Ensure Affordability**

Affordability is a key component of the IIJA broadband provisions, both in BEAD and the separate Affordable Connectivity Program (ACP) that the FCC administered. Congress, not NTIA, required every ISP who takes BEAD money to offer at least one low-cost plan as defined by the states in consultation with, and with the approval of, the Assistant Secretary.<sup>5</sup> In accordance with the law, states have implemented this requirement in a range of ways, and because every state has had both volumes of their Initial Plans approved, the details about the state approaches are publicly available.<sup>6</sup>

<sup>5</sup> IIJA 60102 (h)(4)(B)

<sup>6</sup> See <https://www.linkedin.com/pulse/affordability-bead-low-cost-options-every-state-jake-varn-iyne/>

States have approached the low-cost option in a variety of reasonable, common-sense and market-driven ways. Most states have set a fixed number, but many have set a range or allow for a waiver to the baseline requirement. The offerings range from \$15 to up to \$110. Many states index their requirements to specific metrics like the federal poverty rate or the FCC’s Urban Rate Survey and allow for modifications to the cost of the offerings over time, either automatically or by requests.<sup>7</sup> **In short, the state-driven approach laid out by Congress is working, and it will ensure that all households are able to benefit from these investments.**

Moreover, these types of requirements are not uncommon, especially when used as a condition of federal funding for a network that is, by definition and design, a monopoly offering.<sup>8</sup> The distinguishing characteristic here is not, as many suggest, the sudden and unlawful imposition of rate regulation, but rather the thought and care that has gone into each state’s assessment and implementation of the statutory directive.

### **Supporting Future-Proof Technologies**

The IJA directed NTIA to determine the criteria used to define “reliable broadband service,”<sup>9</sup> and to ensure that BEAD connected locations that lacked access to reliable broadband service.

NTIA implemented this directive by allowing a flexible, market-based scoring approach that drives investments in fiber infrastructure as far as economically viable, but it also contemplates participation from other types of providers in many areas throughout the states. NTIA further clarified this approach in its Alternative Technology Guidance released earlier this year.<sup>10</sup>

The reasoning here makes sense—fiber remains the most “future proof” technology available, meaning it supports the technology needs of communities now and decades into the future. In addition, many other technologies like fixed wireless service actually rely on the availability of fiber too. Fixed wireless can cross the ravine or river, but it will still need a high-capacity connection back to the larger network. Fiber can also be easily and exponentially upgraded, without the addition of new spectrum, radios, and user equipment to increase capacity.

However, a requirement that every location be served by fiber would frustrate the broader goals of the program—many states would be unable to fully connect their unconnected locations because they would be spending too much of their allocated funding on fiber to locations that cost an extraordinary amount to serve. To address this concern, NTIA implemented an “Extremely High Cost Threshold” that directs states to set an amount above which any technology, including unlicensed fixed wireless and low-earth orbit (LEO) satellite service, could be used if other technologies would exceed that threshold.

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<sup>7</sup> See <https://www.linkedin.com/pulse/affordability-bead-low-cost-options-every-state-jake-varn-iynye/>

<sup>8</sup> <https://www.benton.org/blog/my-oh-i-wish-closing-argument-house-bead-hearing>

<sup>9</sup> IJA 60102 (a)(2)(L)

<sup>10</sup> <https://www.ntia.gov/other-publication/2025/final-bead-alternative-broadband-technology-policy-notice>

This approach—to push the most future-proof technologies wherever possible—is important in ensuring that the \$42.5 billion BEAD investment doesn’t simply recreate a rural-urban divide. Dramatic increases in the use of next-generation technologies like AI and quantum computing are rapidly driving capacity needs on networks. Communities in every corner of the country will need access to scalable, high-capacity networks to allow the U.S. to fully compete with our global peers as these technologies continue to evolve. When it is economically feasible to provide best-in-class service, communities should not be forced to settle for subpar service. This is a feature, not a bug, of the bipartisan IJA and the prior administration’s faithful implementation of that law.

Moreover, this approach is working—industry engagement in BEAD is strong, and the states at the forefront of program implementation like Louisiana and Nevada are indeed anticipating awards across a range of network types. Changing the approach at this stage is unwarranted and will undercut the smart planning and execution that is already happening throughout the states.

### **Supporting New Internet Users**

The IJA broadband grant programs are designed to bring connectivity to people and communities that have, in many cases, remained unconnected for decades. This divide exists not only because of deployment challenges, but also because of digital literacy challenges and concerns about online safety. Some populations are slower to adopt even when broadband is available because it may be unaffordable and unfamiliar to them. They need support to adopt and maximize the value of Internet service. In many cases, these are seniors, veterans, and people in rural areas. To fully realize the economic potential of the infrastructure investments, the people connected to the infrastructure must be adequately supported as they come online.

Examples abound of the impact that this type of support can achieve. Here are two:

In Appalachia Kentucky, a resident helps others in her community navigate online tools like educational platforms for coursework, allowing students to keep pace with coursework and succeed in their education.<sup>11</sup> At a recent event, the head of Arkansas’ state broadband office talked about the opportunities of access, the impact of connectivity on rural residents and veterans and the barriers that exist for those constituencies to get connected. Arkansas is helping farmers’ procure access to technology that they can leverage for precision agriculture, and is also cultivating the digital skills within the communities to use that technology.<sup>12</sup>

Congress directed NTIA to stand up three Digital Equity programs for state planning, state capacity-building, and community engagement to work in tandem with the clear BEAD mandates for affordability and broadband adoption and use.<sup>13</sup> As a result, states all included a

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<sup>11</sup> <https://www.digitalinclusion.org/blog/how-digital-skills-are-opening-doors-for-eastern-kentuckians/>

<sup>12</sup> <https://www.newamerica.org/oti/events/state-community-adoption-initiatives-maximizing-federal-broadband-investments/>

<sup>13</sup> IJA 60304

Digital Equity Plan as part of their BEAD Initial Proposals. The Digital Equity State Planning Grants supported the development of these plans, and the Digital Equity State Capacity Grants are supporting the execution of those plans. Every state received both a Planning and Capacity grant.

The Digital Equity Competitive Grant program helps support the implementation of each state's Digital Equity Plan, ensuring the trusted organizations on the ground, like libraries, houses of worship and senior centers that directly serve unconnected households, are adequately resourced and able to complement the state's goals. These grants are under way, with 65 awards announced as of January 20<sup>th</sup>.<sup>14</sup>

Without adequate support for these communities as they come online for the first time, the potential of (and return on) the infrastructure investments will never be realized—networks will simply be built to households that cannot or will not adopt. Eliminating or dramatically curtailing any of these programs undermines the goal of the Act—to connect everyone in the country to affordable, reliable, high-speed Internet service.

## **Conclusion**

We are on the cusp of the largest broadband deployment in U.S. history. Over half the states are actively soliciting bids from ISPs to build the best broadband to the most homes for the lowest cost. Other states are not far behind. And three states have completed every step and just need their funds unlocked.

Every home, farm, and business in the country could soon have affordable, reliable, high-speed Internet service and the skills and training to ensure that this connectivity leads to better jobs, better education, and better healthcare.

In short, the U.S. is not only ready to take the biggest step ever to close the digital divide, it is also prepared to ensure that connectivity is put to good work all throughout the country.

And yet, here in DC, this administration has so far said “stop.”

The digital divide has persisted for decades because all past attempts to close it have failed. NTIA's programs are designed to avoid these mistakes. This is the moment to let your states make these investments. For those that have already started, the initial results are promising, and we could soon see those results replicated across the country.

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<sup>14</sup> <https://www.ntia.gov/other-publication/2025/digital-equity-competitive-grant-program-applications-recommended-award>