

RURAL BROADBAND INSIGHTS FOR CLOSING THE DIGITAL DIVIDE



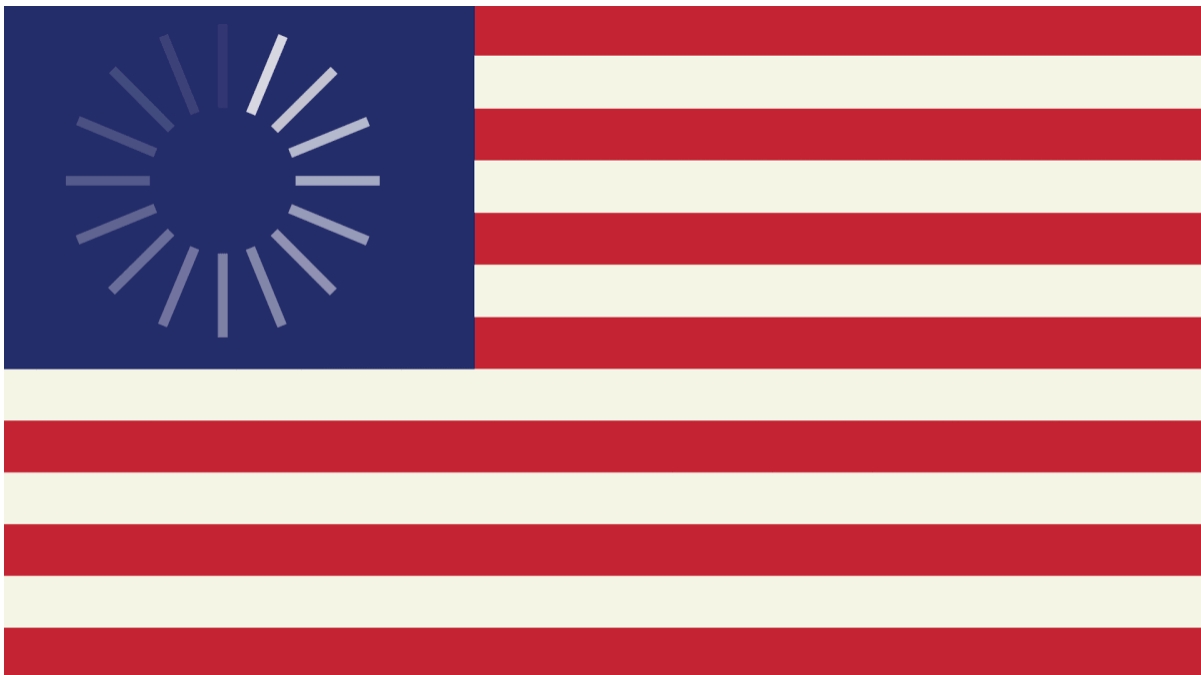
WITH PARTNER JONATHAN CHAMBERS

Co-ops Connect FYI

By Jonathan Chambers • May 22, 2025

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BEAD: Is Trump Becoming Biden 2.0 in Failing Rural America?



On November 5, 2021, Congress passed BEAD, which included \$42.45 billion for investment in broadband infrastructure to unserved and underserved rural Americans. The Commerce Department allocated funds to the states, the FCC produced location-specific maps, and every state engaged in labyrinthian processes to deliver broadband to every unserved and underserved location in their state.

- **To date, 42 states** have begun or completed their assignment of funds to companies to build broadband infrastructure.
- **To date, zero dollars** have been released to connect rural households to broadband.

On January 21, 2025, the administration turned over. The new Commerce Department told states that it needed time to review and revise all the state applications, including ones that were already approved. As weeks became months, Governors, Senators, and Congress members began expressing concern that the new Administration's review will upend each state's work over the past three years.

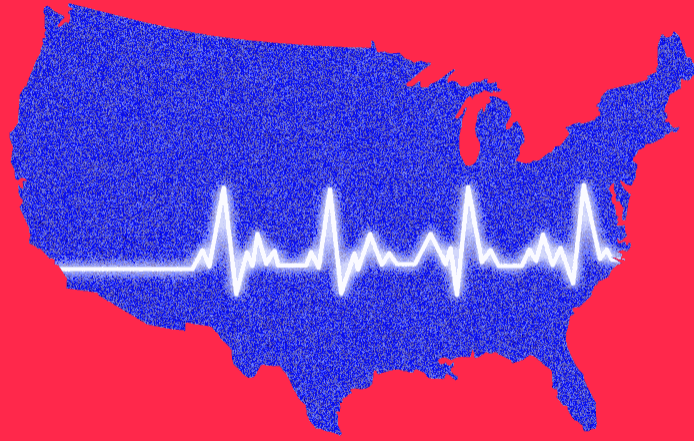
- In her May 6, 2025 letter to Commerce Secretary Lutnick, Senator Capito (R-WV) wrote:

"I am concerned that West Virginia may be told to move back from the 1-yard line to the 40-yard line after the review concludes."

- On May 16, 2025, Senator Rosen (D-NV) and 11 more Senators wrote Secretary Lutnick:

"The attempts by NTIA to revise the state application process at this late stage will cause further delays to the program and leave rural and tribal communities behind in an increasingly connected economy."

Is This Biden 2.0?



Rather than follow the lead of states and local communities, the Biden Commerce Department imposed a one-size-fits-all set of policies and preferences on our topographically and geographically diverse states.

Commerce Secretary Lutnick now appears poised to do the same.

- As Senator Capito said:

“I am also concerned that an arbitrary one-size-fits-all cost cap could be imposed for each connection. West Virginia is the Mountain State, so connecting us may be inherently more expensive than most every other state. In addition, certain technologies are not feasible in many areas...”

- Or, as the head of the Oklahoma broadband office, Mike Sanders, put it:

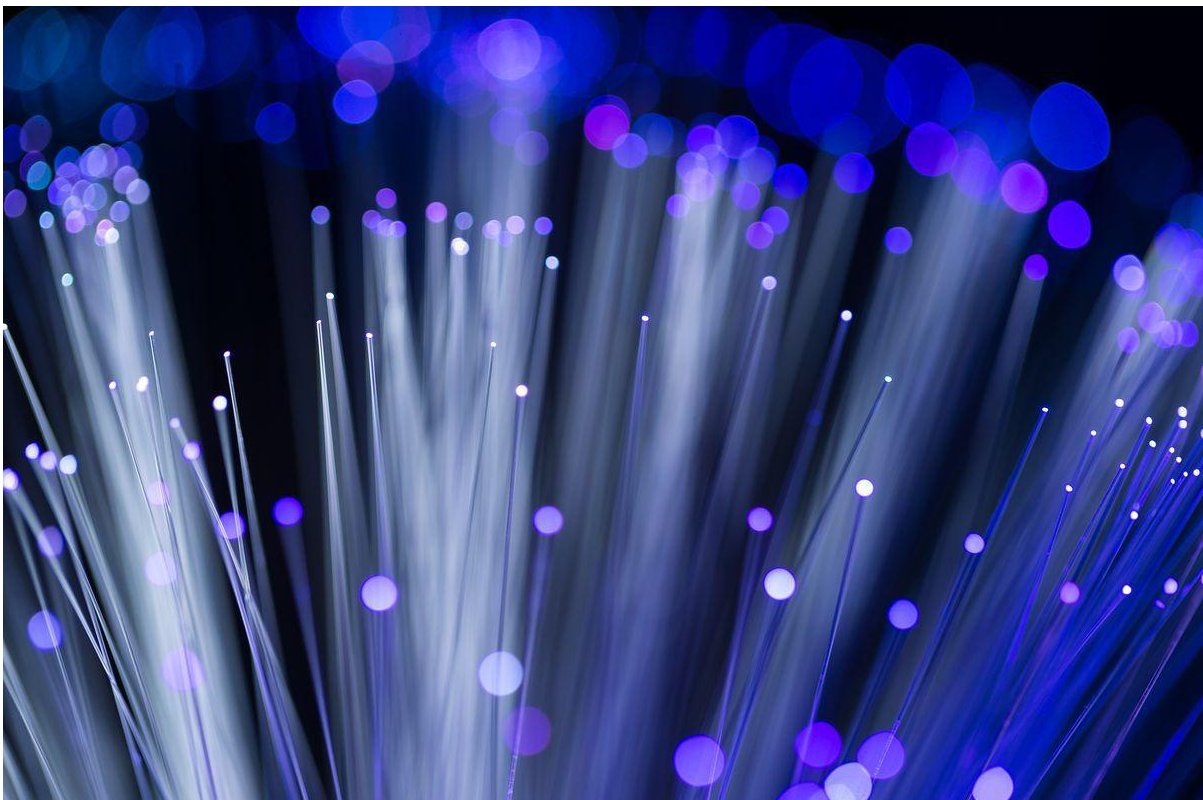
“[We want] to make sure that Oklahomans can decide what’s best for Oklahoma, not, you know, perhaps bureaucrats in Washington, DC.”

Senator Capito and Mr. Sanders are referring to reports that Secretary Lutnick may cap the amount of funding per location at an amount below the average that has already been allocated to states.

- **If the reports are correct**, each state will be forced to completely redo its rural broadband plan, initiate new competitive bidding processes, choose inferior technologies, and leave many unserved and underserved rural Americans ***with the exact same inadequate service they have today.***
- Not to mention creating delays of at least another year before construction can even begin. And those delays do not include the additional delays caused by litigation challenging such a change, as a cap would be contrary to the language of the law on rural broadband funding.

Another Administration taking more time and adding new requirements means more of the same – no rural households connected to critical infrastructure in any state, from Florida to Washington, Arizona to Maine, Minnesota to Louisiana, Nevada to Kentucky.

What to Do: Use Budget Reconciliation to Reconstitute BEAD



In a politically divided world, there remains a path that serves everyone's interests.

In this year's budget reconciliation, I recommend:

1. **Congress should reaffirm and adopt new** BEAD legislation, replacing the current BEAD program at 90 percent of the amount appropriated in 2021, generating an immediate savings of \$4.5 billion.
2. **Congress should require** that the Treasury Department within 30 days send 60 percent of the previously allocated BEAD funding directly to states and 30 percent of the previously allocated BEAD funding directly to counties – with no stops along the way at the Commerce Department, NIST, or NTIA.
3. **Congress should not get caught up** in defining broadband by speed or technology. Instead, it should maintain spending to the previously established BEAD-eligible locations and limit reimbursement to broadband infrastructure with a lifespan of 30 or more years. For once, let's invest for the long term in rural America.
4. **Congress should require** all states and counties to assign the funding to sub-grantees by the end of 2025 and require that all work be completed by the end of 2028. They can embrace and use the three years of work already done by state broadband offices and rural communities.

Why this approach? And why skip the Commerce Department (and NTIA specifically) and go directly to the states and counties?

It's been more than 3.5 years since Congress appropriated funding for BEAD. **Rural America shouldn't have to wait any longer.**

- To quote Mr. Sanders again:

"We've been waiting for BEAD for a long, long time and I would hate to see more delays."

- Or, as Senator Rosen (D-NV) and her colleagues put it:

“Time is of the essence, and our rural and tribal communities cannot afford more delays.”

It is past the time for letters, statements, and expressions of concern.

My message to Congress: Use the big, beautiful bill to legislate what your rural constituents want and need. Release the funds without new bureaucratic conditions.

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