

# My Thoughts on the BEAD Grants

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I've had some time to think about the \$42.5 BEADA grants that will infuse a huge amount of money into building broadband networks. I summarized the most important rules in an [earlier blog](#), and today follows up with some observations and predictions about how these grants will probably work.

**Not the Same Everywhere.** These grants will be awarded through the states. The NTIA will set the overall guidelines, but it's inevitable that states will have a huge say in who wins the grants. If a state is determined to give these grants to giant ISPs, that state will be able to maneuver within the rules to do so – as will states that don't want to fund big ISPs. States will definitely put their own stamp on who gets the funding.

**Mostly for Fiber.** WISPA and other trade associations lobbied hard to set the speed requirement for new grant-funded technology to 100/20 Mbps. This makes fixed wireless and cable company HFC networks eligible for grant funding. This might have been a hollow victory, and I believe that most states are going to give a huge preference to building fiber and will be hesitant to award funding to any technology other than fiber. Undoubtedly,

some states will fund other technologies, but my prediction is that most states will give most of the money to fiber projects.

**Defining Served / Unserved Areas Will be a Mess.** The grants attempt to improve broadband in areas with existing speeds under 25/3 Mbps. This insistence in sticking with measuring speeds will create a huge mess. Communities know that rural speeds are slower less than this, but if the broadband maps remain wrong, they will have to somehow prove it. It would have been so much simpler for the grants to be eligible to overbuild DSL with no speed test. I'm sure these requirements came from lobbying from big telcos, and we also don't seem able to break away from the dreadful FCC broadband map databases.

A smart state might base grant awards upon state-generated broadband maps, but even that is going to be controversial since incumbent telcos will have a chance to challenge any grant request. Huge parts of the country have been wrongfully locked out of federal grants in the past due to the FCC database, and this is the one big chance to put that behind us. Unfortunately, there will still be communities that get behind by these grants.

**Many States are Not Ready for This Funding.** A lot of the states only recently started to form state broadband offices, and the size of these grants and the sheer volume of paperwork will overwhelm the people who award grants. There is also a disturbing trend right now of the existing employees of broadband offices bailing to take jobs in the industry. Handling these grants properly is going to require grant reviewers with a lot of expertise to wade through the many grant requests. In this over-busy industry, I don't know where states will find the experienced people needed to do this right.

**Overlapping Grant Requests.** The dollar amount of the grant pool is so

huge that the states are going to get multiple grant requests that ask to serve the same areas. I'm predicting states will face an almost unsolvable puzzle trying to figure out who to fund in these situations. Just to give an example, I live in North Carolina, and I won't be surprised if Charter files a grant request to serve most of the state. In doing so, Charter will conflict with most other grant requests – many of which will also overlap with each other.

**Big ISPs Want to Be Major Players.** Many big ISPs have been recently signaling that they will be seeking huge funding from these grants. AT&T alone said it hopes to use these grants to pass five million new homes. Big ISPs have some major advantages in the grant process. They will have no problem guaranteeing matching funds. They will likely ask for grants that cover large areas, which is going to be tempting for grant offices trying to award the funds. The push by big ISPs creates a dilemma for states since citizens clearly prefer local ISPs run by local people over the corporate indifference of giant ISPs.