



December 20, 2022

Dear State Broadband Officer(s),

On behalf of the undersigned organizations representing stakeholders from across the telecommunications ecosystem, we write to encourage you to set the “Extremely High Cost Per Location Threshold” (“EHCT”)<sup>1</sup> as required under the Broadband Equity, Access, and Deployment (“BEAD”) Notice of Funding Opportunity (“NOFO”) sufficiently low to give your state maximum flexibility to choose the right mix of technology to meet your state’s broadband policy objectives.

As you are aware, the BEAD NOFO requires states to set, and NTIA to approve, an EHCT. This is a minimum cost-per-location-passed below which states cannot consider applications for non-fiber deployments. As long as a state receives a fiber proposal with a per location cost below the threshold, the state *must* select it over a non-fiber alternative, regardless of the cost differential and other considerations.

Very few states will be able to achieve 100 percent fiber to the home connectivity with BEAD funds alone.<sup>2</sup> Further, if overcommitted to bringing fiber to all unserved locations, a state may not have the necessary funds to upgrade networks in underserved areas. As NTIA recognized in the NOFO, it will take a mix of technologies to bridge the digital divide.<sup>3</sup> If not properly set, the EHCT could become an early pitfall to achieving the right mix of technologies by limiting a state’s flexibility in spending its BEAD allocation. An inflated EHCT could leave a state short on funds for critical deployment and non-deployment priorities. Alternatively, a sufficiently low threshold will give a state maximum flexibility to decide how to spend its BEAD funding while increasing competition to prevent cost overruns.

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<sup>1</sup> *Notice of Funding Opportunity*, Broadband Equity, Access, and Deployment Program, at 13, NAT’L. TELECOM. AND INFO. ADMIN. (May 13, 2022) [hereinafter BEAD NOFO].

<sup>2</sup> See Mike Connolly, *Second Look: New FCC Maps* (Nov. 27, 2022), <https://mikeconlow.substack.com/p/second-look-new-fcc-maps> (analyzing recently released FCC maps to determine funding shortfalls in several states if trying to achieve end-to-end fiber with only BEAD funds).

<sup>3</sup> See BEAD NOFO at 31 (directing states to create an Extremely High Cost Per Location threshold that maximizes the use of best available technology while meeting other scoring requirements).

Importantly, setting the threshold too high would preclude states from considering alternatives to fiber, like Fixed Wireless Access (FWA), even though FWA is well positioned to meet the prioritization and scoring requirements set forth in the NOFO. FWA technologies are just as reliable as wireline options, are faster to deploy, and can often simultaneously enable the delivery of critical mobile broadband capacity in areas currently lacking these services to further promote digital equality. In fact, FWA is one of the fastest growing broadband solutions on the market, with multiple providers delivering fast, reliable service to millions of Americans.<sup>4</sup> FWA will be an important part of the technology mix in every state, particularly when navigating deployments in difficult terrain and sparsely populated unserved and underserved areas.

States are also permitted, and many will choose, to seek to ensure significant BEAD funds remain available for critical non-deployment uses to improve accessibility and adoption that will deliver on the “Equity” goals of the program. Services to help people functionally get online, like digital literacy programs and device subsidies, are often as important to broadband access as the physical infrastructure itself. An unnecessarily high EHCT will prevent states from preserving funds for such purposes.

From a pragmatic standpoint, at the initial program design stage, states will be challenged to determine where to balance resources to achieve their deployment and non-deployment objectives given available information. That knowledge gap counsels against a high EHCT that would preclude consideration of lower-cost, high-speed alternatives. Whatever a state’s priority, it should not tie its hands at the outset by forcing the acceptance of very high-cost fiber projects that will prevent funds from being spent on any other priority for connectivity.

The additional costs from setting the EHCT too high can quickly add up. For example, if a state were to set its EHCT at \$50,000 per location passed and received applications to serve a given location at \$49,000 per pass by fiber and \$5,000 per pass by fixed wireless, the state would be required to choose the nearly 10 times more expensive option, regardless of any other considerations. On the other hand, if the state set a significantly lower EHCT (e.g., \$3,000), it would still be able to choose the more expensive fiber proposal, but it would not be forced to do so. Each state will have its own priorities in addressing barriers to connectivity. Some will prioritize quickly getting service to all unserved areas, and some will prioritize bringing fiber to the most homes possible. By setting a relatively low EHCT, a state will have flexibility to decide which project is best suited for a particular area consistent with the state’s overall plan.

States should not unnecessarily tie their own hands by setting an overly high threshold. Instead, states should allow themselves the opportunity to choose the right mix of technology to meet their deployment and non-deployment policy objectives. We urge you to critically evaluate this issue

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<sup>4</sup> See *The State of Fixed Wireless Access 2022*, T-MOBILE (Dec. 7, 2022), <https://www.t-mobile.com/news/network/t-mobile-publishes-2022-report-on-state-of-fixed-wireless-strong> (noting a 70% gain in FWA subscribers across all providers during 2022); VERIZON, *Wireless Internet Service Now Covers 30+ Million Homes and 2+ Million Businesses*, Verizon News Center, (Feb. 14, 2022), <https://www.verizon.com/about/news/homes-businesses-verizons-wireless-internet-services>. See also, *The Fixed Wireless Network Opportunity*, at 14-15, WIRELESS INFRA. ASSC. (rel. Dec. 20, 2022), available at <https://bit.ly/3HSTurC> (demonstrating broad FWA offerings in different geographic areas).

and ensure your broadband programs are competitive and flexible enough to meet all of the state's connectivity goals.

Sincerely,

The Wireless Infrastructure Association

Competitive Carriers Association

CTIA

NATE: The Communications Infrastructure Contractors Association

Rural Wireless Association

WISPA

cc:

The Honorable Alan Davidson, Assistant Secretary of Commerce for Communications and Information and NTIA Administrator