



June 28, 2022

Texas Congressional Delegation
United States Congress
Washington, D.C.

Dear Members of the Texas Congressional Delegation:

I write to you to express concerns about the Notice of Funding Opportunity for the \$42.5 billion Broadband Equity, Access, and Deployment (BEAD) Program issued on May 13 by the National Telecommunications and Information Administration (NTIA). While the State of Texas will submit a letter of intent to apply for these funds by the July 18, 2022, deadline, I am concerned about the unnecessary restraints NTIA has placed on this program.

Last year, Texas state lawmakers created the Texas Broadband Development Office (BDO) and placed it within my office. This represented a major step toward closing the digital divide that plagues so many hard-working Texans, especially in rural parts of the state. The BDO recently released Texas' first-ever comprehensive broadband plan. But the NTIA has subsequently placed unnecessary stipulations on federal broadband funding that effectively will put limits on the BDO and its mission to expand broadband in Texas.

As Texas Comptroller, I understand putting up guardrails on funding resources and government spending, but I also recognize when the guardrails are burdensome. Texas is a big state, with large swaths of rural land that make it hugely challenging to implement fiber connectivity. With these rules, which require all states to prioritize fiber, the federal government could deny grants to Texas communities that have no choice but to implement non-fiber broadband deployment projects.

Texas' broadband legislation that went into effect last year favors technology-neutral policies, meaning one type of technology is not preferred over another. I agree that fiber-line broadband is ideal because it produces the fastest speeds, and it should be used whenever and wherever possible, but that technology is not feasible for many smaller and more remote communities — and those communities should not be penalized. There are many other types of technology fully capable of delivering high-speed and affordable broadband service to rural Texans.

The new rules requiring the prioritization of fiber will hamper Texas' ability to work with a diverse range of communities and stakeholders, to connect every household to broadband and to close the digital divide. Moreover, with every state required to focus on a single technology to expand broadband, production bottlenecks related to that technology may arise. Considering the nation's supply chain issues over the past two years, the timing could not be worse.



Prioritizing fiber also could exacerbate existing labor shortages in Texas. Internet service providers and network construction contractors nationwide already are anticipating a logjam of work orders and significant delays in expanding broadband networks, due in large part to a workforce that is stretched thin.

Like Texas' legislation, the federal broadband infrastructure grant programs, as written in the Infrastructure Investment and Jobs Act (IIJA), are technology neutral. But the NTIA's new rules skew the original intentions of the IIJA and potentially engender a government bias toward certain technologies and, consequently, particular internet service providers. These bills garnered bipartisan support because they gave states the freedom to address unique challenges, but now NTIA is using bait-and-switch tactics to subvert the will of Congress. In doing so, these restrictions undermine the good-faith negotiations that created this program.

These rules do not help large states like Texas that have vast and topographically diverse areas to accommodate. A preference for fiber technology may work in densely populated states and communities, but in Texas, it will serve as a roadblock that slows down progress and increases costs in our most at-risk communities. Texas needs flexibility from the federal government to ensure that its residents are connected to broadband as quickly and efficiently as possible.

I urge you to contact NTIA and request they reconsider their guidance so that all technologies have equal opportunity to compete for these funds, as Congress intended.

I appreciate your consideration.

Sincerely,



Glenn Hegar

