

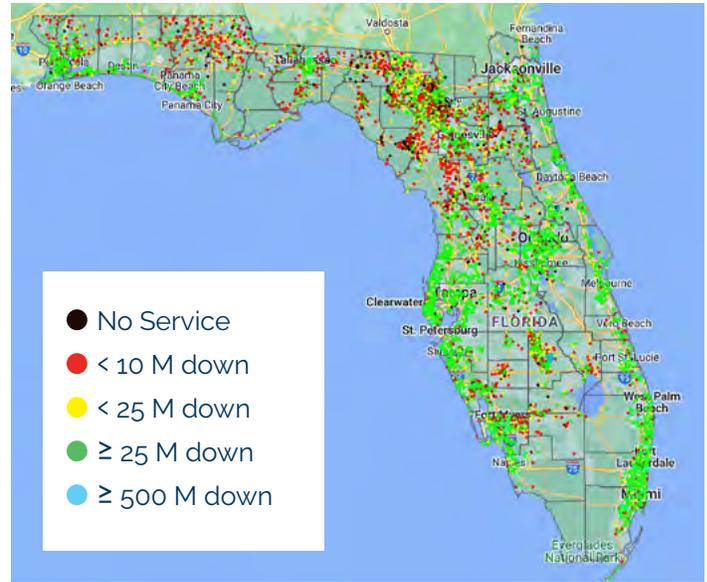
BEAD MONEY

🔗 **The Issue:** Despite ranking 7th in the country for coverage, speed, and availability, with 97.5% of residents having access to internet service, large swaths of the state only have access to slow internet speeds or no access.¹ Without access to high-speed internet, residents of underserved and unserved communities cannot reap the benefits of connectivity. These benefits include enhanced access to education, healthcare, and entertainment as well as workforce and economic development.



Faster Florida Broadband Map, Florida Department of Economic Opportunity, Office of Broadband.

Recognizing the limitations communities face due to lack of connectivity, Congress created the Broadband Equity, Access, and Deployment (BEAD) Program as part of the Infrastructure Investment and Jobs Act. The BEAD program will provide all 50 states



Florida's Broadband Availability Map and Internet Speed Test, Florida Department of Economic Opportunity, Office of Broadband.

with access to \$42.45 billion “to expand high-speed internet access by funding planning, infrastructure deployment, and adoption programs.”²

While fiscal conservatives might want to reject BEAD money, they must remember that Congress has already appropriated money that could go to other states. Additionally, the BEAD program enjoyed bipartisan support, backed by 19 Senate Republicans. Furthermore, rejecting BEAD money will only cement the digital divide between rural and urban communities, denying Floridians the benefits of broadband. Finally, if the state rejects BEAD money, local municipalities can apply, leading to inefficient spending and the creation of government-owned networks (GONs).

The State of Florida did submit a letter of intent for BEAD money,³ however, this does not require the state to apply or accept money.

➤ **Tech Neutrality:** Florida is famous for its diverse geography. Unfortunately, these diverse geographies present significant challenges for broadband deployment. Fiber, for example, is expensive and requires to be laid in the ground. These characteristics make it unsuitable for communities in environmentally sensitive areas. To deploy broadband in these areas, policymakers look beyond a single method of deployment and employ a range of technologies to connect unserved and underserved communities. A tech-neutral approach will also ensure taxpayer money is not wasted on broadband deployment that is not suited to the physical environment.

➤ **Government Owned Networks:** Since Congress created the BEAD program, there have been calls for municipalities to use the money to establish Government Owned Networks, commonly known as GONs. Unfortunately, despite claims that GONs can help expand access in underserved communities, studies have been unable to prove they increase “household broadband subscriptions, unemployment rates, or labor force participation rates.”⁴

GONs fail to deliver and leave taxpayers on the hook for millions of dollars of debt. For example, in 2006, Wilson, North Carolina, created its GON, borrowing \$33 million.⁵ However, the network could never generate enough subscribers to cover operational or

build costs, leaving taxpayers responsible for millions of dollars in debt.⁶ Unfortunately, the story of Wilson is just one of many expensive failures that have plagued GONs.

Allowing Florida’s towns and cities to establish GONs with BEAD money would be a colossal waste of taxpayer money.

POLICY RECOMMENDATIONS

1. Accept the money: The State legislature must accept BEAD money to close the digital divide in Florida. Failure to accept the money will result in thousands of Floridians remaining unconnected or with slow internet service.

2. Tech-Neutral Spending: When using BEAD money to deploy broadband, any spending must be tech neutral, allowing the state to select the most appropriate method of broadband deployment. A tech neutral approach will ensure that taxpayer money is spent efficiently and can connect the greatest number of residents.

3. Prohibit GONs: Studies routinely show that the private sector is best placed to deploy broadband. Therefore, lawmakers must prohibit municipalities from establishing GONs that have been a failure and cost taxpayers millions.

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ENDNOTES

- 1 “Internet Service Providers in Florida,” *Broadband Now*. Available Online: <https://broadbandnow.com/Florida>
- 2 *National Telecommunications and Information Administration*, “Biden-Harris Administration’s Internet for All Initiative Moves Forward with 100% Participation in Planning Grants,” August 17, 2022. Available Online: <https://www.ntia.doc.gov/press-release/2022/biden-harris-administration-s-internet-all-initiative-moves-forward-100>
- 3 U.S. Department of Commerce, “All 50 States, U.S. Territories, and the District of Columbia Join Biden-Harris Administration’s Internet for All Initiative,” July 13, 2022. Available Online: <https://www.commerce.gov/news/press-releases/2022/07/all-50-states-us-territories-and-district-columbia-join-biden-harris>
- 4 Sarah Oh, “What Are the Economic Effects of Municipal Broadband?” *Technology Policy Institute*, July 2019, 19. Available Online: <https://techpolicyinstitute.org/wp-content/uploads/2019/11/OhTPRC2019.pdf>
- 5 *Taxpayer Protection Alliance*, “GON with the Wind: The Failed Promise of Government Owned Networks Across America,” May 2020, 42. Available Online: <https://www.protectingtaxpayers.org/wp-content/uploads/Broadband-Report-May-2020-1.pdf>
- 6 *Ibid*, 43.