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Connecting Paradise: BEAD and the Sunshine State

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Executive Summary

The digital divide in Florida represents a critical challenge impacting millions of residents' economic opportunity, education, and quality of life. Recent data reveals persistent disparities in broadband access, with particularly stark differences between urban and rural communities and across income levels. The federal Broadband Equity, Access, and Deployment (BEAD) Program has allocated \$1.16 billion to Florida—the 13th largest state allocation—presenting an unprecedented opportunity to bridge this digital divide and connect unserved and underserved communities.

However, several significant challenges threaten the effective implementation of this program. *The National Telecommunica-*

tions and Information Administration (NTIA) has exceeded its statutory authority by imposing additional requirements beyond congressional intent. These include preferences for union labor—particularly challenging in Florida, where only 4.7% of the workforce is unionized—and fiber-optic technology, which may not be cost-effective in Florida's diverse landscapes. Furthermore, *NTIA's* encouragement of government-owned networks risks market distortions and potentially squandering taxpayer resources on historically unsuccessful ventures.

Florida must take a strategic approach to maximize the impact of BEAD funding and ensure sustainable broadband expansion. The state should implement BEAD initiatives strictly according to Infrastructure Investment and Jobs Act requirements while exercising discretion regarding *NTIA's* supplementary guidelines that

exceeded congressional intent. Additionally, policymakers must deploy non-deployment dollars to streamline permitting and administrative processes. Florida can protect taxpayer interests by prohibiting BEAD funding for government-owned networks, focusing on the most economical use of funding, and prioritizing truly unserved communities before addressing underserved areas while ensuring the long-term sustainability of its broadband infrastructure investments. These focused efforts will accelerate the state's progress in closing the digital divide while maintaining fiscal responsibility.

The Digital Divide: The Tale of Two Internets

In today's digital world, high-speed internet access has become as essential as electricity or running water. While millions of Floridians seamlessly connect to broadband internet daily, a digital divide persists, particularly affecting rural communities and low-income households.

Recent findings from *Pew Research* illuminate the scope of this disparity. The data reveals a stark geographic divide: only 73% of rural Americans have home broadband access, lagging significantly behind their urban (77%) and suburban (86%) counterparts.¹ This gap widens even further when examining household income levels. While 95% of Americans earning over \$100,000 enjoy home broadband access, this figure drops dramatically to 76% for households in the \$30,000-\$69,999 income bracket.²

The implications of this divide extend far beyond mere internet connectivity. In an era where remote work has become increasingly prevalent, individuals without reliable broadband access face severe economic limitations. They're often excluded from the growing remote workforce, missing opportunities to increase their earning potential and advance their careers. The impact on education is equally concerning. Students without home broadband access face significant barriers to academic success, unable to access online learning resources, participate in virtual tutoring, or explore educational opportunities beyond their immediate communities.

These overlapping disadvantages create a self-perpetuating cycle that can be difficult to break. Limited broadband access restricts educational and employment opportunities, limits economic mobility, and traps individuals—and their communities—in a cycle of poverty. This technological barrier for Florida's rural and low-income communities isn't just an inconvenience—it's an obstacle to economic advancement and social mobility in the digital age.

In an attempt to close the digital divide, connect the unconnected, and improve internet access, Congress created the Broadband Equity, Access, and Deployment (BEAD) Program as part

of the 2021 Infrastructure Investment and Jobs Act (IIJA), which became law in November 2021. The BEAD program provided \$42.5 billion to state governments and other qualified entities "to expand high-speed internet access by funding planning, infrastructure deployment, and adoption programs."³ As part of the BEAD program, NTIA allocated over \$1.16 billion to Florida, the 13th largest allocation.⁴ When federal funds eventually start flowing, Florida lawmakers must ensure taxpayer money connects the most people possible in the most fiscally responsible way possible.

Ranking	State	BEAD Allocation
1	Texas	\$3,312,616,455.45
2	California	\$1,864,136,508.93
3	Missouri	\$1,736,302,708.39
4	Michigan	\$1,559,362,479.29
5	North Carolina	\$1,532,999,481.15
6	Virginia	\$1,481,489,572.87
7	Alabama	\$1,401,221,901.77
8	Louisiana	\$1,355,554,552.94
9	Georgia	\$1,307,214,371.30
10	Washington	\$1,227,742,066.30
11	West Virginia	\$1,210,800,969.85
12	Mississippi	\$1,203,561,563.05
13	Florida	\$1,169,947,392.70

Source: National Telecommunications and Information Administration State Allocation Totals

The stark realities of Florida's digital landscape paint a picture of technological inequality that cuts deep across the Sunshine State's diverse geography. According to *Florida Commerce's* Faster Florida Broadband Map, the state's internet infrastructure mirrors its complex social tapestry – showcasing cutting-edge connectivity and concerning gaps in digital access.

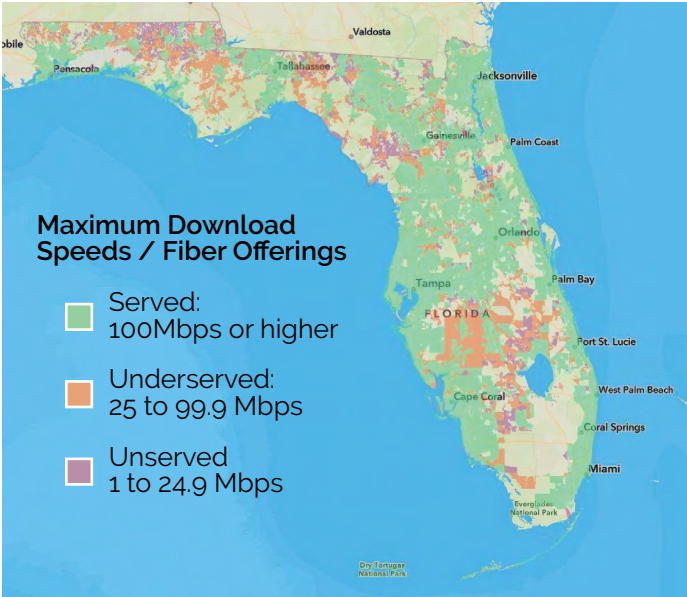
In Florida's vibrant urban corridors, from the gleaming high-rises of Miami to the tech hubs of Tampa Bay, residents enjoy the fruits of modern connectivity. Here, fiber-optic networks and wireless towers deliver speeds exceeding 100 Mbps, enabling seamless remote work, distance learning, and telemedicine. These urban centers are experiencing digital modernity.

However, the digital landscape dramatically shifts beyond these metropolitan boundaries, particularly into the state's northern and central regions. In these underserved communities, primarily spread across the North and central portions of the state, internet

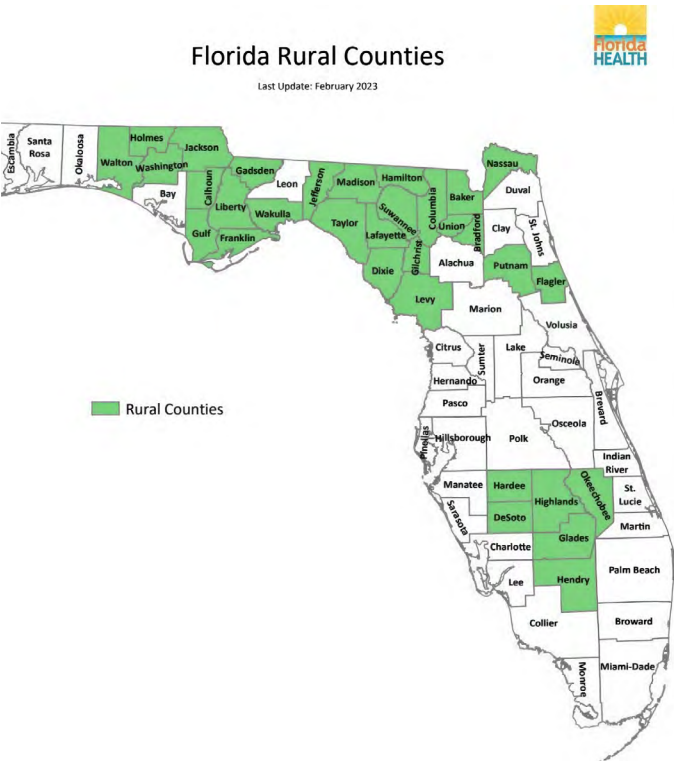


speeds crawl between 25 and 99 Mbps – adequate for basic tasks but struggling with the demands of modern digital life. The situation grows more challenging in the state’s most remote areas, where roughly one-third of rural residents contend with speeds of just 1-24 Mbps, barely sufficient for introductory email and web browsing. Accessing remote work, telemedicine, or attending virtual school is a distant dream in these communities.

The implications of this divide extend far beyond mere inconvenience. In areas defined as rural by the *Florida Department of Health*, limited internet access creates cascading effects on economic development, educational opportunities, and healthcare access. It’s no surprise that counties classified as either underserved or unserved are also some of the most deprived in the state, with a higher percentage of residents living below the poverty line than the national average.



Source: Florida Commerce, Faster Florida Broadband Map



Source: Florida’s Rural Counties, Florida Department of Health

As federal funding becomes available and the *Florida Broadband Office* prepares to distribute grants to service providers, the state must adopt a methodical approach to bridge this digital divide. The priority should be clear: establish essential connectivity in unserved communities, then enhance service quality in underserved areas. This strategic sequencing ensures that the most disconnected Floridians gain access to vital digital infrastructure before resources are directed toward improving existing services.

Critically, funds from the BEAD program should focus on unserved and underserved communities first, then directed toward areas with adequate service. Such misallocation would squander finite resources and risk undermining private sector providers who have already invested billions of dollars in developing Florida’s broadband infrastructure. Directing funds where private providers have already invested and provide service risks overbuilding and misallocating finite resources. By focusing resources where they’re needed most, Florida can maximize the impact of federal funding and create a more equitable digital future for all its residents.

Regulatory Mission Creep: How NTIA's Extra-Statutory Requirements Stall Broadband Deployment in the Sunshine State

The Infrastructure Investment and Jobs Act (IIJA) granted NTIA authority to manage \$42.5 billion in BEAD funding and oversee state applications for these federal resources. However, NTIA has since exceeded its statutory authority by imposing requirements not authorized by Congress. Despite the law's passage in November 2021, the program's implementation has stalled. As of early 2024, not a single household has been connected to high-speed broadband, and states still await their first funding disbursements. This delay stems largely from federal mismanagement and NTIA's creation of extra-statutory requirements that deviate from congressional intent.

One of the principal areas in which the NTIA deviated from congressional intent was by imposing additional reporting burdens on qualified entities that did not utilize unionized labor.⁵ For non-unionized workforces, *NTIA* mandated extensive documentation, including detailed breakdowns of full-time equivalent positions across all project phases, spanning both direct employees and those of contractors and subcontractors. The agency further required comprehensive reporting on each job title's safety training requirements, such as *OSHA* certifications and specialized licenses, and documentation of internal training programs and professional certification standards. These additional requirements for non-union workforces created a disparate administrative burden that extended beyond the original legislative framework and attempted to steer states and other qualified entities toward employing unionized labor over non-unionized labor, even if it is more expensive and would prevent states from connecting more individuals.

As James Erwin from *Americans for Tax Reform* notes, the favoritism displayed toward union labor “will have a chilling effect on participation in the BEAD program, especially in states,” like Florida, “where unions are not common.”⁶ This will make it harder to meet buildout deadlines, find qualified providers, and award grants to the most cost-effective bids.⁷ For Florida, the preference for union labor will be a particular challenge, given just 4.7% of the state's labor force was unionized in 2023.⁸

One of the principal areas where NTIA exceeded its authority was expanding the IIJA's Fair Labor Standards scoring criteria. Congress simply directed NTIA to prioritize broadband providers with a “demonstrated record of and plans to be in compliance with Federal labor and employment laws.”⁹ Instead, NTIA added numerous additional workforce requirements, including preferences for direct employment over subcontractors, local hiring

quotas, apprenticeship programs, prevailing wage requirements, and labor peace agreements. Many states built upon these expanded criteria, adding extensive reporting and compliance obligations around job classifications, payroll, subcontractor management, and job creation metrics. These burdensome requirements go beyond Congress's intent and hinder providers' ability to deploy broadband efficiently. The evaluation should focus solely on what Congress specified: providers' track record of compliance with federal labor laws and their plans to maintain compliance. NTIA should not impose requirements beyond these statutory criteria.

NTIA's management of the BEAD Program has raised serious concerns about its preferential treatment of government-owned networks (GoNs). Through its NOFO, NTIA has actively encouraged states to dismantle legal frameworks that limit public sector participation in broadband deployment, specifically “strongly encouraging” eligible entities to waive laws that might restrict government-owned providers.¹⁰ This guidance is clear opposition to IIJA's explicit requirement that funds be distributed “in an equitable and nondiscriminatory manner.”¹¹

The market distortion of subsidized GoNs extends beyond their immediate operational challenges. When government-backed networks enter a market, they fundamentally alter the competitive landscape. Private providers, who must generate returns on investment and operate within market constraints, compete against entities that can sustain losses indefinitely through public support. This uneven playing field has far-reaching consequences: it discourages private investment in broadband infrastructure, reduces incentives for innovation, and leads to lower-quality service in the long term.

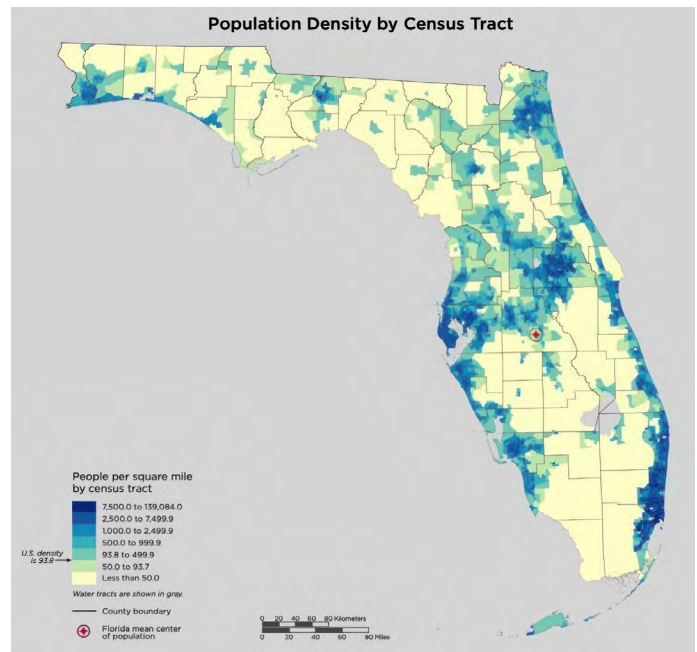
The current *NTIA* approach risks creating a self-perpetuating cycle. As GoNs receive preferential treatment and public funding, they can offer services at artificially low prices, making it increasingly difficult for private providers to compete. This market distortion ultimately reduces competition, potentially leaving communities with fewer options and poorer services. The irony is that while *NTIA's* policy aims to expand broadband access, it may inadvertently undermine the sustainable, market-driven deployment that has increased connectivity and cut Florida's digital divide over the past few years.

The emphasis on GoNs is particularly troubling, given their documented history of failure. These networks consistently struggle to attract and maintain the subscriber base necessary for financial sustainability.¹² Unlike private sector providers, which must maintain high service standards to retain customers, GoNs often depend on continuous taxpayer subsidies to remain operational. This reliance on public funding creates a disastrous dynamic where GoNs continue operating regardless of their performance or efficiency.

The Florida legislature has implemented several guardrails to prevent them from becoming drains on local taxpayers. Firstly, municipalities cannot cross-subsidize utility revenues to cover losses from the GoN.¹³ This measure is critical to ensure they aren't granted special treatment compared to private providers. Secondly, if an entity's revenues fail to cover their combined operating expenses and debt payments after four years of operation, they must take action within 60 days. First, they must hold a public hearing. At this hearing, they must select one of four paths forward: They can discontinue all services altogether, sell off the entire system and end operations, form a partnership with a private organization to make the operation profitable, or hold a vote to maintain services even though they're operating at a loss.¹⁴ Requiring municipal broadband networks to generate a profit within four years of operation is essential to ensure they do not drain taxpayer dollars.

NTIA has imposed a fiber preference despite Congress not directing the agency to favor any specific technology. In its Notice of NOFO, NTIA explicitly states that "the Program prioritizes projects designed to provide fiber connectivity," believing fiber is the most future-proof technology.¹⁵ This preference for fiber over alternative technologies like fixed wireless or satellites can be problematic, particularly given the diverse geographical challenges across the United States and Florida. While fiber makes economic sense for customers and providers in densely populated urban communities, in mountainous, rural, or other challenging environments, deploying and maintaining fiber-optic cable is often prohibitively expensive or logistically impractical. Alternative technologies may prove more cost-effective and capable of connecting more households at a lower cost, potentially making NTIA's rigid preference counterproductive to the program's core objective of maximizing broadband access. This technology bias could prevent states from selecting the most efficient solutions for their specific terrain and population density, ultimately reducing the number of Americans who could be connected with available funding.

Florida's demographics pose significant challenges for fiber optic network expansion, particularly in its most rural regions. While the state contains dense urban centers like Miami, Tampa, and Orlando, approximately 1,232,299 million residents live in rural areas spanning thousands of square miles, from the Panhandle's farming communities to the rangelands of central Florida.¹⁶ Installing fiber optic infrastructure in these sparsely populated zones presents a prohibitive cost-benefit equation for providers: trenching and laying fiber cables can cost \$60,000-80,000 per mile,¹⁷ yet might serve only a handful of households who may not ultimately subscribe to service. Alternative technologies like fixed wireless broadband or low-orbit satellite internet may offer more economically viable solutions for connecting Florida's rural residents while also ensuring taxpayer dollars are spent effectively.



Source: US Census, 2020.

As the BEAD money flows into states like Florida, lawmakers and the state broadband office must emphasize tech neutrality as a core aspect of connectivity strategy, particularly for providers in rural, low-density communities. Part of tech neutrality is recognizing that while fiber will play a critical role in connecting Florida's disconnected communities, alternative technologies will fill the gap in environments that make laying fiber expensive and impractical. Tech neutrality will also ensure taxpayer money is utilized efficiently and can connect the most households in unserved and underserved communities.

Streamlining the Path to Deployment: Why Administrative Funding Matters

The BEAD program's success hinges not just on deployment funding but crucially on the strategic allocation of administrative and operational resources. While the spotlight often falls on direct infrastructure investments, the program's administrative funding stream is the critical foundation for actual deployment success.

At the heart of this issue lies the bureaucratic infrastructure needed to transform funding into functioning networks. State and local permitting offices, which must review and approve every fiber optic cable run and fixed wireless tower installation, often operate with limited staff and outdated systems. Without adequate personnel and modernized processes, these offices can become severe bottlenecks in the broadband deployment pipeline. A single understaffed permitting office can delay projects

across entire regions, creating cascading effects that impact multiple communities and ultimately prevent them from becoming connected.

This administrative modernization directly impacts deployment timelines and costs. When permitting offices operate efficiently, providers can maintain consistent construction schedules, manage costs effectively, and deliver services to communities more rapidly. Conversely, permitting delays can increase project costs, discourage provider participation, and leave communities waiting longer for connectivity.

As Florida prepares to receive \$1.16 billion in BEAD funding from Congress, lawmakers must ensure that funds are also directed toward non-deployment purposes, such as modernizing permitting offices and establishing specific worker funds so that municipal governments can adjudicate permit applications more efficiently. While these investments do not directly affect network development, they will accelerate broadband deployment across the state and close Florida's digital divide sooner.

Policy Principles

Oppose NTIA's Regulatory Overreach: NTIA has instituted administrative requirements that reach beyond the IJJA's original scope and congressional intent. To ensure efficient and focused broadband deployment, the Florida Legislature should direct the Florida Broadband Office to implement initiatives strictly in accordance with IJJA's explicit statutory requirements while exercising discretion regarding NTIA's supplementary administrative guidelines. This includes the preference for fiber and union labor as well as the request that states allow public providers to participate in the BEAD program.

This approach would enable the Florida Broadband Office to maintain compliance with federal law while reducing administrative complexity and accelerating the broadband deployment timeline. By prioritizing the core objectives established by Congress in the IJJA, the state can optimize its resources and maintain focus on its primary mission of expanding broadband access. The Florida Broadband Office should review current NTIA guidelines to identify requirements exceeding the IJJA's scope, develop streamlined compliance frameworks prioritizing statutory requirements, and clearly distinguish between mandatory IJJA requirements and discretionary NTIA guidelines.

Establish A Clear Strategy For Non-Deployment Dollars: As Florida prepares to receive \$1.16 billion in BEAD funding, lawmakers must prioritize spending non-deployment dollars on streamlining the permitting process and modernizing state and municipal administrative offices to accelerate broadband deployment across the state. These critical investments will accelerate the efficiency of broadband deployment by ensuring permits can be approved at an appropriate time so providers can lay fiber optic cable and erect fixed wireless towers. When bureaucracy works better, providers can close Florida's digital divide sooner.

Prohibit BEAD Dollars From Going To GoNs: Government-owned networks have a track record of failure, wasting taxpayer dollars and, most concerning, distorting market dynamics. The Florida Legislature and Broadband Office must prohibit BEAD dollars from funding these wasteful boondoggles. Instead, taxpayer dollars should be directed toward projects with a high likelihood of long-term sustainability without requiring future bailouts from the taxpayer. This approach would help maximize the impact of federal broadband investments while safeguarding public resources from high-risk ventures that could require future taxpayer intervention. Critically, it would also protect Florida's status as a fiscally responsible state.

Focus On Underserved And Unserved Communities: With such a sizable federal investment coming Florida's way, there will undoubtedly be a desire to connect as many people as quickly as possible. This approach, however, would be misguided. Rather than focusing on communities with services and many providers, the focus should first be on connecting unserved communities and underserved communities. Approaching deployment in this way will ensure that taxpayer dollars are directed toward those who will most benefit from broadband connectivity, breaking a cycle of poverty while not risking overbuilding in areas with good service and multiple providers.

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