

November 24, 2025

Arielle Roth

Assistant Secretary of Commerce for Communications and Information
Administrator, National Telecommunications and Information Administration
Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Assistant Secretary Roth,

The key outcome in BEAD success is, as the text of the statute states and as Assistant Secretary Roth has made clear, bridging the digital divide.¹ For deployment, NTIA's restructuring policy notice took an essential step toward that outcome by making the program technology neutral, eliminating extraneous requirements, and reducing the cost of the deployment component of the program. These reforms will be effective at ensuring cost-effective deployment of home broadband service to all locations in the United States.

But the digital divide has both deployment and nondeployment components.

As Assistant Secretary Roth has also stated, NTIA will administer BEAD with a laser-focus on the result of "clos[ing] the 'digital divide' once and for all."² To achieve the key result of closing the digital divide once and for all, NTIA should enable BEAD funds to address broadband adoption barriers, including affordability, in targeted, efficient ways. Universal home-broadband deployment is an important step, but deployment is not the only, or even the largest, barrier to closing the home-broadband divide. In the same way that unserved households couldn't get home broadband without deployment support, five times as many households can't get home broadband without affordability support. Only 3 percent of households on the wrong side of the digital divide cite availability of service as the main reason why they are unconnected, while 15 percent of such households identify affordability as the main reason.³

¹ Infrastructure Investment and Jobs Act, Section 60102(b)(1). Remarks of Assistant Secretary Arielle Roth at the Hudson Institute, The Hudson Institute, October 28, 2025, <https://www.ntia.gov/speech/testimony/2025/remarks-assistant-secretary-arielle-roth-hudson-institute>. (Roth Remarks)

² Roth Remarks.

³ NTIA Data Explorer: Internet Use Survey (Non-Use of the Internet at Home, updated November 2023), <https://www.ntia.gov/data/explorer#sel=noNeedInterestMainReason&demo=&pc=prop&disp=chart>.

HOME BROADBAND IS AN IMPORTANT COMPONENT OF THE SOCIETAL BENEFITS OF CONNECTIVITY

Both the statute and NTIA’s guidance on the deployment component of BEAD recognize the benefits of a home broadband connection for participation in today’s economy and society. Students who complete a writing assignment on a home computer need that computer to have a broadband connection to upload it. Job seekers must type and upload cover letters and resumes—tasks that are better suited to a home computer connected directly to the Internet than a mobile device. People filing taxes must manage many documents and scroll through complex pages of text, which is too cumbersome a task to do only on one’s phone.

Moreover, the scope of the digital divide envisioned by BEAD deployment efforts is one of home-broadband access, not mobile. NTIA should maintain that scope for the affordability component of the digital divide.

SUPPORTING HOME BROADBAND AFFORDABILITY IS TECHNOLOGY NEUTRAL

NTIA can enable states to support home-broadband affordability while maintaining its correct commitment to technology neutrality. Specifically, NTIA can limit affordability support to home broadband service, rather than both home and mobile, without compromising on technology neutrality.

If technology neutrality in the context of BEAD meant treating mobile and home broadband as equals, locations with mobile coverage should have been excluded from the list of unserved areas eligible for deployment funding. But when NTIA rightly reformed BEAD to make it technology neutral, that did not mean that mobile service would count for purposes of determining locations eligible for deployment funding.⁴ That same distinction is relevant to nondeployment uses of BEAD funds.

Technology neutrality is about a level playing field among different technologies providing the same type of service. It does not necessarily mean treating different types of service the same. Take, for example, the fact that major mobile companies also provide home broadband service with fixed wireless (FWA) technologies. When a mobile carrier offers both mobile and FWA over the same network, the underlying technology is the same: a cellular network. The difference is the type of service offered with that technology, not the technology itself. It *would not* be technology neutral to say affordability support can go to home broadband provided via fiber but not home broadband provided via FWA. It *would* be technology neutral to say affordability support can be used for an FWA service but not a mobile service.

⁴ See, National Telecommunications and Information Administration, BEAD Restructuring Policy Notice, Section 3.3, June 6, 2025, <https://www.ntia.gov/sites/default/files/2025-06/bead-restructuring-policy-notice.pdf>. (Defining subgrantees’ deployment of a network as including “initiation by a provider of fixed broadband internet access service”).

Therefore, since home broadband is a technology neutral category, NTIA should make clear that states can use BEAD to support home broadband affordability but not mobile service. This rule would obviate concerns that consumers will simply apply benefits to mobile service they already have, which would make affordability support ineffective at addressing the affordability component of the home broadband digital divide.

CHANGING MARKET DYNAMICS, TECHNOLOGICAL DEVELOPMENTS, AND POLITICAL REFORMS MAKE BEAD AFFORDABILITY SUPPORT REASONABLE

If NTIA were to enable states to use leftover BEAD funds for affordability support with similar guardrails to ITIF's proposals, assuming there will be approximately \$20 billion in unused BEAD funds, that support could last an average of six years.⁵ While not infinite, this time period would be a significant step toward BEAD's goal of bridging the digital divide once and for all. There are three reasons to believe the affordability barriers to broadband adoption will be significantly lessened in 6 years.

First, broadband has been getting cheaper over time.⁶ Therefore, NTIA should expect affordability barriers to shrink. Since it now accounts for 15 percent of the fixed digital divide, six years from now falling prices alone may make it a single digit problem even without BEAD affordability support.

Second, while the scope of BEAD, combined with current device capabilities, make fixed home broadband a necessary component of closing the digital divide, the mobile ecosystem will not stand still over the next six years. The continued buildout of 5G, the advent of 6G, and the potential development of more capable broadband-enabled devices will change the calculus for affordability in the aftermath of BEAD. For example, there would be no need to support adoption of home connections if current mobile adoption rates were matched by those of mobile devices suitable to the more complex tasks which are now best accomplished via home connections. If, for example, the high rate of mobile adoption becomes a high rate of adoption of 5G/6G laptops, then there would be no need to support fixed connectivity to those same devices. NTIA has a role to play in this process by championing spectrum policy that will expand the capabilities and use cases of wireless devices.

Third, Congress is undertaking necessary reforms to the Universal Service Fund (USF). While politically challenging, there is good reason to think that affordability support from USF may look different in six years. Indeed, ITIF has proposed a swap in USF priorities from broadband deployment to broadband affordability

⁵ Joe Kane, "A Blueprint for Broadband Affordability" (ITIF, January 2025), <https://itif.org/publications/2025/01/13/a-blueprint-for-broadband-affordability/>.

⁶ "Broadband Not Contributing to Inflation," NCTA, November 13, 2024, <https://www.ncta.com/news/broadband-not-contributing-inflation>.

that includes a six-year timeline to complete the transition.⁷ A holistic approach in which BEAD affordability support gives way to reformed Lifeline support would be a coherent inter-agency strategy to achieve the outcome of closing the digital divide once and for all.

ELIGIBILITY GUARDRAILS WILL PREVENT THE DOWNSIDES OF ACP

Assuming NTIA enables nondeployment funds to address affordability as a major barrier to bridging the digital divide once and for all, it should maintain careful stewardship of such efforts. ITIF has recognized the unsustainability and downsides of the Affordable Connectivity Program (ACP).⁸ With such expansive eligibility criteria, the program subsidized too many households in a way that exhausted funds for those who need affordability support the most and potentially drove up broadband prices more generally.

Narrower eligibility criteria would mitigate both these problems. NTIA could cabin affordability support to truly low-income households which are, by definition, choosing between necessities (like broadband, food, utilities, etc.) today. For example, NTIA could mandate that affordability support go only to households with incomes less than 135 percent of the Federal Poverty Level, rather than the much larger 200 percent threshold of ACP.

That limitation will keep the focus of affordability support on those who need it while also segmenting the market so that the income effect of increased demand for broadband by support recipients does not translate into higher prices for broadband across the board, as at least one scholar has alleged ACP did.⁹ NTIA should calibrate BEAD affordability support to incorporate marginal consumers into the broadband market, not give funding to households who can afford broadband without it. This calibration is akin to price discrimination in other markets: A restaurant can give senior discounts to attract more price-sensitive customers without raising prices on existing ones.

To be clear, however, whether someone would have subscribed to broadband without affordability support is not the sole metric of whether affordability support is successful. Affordability is a function of the percentage of a household's income it must spend to get broadband service. Since the lowest income households are choosing between necessities, the fact that a household may choose to pay their broadband bill rather than

⁷ Ellis Scherer and Joe Kane, "How the Universal Service Fund Can Better Serve Consumers While Spending Less" (ITIF, September 2025), <https://itif.org/publications/2025/09/15/how-universal-service-fund-can-better-serve-consumers-while-spending-less/>.

⁸ Kane, Blueprint.

⁹ Paul Winfree, "Bidenomics Goes Online," Economic Policy Innovation Center, January 8, 2024, <https://epicforamerica.org/the-economy/bidenomics-goes-online-increasing-the-costs-of-high-speed-internet/>.

their water bill in a month does not indicate that broadband is affordable to them. A simple income metric is both more administrable and better at identifying affordability barriers than seeking to determine counterfactually whether every household would have home broadband without affordability support.

AFFORDABILITY SUPPORT DRIVES POSITIVE OUTCOMES

When low-income households get connected with affordability support, societal and government benefits go beyond the immediate recipients. Economic research suggests that Medicaid saves over \$1,000 per telehealth visit, far more than the annual cost of any proposed affordability program.¹⁰ Low-income connectivity has also been associated with reduced unemployment, which both reduces the cost of government unemployment benefits and increases the government's income tax base.¹¹ Therefore, effective low-income support will generate two key outcomes: addressing a substantial cause of the digital divide and creating economic benefits in excess of the program's costs.

CONCLUSION

Assistant Secretary Roth is right, both as a matter of policy and statute, that the goal of BEAD is nothing less than to close the digital divide once and for all. NTIA's reforms to the prior administration's BEAD guidance took great strides toward that goal, and BEAD is now poised to achieve universal home broadband deployment, one of the sources of the digital divide. NTIA should repeat its winning formula for the rest of the digital divide: tech neutrality plus reasonable guardrails to ensure Americans get the benefit of the BEAD bargain. Stopping at deployment means leaving most of the digital divide in place.

Sincerely,

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 Information Technology and Innovation Foundation

¹⁰ Coleman Bazelon, Paroma Sanyal, and Yong Paek, "Paying for Itself: How the Affordable Connectivity Program Delivers More Than It Costs" The Brattle Group, February 19, 2025. ("The savings to Medicaid from one telehealth visit is \$1,327.")

¹¹ George W. Zuo, "Wired and Hired: Employment Effects of Subsidized Broadband Internet for Low-Income Americans," American Economic Journal: Economic Policy 13, no. 3 (2021), <https://www.aeaweb.org/articles?id=10.1257/pol.20190648>; See also, Raul L. Katz, "The Impact of the Broadband Internet on Employment," in Digitized Labor, first online May 5, 2018, pp. 95–108, https://link.springer.com/chapter/10.1007/978-3-319-78420-5_6.