



March 4, 2025

The Honorable Ted Cruz
Chairman, U.S. Senate Committee on Commerce, Science, and Transportation
Dirksen Senate Office Building 554
Washington, D.C. 20510

Dear Chairman Cruz:

When Texas received its initial allocation of more than \$3.3 billion in federal broadband funding through the Broadband Equity, Access and Deployment (BEAD) Program in June 2023, our state had the greatest number of locations that did not have access to broadband service and, at the time, there was a recognition that federal funding would not be sufficient to deploy broadband service to every Texan through the program. Since then, federal approval processes rife with overburdensome and conflicting regulatory requirements have hamstrung Texas' ability to quickly deploy this federal funding to connect Texans to high-speed internet.

While awaiting this bureaucratically frozen federal funding, Texas stepped up to establish the Broadband Infrastructure Fund (BIF),¹ a historic state-level investment in broadband that lacks the restrictive requirements governing the federal broadband programs. Under Texas' leadership, my office has mobilized over \$700 million for broadband infrastructure development from various sources. At the same time, private industry has continued to significantly expand broadband service without using taxpayer dollars in commercially viable areas of the state combining to connect more than two-thirds of the state's initial BEAD-eligible locations since June 2023.² As Texas prepares to begin accepting applications for the BEAD Program, we anticipate having significant funds available for non-deployment uses even after accounting for the increased costs associated with deploying broadband to the most remote and uneconomical locations in the state.

As a passionate advocate for conservative financial management, I am committed to responsibly using taxpayer dollars and returning any unallocated funds back to the U.S. Treasury. As I mentioned in my previous letter,³ the federal government should consider reforms that remove unnecessary red tape and social initiatives from the BEAD program. Doing so will enhance our ability to quickly deliver on the promise of broadband for all Texans while ensuring that any remaining funds can only be invested in complementary, common-sense, non-deployment initiatives such as workforce development, small business growth, education, and healthcare improvements that will enhance quality of life and drive economic growth. Absent these meaningful and necessary reforms significant resources will likely be

¹ See H.B. 9, 2023 Leg., 88th Reg. (Tex. 2023); see also H.J.R. 125, 2023 Leg., 88th Reg. (Tex. 2023).

² Texas started with 779,378 eligible locations. Following the BEAD challenge process, that number dropped to roughly 236,000 eligible locations, pending NTIA approval.

³ See Letter from the Honorable Glenn Hegar, Texas Comptroller of Public Accounts to the Honorable Ted Cruz, Chairman, U.S. Senate Committee on Commerce, Science, and Transportation (Feb. 6, 2025).



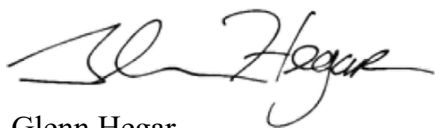
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left unutilized, and Texas may be in a position to potentially return nearly \$1 billion in funding.⁴ I will continue to work with your office to balance the need to effectively deploy broadband to all Texans in a responsible and prudent way.

Thank you for your consideration of this letter. Should you require any additional information or have any questions, please do not hesitate to contact me or Greg Conte, Director of the Texas Broadband Development Office, at Gregory.Conte@cpa.texas.gov or (512) 463-7611.

Sincerely,



Glenn Hegar
Texas Comptroller of Public Accounts

⁴ Estimate is based on an average cost per pass between \$9,000 and \$11,000 for the entire state. May change due to further guidance from the federal government.

