



[Home](#)

# Remarks of Assistant Secretary Arielle Roth at the Hudson Institute

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Remarks of Arielle Roth  
Assistant Secretary of Commerce for Communications and Information  
National Telecommunications and Information Administration  
The Hudson Institute  
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## Making BEAD Work: How NTIA Is Working to Minimize Defaults and Deliver Universal Broadband

It's an honor to be here at the Hudson Institute today—and even more so to be speaking at an event with my mentor, Dr. Harold Furchtgott-Roth. I began my career here as Harold's Legal Fellow, and his example of integrity, economic rigor, and respect for the law has shaped my approach to public service ever since. (And, for anyone wondering—since I get this question a lot—no, we are not related!)

I'm deeply grateful to President Trump and Secretary Lutnick for the opportunity to serve our country and put those principles to work as NTIA Administrator. To be back at Hudson, and in my new capacity, is a humbling full-circle moment.

As an alumnus of Hudson's Center for the Economics of the Internet, I learned early on that ineffective subsidies don't just preserve the status quo—they can distort markets, crowd out innovation, and ultimately leave Americans worse off. That's a lesson I carry with me every day in my work overseeing the \$42.45 billion broadband grant program known as BEAD. With BEAD, we have a deep responsibility to American taxpayers—not just to spend, but to spend wisely.

This administration does not want BEAD to become just another well-intentioned broadband program that falls short. Its mission is nothing less than to close the “digital divide” once and for all. And we'll achieve that by staying laser-focused on results and avoiding the mistakes of the past.

### **Results that Speak for Themselves**

For years, BEAD was weighed down by red tape and extralegal conditions that slowed down states, deterred providers, and sidelined innovative technologies. Under the Trump administration's reforms, BEAD is finally delivering. In the “Benefit of the Bargain” round, participation from providers surged. Applications, technologies, and matching contributions (the money providers put up themselves) all increased.

That means greater competition, lower costs, more skin in the game, and better results for consumers. And the results? Every American connected to broadband, with savings to the taxpayer of at *least* \$18 billion (and counting).

### **NTIA's Oversight Role: Preventing Defaults**

As BEAD moves toward final plan approvals, delivering results means keeping defaults to an absolute minimum. A program this large and unprecedented must be managed with discipline and careful oversight. That means meticulously reviewing state proposals to ensure compliance, prevent distortionary outcomes, and protect against waste.

It's why NTIA has been asking hard questions before greenlighting projects. It's why we've been strictly enforcing match requirements barring exceptional circumstances. It's also why we've been working to identify, and yes, in some cases rejecting, outlier projects with unreasonably expensive costs or questionable feasibility, insisting instead on more practical and cost-effective alternatives.

And let's be clear: the Benefit of the Bargain is not just about saving money—it's about making sure the government doesn't distort—in other words, sabotage—the pace of technological innovation. When the government overspends or

over-subsidizes a single technology, it doesn't just waste funds; it warps the progress of innovation. Excessive subsidies crowd out private investment, slow down research and development, and delay technological progress. That's counterproductive to BEAD's mission, which is to close broadband gaps, not freeze technology in place. In a field as dynamic as broadband, minimizing distortion is critical, because in every case, the most significant breakthroughs in connecting rural Americans have come not from subsidies, but from technological innovation itself.

Take for example, unlicensed fixed wireless. Once viewed as an unreliable service, unlicensed fixed wireless is now using breakthrough technology that can deliver reliable, high-speed broadband even in non-line of sight environments. Or, the evolution of LEO satellite technology, that has gone from achieving speeds of 100/20 Mbps to now demonstrating the capability of delivering gigabit speeds. These advancements would not have been possible if the market wasn't challenged to find alternative solutions.

And the consequences go far beyond our borders. America's technology leadership depends on a competitive environment that rewards experimentation and scale. If we lock ourselves into one model and stifle the emergence of new, more flexible, and cost-effective technologies, we won't just hurt rural communities—we'll undermine the very foundation of U.S. global tech leadership at a critical moment.

But protecting innovation isn't the only reason for strong oversight. It's also about preventing defaults—the Achilles' heel of past broadband efforts. When a provider fails, communities are left stranded, projects stall, and taxpayer money evaporates. BEAD can't repeat those mistakes.

Being good stewards of taxpayer money means holding awardees accountable and making sure those who take taxpayer dollars will deliver on their promises. That is what will set BEAD apart and ensure that this really is the last broadband funding program.

### **States Have a Big Role to Play**

The first key ingredient is making sure the right regulatory conditions are in place for success. NTIA's "Benefit of the Bargain" reforms did exactly that, rolling back a host of unnecessary and unlawful burdens that diverted companies' resources away from actual broadband deployment.

But minimizing defaults isn't just a federal responsibility. States play a decisive role in creating the conditions under which broadband providers can succeed or fail.

Deploying broadband in rural America is an expensive, capital-intensive endeavor. Projects depend on regulatory stability and predictable economics. As with the previous BEAD rules, when governments add unnecessary costs, conflicting mandates, or regulatory uncertainty, they make those projects even harder to finance and sustain.

Unfortunately, some states have adopted or are considering adopting laws that specifically target broadband providers with rate regulation or state-level net neutrality mandates that threaten the financial viability of BEAD-funded projects and undermine Congress's goal of connecting unserved communities.

Rate regulation drives up operating costs and scares off investment, especially in high-cost areas where every dollar counts. State-level net neutrality rules—itsself a form of rate regulation—create a patchwork of conflicting regulations that raise compliance costs and deter investment.

These burdens don't just hurt BEAD providers; they hurt the very households BEAD is meant to connect by reducing capital available for the hardest-to-reach communities. In some cases, they can divert investment away from BEAD areas altogether, as providers redirect resources to their lower-cost, lower-risk, non-BEAD markets.

Consistent with the law, which explicitly prohibits regulating the rates charged for broadband service, NTIA is making clear that states cannot impose rate regulation on the BEAD program. To protect the BEAD investment, we are clarifying that BEAD providers must be protected throughout their service area in a state, while the provider is still within its BEAD period of performance. Specifically, any state receiving BEAD funds must exempt BEAD providers throughout their state footprint, from broadband-specific economic regulations, such as price regulation and net neutrality.

Otherwise, state broadband laws could create perverse incentives—pressuring providers to shift resources away from BEAD commitments to subsidize operations in non-BEAD areas subject to burdensome state rules. That would increase the likelihood of defaults and defeat the purpose of BEAD's once-in-a-generation investment.

This term is essential to ensure that BEAD funds go where Congress intended—to build and operate networks in hard-to-serve areas—not to prop up regulatory experiments that drive investment away.

### **Cutting Red Tape and Permitting Delays**

Permitting obstacles are another major factor that will determine whether BEAD projects succeed or fail. Providers face a litany of issues, including lengthy approval times for permits, inconsistent regulations across jurisdictions, excessive fees, delays receiving approval to attach from pole owners, and extensive environmental and historic preservation reviews. And we've seen this before.

In the FCC’s Rural Digital Opportunity Fund program, projects stalled or collapsed when providers ran into lengthy state and local permitting delays or wait times for pole access.

BEAD’s success depends on speed and certainty. Every delay drives up costs, extends build timelines, and increases the risk of defaults. States and territories must do their part to cut red tape, not add to it.

NTIA has taken meaningful steps at the federal level to streamline reviews. The agency’s new Environmental Screening and Permitting Tracking Tool for automating environmental reviews, combined with 47 categorical exclusions, is projected to allow up to 95% of BEAD projects to automatically gain NEPA approval.

But federal streamlining is only half the equation. States need to match that urgency. That’s why we are requiring in our award agreements firm commitments from states to expedite permitting, including commitments to streamline processing, minimize permitting-related costs, and to the extent permitted by law, follow FCC rules on access to poles and conduit, including rules on “one-touch make-ready” and “self-help.” NTIA is also considering how states can use some of the BEAD savings—what has commonly been referred to as nondeployment money—on key outcomes like permitting reform. No final decisions have been made, but this could be a powerful way to advance BEAD’s goals.

The bottom line: NTIA and the states share a common objective—connecting Americans quickly, efficiently, and permanently. But achieving that goal requires removing every self-imposed barrier to investment and deployment. BEAD can only succeed if the regulatory and permitting environment allows providers to build, not battle bureaucracy.

### **Avoiding Another Cycle of Dependency**

Of course, there’s another key piece of the puzzle. NTIA can design effective rules, and states and territories can do their part, but BEAD will still fall short unless the right providers step up. Success ultimately depends on ensuring that projects are awarded to those who can deliver on their commitments.

BEAD projects are inherently risky. These are the hardest-to-serve areas in the country—the ones the private sector didn’t reach even with earlier federal programs. But BEAD is likely to be the last major federal broadband investment—as it should be—and providers that are banking on future subsidies to stay afloat, are setting themselves, and their communities, up to fail.

If a provider expects to come back to the government for more money later, that’s a flashing warning sign that they are at a heightened risk of default. Moreover, it’s an expectation that’s harmful to the competitiveness and transparency of the BEAD provider selection process.

To protect BEAD from such risks, NTIA will require states to have providers certify in writing that they will not require or take additional federal subsidies—including operational subsidies—to complete or operate their BEAD projects. Those unwilling to make that commitment will not get an award. Their proposed service areas will instead go to entities that can and will deliver.

BEAD was designed to close broadband gaps once and for all, not create another cycle of dependency. Congress envisioned “future-proof” networks that would stand on their own, not require permanent federal subsidies or future bailouts. That vision is still achievable, but only if we hold the line now.

Fortunately, the results to date are encouraging. NTIA has seen a substantial increase in skin in the game, with a nearly 40 percent match to our federal dollars—well above the 25 percent statutory minimum—and in most cases we are seeing a strong field of providers ready to take on the last broadband frontier and follow through on their word.

## Getting It Right

BEAD is a once-in-a-generation opportunity to finish the job on universal broadband. The foundation is strong, and the early results are promising. But the work isn’t done. To make BEAD truly succeed and keep defaults to an absolute minimum, NTIA must foster an environment that enables—not discourages—investment and holds providers accountable for sustainable, deliverable builds.

In the coming weeks we will announce the approval of several state plans that incorporate these commitments. We remain on track to approve the majority of state plans and get money out the door this year. Staying focused on the principles outlined today, we are confident that BEAD will finally close broadband gaps the right way, once and for all.

Funding Programs

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[Return to top](#)



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