



Slowing BEAD To Speed Up Satellites: Evaluating Trade-Offs in Rural Connectivity

Overview: The Commerce Department is considering changes to the distribution of the \$42 billion Broadband Equity, Access, and Deployment (BEAD) program that could significantly delay broadband deployment and redirect billions away from fiber and fixed wireless in favor of Low-Earth Orbit (LEO) satellite services like Starlink's. LEO satellites have distinct advantages in remote areas, but they also have technical & economic tradeoffs that would undermine BEAD's long-term goals of reliable, scalable broadband access. **Any reforms we make to BEAD should *accelerate* our progress, safeguard state choice over the technologies they invest in, and ensure rural America enjoys enduring, robust connectivity.**

Key Risks of the Proposed Changes:

- **Delayed Deployment:** Many states are far along or done with BEAD planning, with key projects selected and application windows closed. Significant changes now would force states to restart their planning, further delaying broadband access for millions.
- **Worse Consumer Outcomes:** Fiber remains the gold standard for broadband due to its superior speed, latency, and scalability. LEO service is a great option if you have limited alternatives, but if we have the opportunity to make a **once-in-a-generation investment**, we shouldn't spend those funds on services with inconsistent speeds, higher latency, and reliability issues; particularly during peak usage or adverse weather.
- **Higher Cost to Consumers:** Subscriptions to Starlink's service remain significantly more expensive than fiber and fixed wireless, with monthly fees ranging from \$120-\$500. For many rural and low-income households, this would prove cost-prohibitive.
- **Upgrade and Maintenance Costs:** Fiber costs more to deploy per household, but once deployed it is fairly cheap to maintain & increase capacity. LEOs require constant launches of new satellites to increase capacity *and* replace damaged/obsolete satellites.
- **Local Economic Impact:** Fiber deployments generate local jobs and foster economic growth. In contrast, LEO satellite operations primarily benefit the satellite provider.
- **Local accountability.** Terrestrial networks have contracts with the state to provide service & operate – so states can hold them accountable if they fail to perform.

Policy Recommendations:

- **Preserve state autonomy** to select the best technology for their communities.
- **Forgo any modifications** that would further delay BEAD implementation.
- **Prioritize affordability** to ensure that we don't supply service people can't afford.

Bottom Line: Reworking BEAD to favor Starlink risks squandering this opportunity to build robust, future-proof broadband infrastructure. *Congress and the administration should stay the course, support state decision-making, and ensure rural communities receive reliable, affordable broadband that supports long-term growth.*