



**To: Arielle Roth, Assistant Secretary of Commerce for Communications and Information Administrator, NTIA**  
**From: Michael Santorelli & Alex Karras, ACLP at New York Law School**  
**Re: BEAD Savings Listening Session**  
**Date: February 18, 2026**

---

Dear Assistant Secretary Roth,

The Advanced Communications Law & Policy Institute (ACLP) at New York Law School respectfully submits the following comments regarding how to use the approximately \$21 billion in BEAD funds that will remain after the Benefit of the Bargain (BOTB) round. As an overview, we recommend using these funds to:

1. Establish a Reserve Fund, the proceeds of which should be used to run a second round of BEAD to ensure that the 1.1 million unserved and undeserved locations that will remain unfunded post-BEAD have a viable path to connectivity.
2. Enhance network resiliency by underwriting projects focused on replacing antiquated utility poles, modernizing public safety and emergency responder networks, and hardening systems in areas prone to outages.
3. Fund proven demand-side programs to increase broadband adoption rates and deliver digital literacy training to users of all ages and skill levels.

These are discussed in turn below after a short introductory section.

\* \* \* \* \*

## **1. Overview of ACLP's BEAD Tracking & Analysis**

The ACLP has closely tracked every aspect of BEAD since its launch and published over 60 analyses on [www.BroadbandExpanded.com](http://www.BroadbandExpanded.com) covering everything from each iteration of states' Initial Proposals to evaluating the ever-changing contours of the nation's digital divide in the runup to BEAD. We have drawn from these analyses to offer observations and recommendations that have informed broadband policy debates at every level. For example, the ACLP:

## ACLP Comments to NTIA re BEAD Savings

### Page 2

- Offered detailed recommendations for streamlining BEAD by removing onerous Biden-era rules and requirements.<sup>1</sup> Many of these proposals were reflected in the BOTB Restructuring Policy Notice.
- Published the oft-cited finding that, before a single dollar of BEAD is used to build a broadband network, the digital divide in the U.S. has closed by about two-thirds since the program launched in 2022.<sup>2</sup>
- Provided the very first and most accurate estimate of how much in BEAD “savings” might remain after BOTB.<sup>3</sup>
- Released several analyses arguing that Biden-era low-cost mandates were tantamount to rate regulation and thus in direct conflict with the IJA.<sup>4</sup> This remains a major issue as NTIA considers whether to allow New York, the only state in the country with a broadband rate regulation law on its books, to move forward with its BEAD program.
- Offered recommendations for protecting against BEAD defaults, including the importance of prioritizing awards to established providers over unknown entities without a track-record of success in the broadband market.<sup>5</sup>

---

<sup>1</sup> Michael Santorelli and Alex Karras, *How to Free BEAD From its Bureaucratic Shackles* (Feb. 2025), ACLP at New York Law School, <https://broadbandexpanded.com/files/resources/ACLP%20-%20BEAD%20Acceleration%20Proposals%20-%20February%202025.pdf>.

<sup>2</sup> Alex Karras and Michael Santorelli, *BEAD Eligible Locations Drop 14% in New Benefit of the Bargain Lists, a Combined 65% Drop Since Dec. 2022 BEAD Allocations*, July 22, 2025, BroadbandExpanded.com, ACLP at New York Law School, <https://broadbandexpanded.com/posts/botblocations>.

<sup>3</sup> Michael Santorelli and Alex Karras, *The \$21 Billion Question: What to do With Leftover BEAD Funds?*, Oct. 23, 2025, BroadbandExpanded.Com, ACLP at New York Law School, <https://broadbandexpanded.com/posts/beadleftover> (“\$21 Billion Question”).

<sup>4</sup> See, e.g., Michael Santorelli, *A Different Take on the Great BEAD Rate Regulation Debate: Is NTIA Coercing the States?*, June 19, 2024, BroadbandExpanded.com, ACLP at New York Law School, <https://broadbandexpanded.com/posts/beadrateregulation>; Michael Santorelli, *Why States Should Ignore NTIA’s Call to Regulate Broadband Rates*, Oct. 18, 2023, Forbes, <https://www.forbes.com/sites/washingtonbytes/2023/10/18/why-states-should-ignore-ntias-call-to-regulate-broadband-rates/>.

<sup>5</sup> See, e.g., Michael Santorelli, *The Private Sector is Fixing This Issue in Rural America*, Aug. 25, 2025, Wash. Post, <https://www.washingtonpost.com/opinions/2025/08/25/broadband-equity-access-private-providers/>; Michael Santorelli and Alex Karras, *Navigating the BEAD Weeds: Vetting Subgrantees* (March 2024), ACLP at New York Law School, [https://digitalcommons.nyls.edu/cgi/viewcontent.cgi?article=1022&context=reports\\_resources](https://digitalcommons.nyls.edu/cgi/viewcontent.cgi?article=1022&context=reports_resources).

## **2. Using Leftover Funds to Seed a BEAD Reserve Fund**

Our most recent analysis found that, after analyzing all available data, and despite the best efforts of NTIA and the states, BEAD may end with 1.1 million unserved and underserved locations still unfunded.<sup>6</sup> Put another way, of the unserved and underserved locations that are currently unfunded, about 1 in 3 of these locations did not receive a BEAD award.

These figures may be inexact since the number of unserved and underserved locations remains a moving target. But the overarching point – that BEAD will likely end with a significant number of unserved and underserved locations still unfunded and thus without a pathway toward connectivity – is what matters most.

To address these unfunded locations, NTIA should set aside an appropriate portion of the \$21 billion in “savings” to seed a Reserve Fund, the proceeds of which would be allocated in a second BEAD round.<sup>7</sup> That second round could be run in much the same way as the current BEAD round. A second round of BEAD would address these remaining unfunded locations and could also include any defaulted locations or projects that arise in the near term. Defaults are inevitable, especially given the very long tail of BEAD subgrantees across the 56 states and territories.<sup>8</sup> NTIA should develop a plan for addressing defaults alongside the remaining unfunded locations. A Reserve Fund would do just that.

## **3. Using Leftover Funds to Enhance Network Resiliency**

Of the funds that remain after creating the Reserve Fund, some amount should be allocated to enhance the resiliency of broadband networks.<sup>9</sup> These funds could underwrite projects to replace utility poles, modernize public safety and emergency responder networks, bolster cybersecurity, and harden systems in areas prone to outages. Many states – both in their original BEAD plans and in their ongoing efforts to streamline broadband deployment – have sought to address these issues. For example, Texas and North Carolina are among a handful of states that have launched pole replacement funds, which seek to help ISPs and utilities

---

<sup>6</sup> Alex Karras and Michael Santorelli, *Updated Analysis Estimates 1.1 Million Locations Could Remain Unfunded After BEAD*, Feb. 9, 2026, BroadbandExpanded.com, ACLP at New York Law School, <https://broadbandexpanded.com/posts/unservedafterbeadfeb2026>.

<sup>7</sup> The ACLP first articulated the notion of a BEAD Reserve Fund in October 2025. See Alex Karras and Michael Santorelli, *One Million Locations Might Remain Unserved Post-BEAD. Leftover Funds Should be Used to Connect Them*, Oct. 23, 2025, BroadbandExpanded.com, ACLP at New York Law School, <https://broadbandexpanded.com/posts/unservedafterbead>.

<sup>8</sup> Our tracking indicates that over 600 entities will receive BEAD grants across the 50 states and 6 territories. Per a forthcoming analysis, several dozens of these entities will receive BEAD funds to build networks that are many times bigger than their existing service footprint. In contrast, ISPs like AT&T, BrightSpeed, and Comcast will use BEAD funds to grow their footprints only in a very marginal manner. Given their scale and track-record in this space, these more established ISPs are more likely to fulfil their BEAD deployment promises than smaller entities that are using federal funds to greatly expand very small service footprints.

<sup>9</sup> *\$21 Billion Question*.

address these costs so that network deployment is not slowed or prevented by rising pole costs. Ultimately, a patchwork of state-by-state approaches will not get the job done. Federal investment and guidance will greatly help to smooth these critical processes.

Remaining BEAD funding should *not* be used on projects that would yield duplicative network infrastructure. Government-subsidized overbuilding has been rampant in recent years. ARPA funds are being used to underwrite massive middle-mile network duplication in states like California<sup>10</sup> and Texas,<sup>11</sup> and last-mile overbuilding in states like New York.<sup>12</sup> There have also been standalone initiatives that will result in overbuilding, like the NTIA Middle-Mile Program. Overbuilding is wasteful and undermines competitive market dynamics.<sup>13</sup> To the extent NTIA wishes to strategically invest leftover BEAD funds in additional supply-side initiatives, it should choose to enhance existing infrastructure rather than duplicate it.<sup>14</sup>

#### **4. Using Leftover Funds to Address Demand-Side Issues**

NTIA should also allow states to use funds that remain for demand-side activities. Bringing broadband to nearly 100% of all locations in the U.S. is a monumental achievement. But adoption rates are stuck at around 80%. Making broadband universally available is not enough. More must be done to ensure that these networks, and all that they enable, including AI, are used. To that end, the U.S. government must invest in proven programs that bring more people online and that train them to use digital tools productively and safely. This is essential to our country's long-term economic competitiveness.<sup>15</sup>

Unlike on the supply-side, measuring success on the demand-side can be difficult. This should not dissuade NTIA from allocating funds for demand-side activities so long as those funds go to service providers with an established track-record, backed by data, in delivering impactful adoption-oriented services to under-adopting user groups. Numerous such entities exist, including those with a national footprint, like Digital Navigators and OATS, as well as many in localities across the country.

These issues have been overlooked for too long. NTIA has the unique opportunity to move the needle on demand-side issues in meaningful and sustainable ways. If it chooses to do

---

<sup>10</sup> <https://broadbandforall.cdt.ca.gov/middle-mile-broadband-initiative/>

<sup>11</sup> <https://comptroller.texas.gov/programs/broadband/funding/middle-mile/>

<sup>12</sup> Michael Santorelli and Alex Karras, *New York Doubles Down on Broadband Overbuilding*, Nov. 13, 2025, BroadbandExpanded.com, ACLP at New York Law School, <https://broadbandexpanded.com/posts/nymip2>.

<sup>13</sup> See, e.g., *id.*; Michael Santorelli and Alex Karras, *State and Local Policymakers' Broadband Planning Tool Kit* (Oct. 2022), at p. 42-43, ACLP at New York Law School, <https://broadbandexpanded.com/files/toolkit/ACLP%20-%20Broadband%20Planning%20Tool%20Kit%20-%20October%202022.pdf#page=53>.

<sup>14</sup> *\$21 Billion Question*.

<sup>15</sup> For further discussion, see *id.*

