

National Telecommunications and Information Administration,  
U.S. Department of Commerce,  
1401 Constitution Avenue NW, Room 4878,  
Washington, DC 20230

Attention: BEAD Uniform Guidance RFC

RE: National Telecommunications and Information Administration [Docket No.: 230622–0154]  
Tailoring the Application of the Uniform Guidance to the BEAD Program

Submitted to docket number NTIA – 2023–0007

Dear Secretary Raimondo and Assistant Secretary Davidson,

The Schools, Health & Libraries Broadband (SHLB) Coalition and the governmental, school, library, public interest and service provider representatives listed below appreciate the opportunity to file these comments in response to the Public Notice requesting comments on how to facilitate the implementation of the Broadband Equity Access and Deployment (BEAD) program. We agree with the statement in the Public Notice that “it is critically important that NTIA operate [the BEAD] program as effectively and efficiently as possible, while also ensuring a high level of accountability to prevent waste, fraud, and abuse.”

We are concerned, however, that the letter of credit requirement set forth on pages 72-73 in the Notice of Funding Opportunity for the BEAD program will not facilitate implementation of the BEAD program and will, in fact, undermine its goals. The letter of credit requirement is burdensome and unnecessary and will hamper competition for BEAD funding. In particular, the requirement will harm smaller ISPs, minority-owned and women-owned businesses, and non-profit providers such as municipalities and research and education networks that would otherwise be eligible to apply for and receive BEAD funding.

The letter of credit (LOC) requirement for sub-recipients of the BEAD program means that potential applicants will have to place 25% of a project’s award amount into one of a limited number of banks in order to receive an LOC. This is in addition to and separate from the 25% match that sub-recipients must contribute to the project’s costs. Smaller and more community-based companies and non-profits are often in the best position to provide the most cost-effective service and at lower prices than the larger, traditional companies. Yet the LOC requirement may effectively deny these smaller and community-based companies and non-profits an opportunity to bid for these projects.

The signatories to these comments support a level playing field that encourages all types of providers to compete to bring broadband to unserved/underserved locations and anchor institutions. For instance, the SHLB Coalition – which promotes broadband for anchor institutions and their surrounding communities – often finds that smaller non-profit providers such as research and education networks and municipalities provide more competitive service offerings that bring unique value to anchor institutions. In other markets, smaller, entrepreneurial and minority-owned and women-owned companies may understand the needs of

their communities better than large national providers. But these smaller, non-profit and community-based organizations may be shut out of the bidding process because they cannot afford to sock away 25% of the project's costs upfront in addition to the 25% match. The LOC requirement essentially tilts the playing field in favor of the larger companies that have substantial cash on hand. Many of these larger companies have already chosen not to provide service in more rural markets, which could mean that no bidders apply to receive funding in some markets.

We appreciate the importance of ensuring that sub-recipients have adequate resources to complete the broadband deployment projects. We respectfully suggest that there are other ways to accomplish this goal, such as requiring applicants to post a performance bond or administering delayed reimbursement. Other federal agencies administering broadband funding programs – such as the Rural Utility Service (RUS) and the Department of Treasury – require applicants to verify their financial viability but do not require a letter of credit.

For these reasons, we urge NTIA to eliminate or waive the letter of credit requirement for the BEAD program. Eliminating the letter of credit requirement will promote competition and make it easier for smaller community-based ISPs, minority-owned and women-owned businesses, and non-profit entities to be eligible for BEAD funding. This action will also help to achieve the Biden Administration's goals of providing Internet for All.

Respectfully submitted,



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