
TAG Infrastructure Talks Podcast: A Deep Dive Into Broadband Equity, Access, and Deployment With Scott D. Woods**Host: Alan Poole****Guest: Scott D. Woods****Alan Poole:**

Welcome to another episode of *TAG Infrastructure Talks*. I'm your host, Alan Poole, corporate partner at Troutman Pepper and chair of the TAG Infrastructure Society. Today, we are all about broadband and that big chunk of money from the Infrastructure Investment and Jobs Act (IIJA), specifically the BEAD program or Broadband Equity Access and Deployment Act program. My guest is Scott D. Woods, president of Public Private Partnerships at Ready.net. Scott, thank you very much for joining us.

Scott D. Woods:

Thank you, Alan. It's my pleasure to be here with you today and here in Atlanta with TAG.

Alan Poole:

Great. To get us started, tell us about yourself and about your company Ready.net.

Scott D. Woods:

So as you said in the intro, I'm the president of Public Private Partnerships at Ready.net, Inc. We're a software and tech company based in San Francisco and I have the pleasure of running the DC office. We're a geospatial asset platform proprietary, and we work a lot with state broadband offices, operators, local communities, and our goal is to bring better broadband to the actual communities and people who are going to benefit, not just from BEAD, but from broadband generally.

Alan Poole:

And tell us about the mapping product that Ready.net has and how that helps state broadband offices and others.

Scott D. Woods:

So our software platform is based off of what we call broadband money, which is a play on when we launched the company, but it's a geospatial asset where a state broadband office can determine exactly where unserved and underserved communities are, anchor institutions, MDUs (multiple dwelling units), and from that base platform, we can also integrate the fabric data as well as a state broadband offices or localities, local data or anchor institutions, MDUs, et cetera. And we've used that now to power a lot of the challenge process modules that are going on, the challenge processes that are going on. So what started as a base mapping company, broadband mapping and data. It's not just that we do a lot of other things, but it's all based off of sort of next generation geospatial software that again, enables our customers and our clients to

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better determine where broadband is and is not in a more efficient use of where to target these historic resources that are coming into the industry.

Alan Poole:

Now, you mentioned the fabric data. We have a couple of different maps in the broadband world right now, and they all have a different type of importance. How does your map fit into the overall BEAD deployment versus let's say, the Federal Communications Commission (FCC)'s map that kind of set the allocations?

Scott D. Woods:

That's a great question. I think most importantly, we have to know the distinction. So the FCC has a separate process and it was mandated by Congress authorized to update the nation's broadband mapping map to understand in part where broadband is and is not part of that process, versions of the map, it will be used or were used to determine each state's initial allocation under bead, but excuse me, that map is, let's say flawed. It's not accurate as possible. Where we come in is we have a method and a database that's more granular and that has really specific broadband data for every single parcel, every residence, every commercial entity, every anchor institution in the US and our territory. So it's more granular. You use it in conjunction with fabric to determine exactly where broadband is and is not. But for the purposes of bead the state allocations and the challenge process are based on the FCC maps. And so there's limited right now opportunity to change that. The states have been already awarded their initial allocations, but what states are using our product and operators are using our product for is to determine exactly on a more granular basis that data and operators are using it for market purposes, not just for bead or grant determination basis. It's actually where to grow, but it does coincide with what's going on in the bead program as well.

Alan Poole:

I'll just tell our listeners that you showed me this map and process and it's very impressive. I'm excited to see what you can do with it.

Scott D. Woods:

Thank you. Thank you. I appreciate that.

Alan Poole:

Yep. So the National Telecommunications and Information Administration (NTIA) is in charge of the bead program and they have thought of some really interesting solutions to problems in the past or just known problems with deploying public funding. Let's back up a minute though and talk about some prior broadband funding efforts and maybe some lessons learned from there.

Scott D. Woods:

Yeah. I have the fortunate pleasure to be a part of the team that launched the BTOP program, the Broadband Technology Opportunities program, which at the time was a 5 billion program launched in the Obama administration. It seems so big. It seems big at the time. It was historic

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back in 2008, 2009 2010, and that program was principally for middle mile deployment as a catalyst for last mile as well as to start the movement to have states understand better broadband mapping and broadband data and the establishment of public computer centers. And this issue around digital literacy and equity that started in there. The lesson learned from that was broadband was an identifiable need. We knew then it was a way to get, as part of the Recovery Act programs, it was a way to get shovel ready projects going to jumpstart the economy. But we had some really good lessons learned in terms of the need for robust broadband throughout the country.

Scott D. Woods:

And I think a lot of the NTIA lessons learned, if you will, in this program, IJA can be gleaned from a lot of the work that we did in the BO program. And then there are other programs at the FCC, don't ask me personally about those FCC programs, but those are principally for operators. The Regional Development Organizations (RDO) program, the old calf programs, the Alternative Connect America Cost Model (ACAM) program are for operators to build out their footprint with various methods of success. The FCC doesn't do much oversight, but these all are supposed to operate in tangential fashion to ensure that we're building broadband in communities that lack robust broadband access.

Alan Poole:

And we also are still seeing funding announcements from America Rescue Plan Act (ARPA) capital projects. And it seems to me that some of the more positive developments in that as that program is an increase in public-private partnerships and sort of non-traditional operators, which one could say was a weakness of the FCC. Are we building on that in the BEAD program?

Scott D. Woods:

Yeah, absolutely. I think the only way, this is my personal opinion, the only way we can accomplish this is non-traditional partnerships, right? It's not fair that the operators bear all the responsibility, but it's also not fair that the burden is on local communities to determine how to improve broadband in their communities. I can tell you this, having spent a career at NTIA and now here at Ready, no matter where you go in this country, that's one of the number one or number two things that our local elected leaders and local operators here from their constituents or from their customers, is they need the need for expand expanded broadband and broadband connectivity. So how are we going to do this? Do we give it all to the operators? We see some various success with the FCC programs and reconnect, or do we do this in a collaborative fashion where we're bringing together expertise, we're sharing the risk, but more importantly, we're making sure that the money is going exactly where it is intended to go, which is to immediately address issues and unserved and underserved communities as well as anchor institutions.

Alan Poole:

It sounds like that's one of the key advantages of the public private partnership model, which I hope you could talk about that a little bit more. What are some of the models that work and maybe some of the ones that don't work so well?

Scott D. Woods:

Yeah, it's an interesting bag that you say, as it all comes down to the parties and the relationships, essentially the P3 model is the agreement that's reached, but the collaborative nature of the partners, the understanding what each brings to the table, the knowledge, the skill, the ability, the funding, the expertise, all of that goes into a successful P3 partnership. So we can find examples of successful P3s like in Minnesota and some other cases, and then there are some not so successful ones that have failed for various reasons. But I want to focus on what's really important moving forward is why these partnerships should and can work now is because the impetus is to improve the community. So from the operator standpoint, maybe we have to change our business model somewhat at ready. We believe that the small and the local providers are going to be the ones that solve the digital divide.

They don't have the expansive ROI requirements or business models that larger operators have. They have a presence in the local community. Their business models tend to be more aptly addressed to where they sit and serve. But then local government brings into the table the money because the money is flowing through the state government. And so there has to be a natural partnership, so to speak, either through the state government or through local government to ensure that the operators can use this money they're building, they're expanding their footprint, and then that are ultimately addressing the digital divide in this country. So I know that's a long-winded way of overly complicated problem, but essentially it just comes down to being able to trust the parties across from the table. Let's have honest dialogue. The money is there, it's for an intended purpose. Purpose. So let's make sure we're working together to ensure not only that the operators have what they need, but that ultimately the community, the residents, the businesses get the connectivity that they need, affordable connectivity to be able to ensure that as a country that we're pushing ourselves forward away from the digital divide into this new age digital economy that we all know is here.

And that will be a demonstrable part of our economy moving forward.

Alan Poole:

Let's talk now about the tools that the NTIA has in its toolbox to get the BEAD program going. The Notice of Funding Opportunity (NOFO) is sort of a great place to start, and to me, the primary tool has been the fiber focus, and that's been controversial to some, but maybe there's been some lessons learned from Rural Digital Opportunity Fund (RDOF), but is it fair to say that, is it just that it's future proof that it's take?

Scott D. Woods:

No, I think from a public policy perspective, the goal of the IIJA, particularly when it relates to broadband, is to push fiber as far as we possibly can. That's the public policy goal. Now, depending on who you talk to, it's a preference. It's it a focus. I think it's a preference to extend fiber as far as we possibly can. It does not mean that there will not be fixed wireless networks as part of BEAD, so depending on who you talk to, there have been industry organizations who have done a better job in marketing that and saying it's fiber or nothing at all. But we do know that fiber is the future. That fiber is a fiber network, a robust fiber infrastructure allows for enhanced 5G, 6G fixed wireless, all these other things. The backbone of that is fiber. So I think

the goal of this is to push fiber as far as we can into the last mile through the middle mile, all the way into homes and businesses unquote, where it's feasible to do so.

Alan Poole:

Yeah, there's an interesting cost benefit analysis when you compare fiber to fixed wireless. I mean, as I understand it, the initial cost of fiber is higher, but the ongoing OM (optical multimode fiber) is much lower. Whereas with wireless, it's the opposite, right? Lower cost, but then you've got more points of failure.

Scott D. Woods:

More points of failure and replacement every two, three, five years. And we know how fast technology changes. You have to change that with fiber. Generally the Optronics Inc. change in the network, but the actual infrastructure, the glass, the conduit, all of that can last twenty, thirty, forty, even longer years. And so it does make sense from a hardening standpoint, from a future-proof standpoint, it does make sense. Now, there are going to be areas in the country where it's not feasible, and there is a role for fixed wireless. There is a role, I wouldn't say for satellite now, but there is a role for non-fire networks to play. But again, the preference is going to be to expand or extend or build fiber as far as the money will allow.

Alan Poole:

Let's explain to our listeners how states can determine when something other than fiber can have a role to play. The NTIA allows states to formulate an extremely high-cost threshold. Can you speak to how different states have been? And that threshold is where you can start considering things besides fiber. Is that fair enough to say?

Scott D. Woods:

Fair enough to say. I mean, it's going to vary. NTIA is supposed to issue some additional guidance on that, but we know in primarily rural areas where one or two homes passing per mile, I don't know what the threshold actually is, but it becomes a very high cost to build to every broadband service of a location. And so in those areas, NTIA, I believe is requiring some type of methodology from the states of how they're going to connect those extremely high-cost areas, how they're going to allocate the funding, how they're going to treat the projects, and it's going to vary by state. There's some who believe that fiber should go to those, and those should be the priority or preference areas. And then once the money is deployed there, then you build into your other areas. The mandate from NTIA is you build to your unserved and underserved areas first.

Then your anchor institutions or I say then and your anchor institutions because it's not a one-to-one relationship. So it's going to vary. And I want to caution folks that a lot of this is still in review. There's guidance still to be issued by NTIA. States still have to interpret that and then determine how they're going to deploy that into their particular plans. But the one thing everyone can be sure of is the state's approach is available for operators and the public to review. If you have any question about how your state's going to govern the money that's coming to it, the state, they've published, their volume one and their volume twos, you can review it. Some of them are still open for public comments, some are not. But there's no reason for us not to be

certain what each state's going to do because a requirement of NTIA is that states actually submit their plans for public comment and then submit those plans ultimately for NTIA review. So a lot of this is still under works, but the general principle, the general policy principle of the programs are somewhat clear.

Alan Poole:

And I have heard the same thing from every state office I've talked to. They want to hear from people. They want that engagement to make sure that they're getting it right.

Scott D. Woods:

And that's a very, very important component to this. NTIA program is the local coordination component, but not just from people in the community. It's from the operator community as well, right? So the NTIA and Congress can only tell us public policy-wise, how they want things done. It's actually the people on the ground who are going to be impacted, the operator community, those in the community, nonprofits, hospitals, anchor institutions. We want input from them as well to determine the most practical, practical approach to ensuring that we can meet these goals. So I know a lot of pressure is on NTIA. I used to work there, so I leaned on defending them, but they don't know everything, right? It's not designed for them to know everything, but it is a lot is depending upon the NTIA guidance, and that should be impacted by what they see from the local community, the input they get from operators, the input they get from states. And I think that's going to be very important part of the process.

Alan Poole:

Let's turn to those state volume one and volume two. Tell us what's in volume one and volume two, and then let's talk about the expected timeline of when those plans get submitted and approved.

Scott D. Woods:

So each state has to submit, I'll just at a very high level, how they're going to conduct their program, how they're going to conduct their challenge process, how they do local coordination. So all of the key elements of the IJA that NTIA put on the states, the states put in their volume one and volume two for submissions. There are a lot of different requirements and nuances to those for how they're going to do their planning, how they're going to do their outreach, how they're going to select vendors, how they're going to do their project areas. The challenge process is perhaps the most important part of this because you further determine, a state gets to further determine its eligible and ineligible areas that will then move forward to get the funding that they'll receive as their funding pool from their allocation. So it is complicated. These are voluminous "ifs", the word I think, voluminous documents. There are a number of different pages to each of them, but essentially, they lay out the strategy and deployment plan that each state is going to deploy and act follow to ensure that they adhere to all of the principles that are outlined in the IJA.

Alan Poole:

When do we expect the NTIA to approve the state broadband volumes one and two?

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Scott D. Woods:

Generally. So that process is ongoing. Now, some states, if it was a controversial, I guess NTIA came out with this checklist of where each state was and their volume two submission process, right? Volume one and volume two submission process or a report card. A report card, right? I think they meant well, but it was not received well by the state community as a whole. But the process is that they submitted their volume ones and volume twos for public comment. They received those public comments, they addressed them, and then they submit those to NTIA for ultimate approval. And there's a process by which NTIA reviews it and they offer comments and guidance, and there's some back and forth that goes along. Once NTIA approves both volume one and volume two, the state can move forward with its challenge process. And then ultimately, once NTIA approves the plans, they can move forward with their grant program, their BEAD grant program.

So there are steps in checks and balances in this. There are a few states who are early that will get their approvals first. We are working with some of them. So challenge processes are underway already in Louisiana and in Virginia. Their Capital Projects Fund (CPF), we talked about the treasury programs, their CPF challenge processes that have already been completed in Mississippi and are ongoing in Oklahoma. There are other states that are lined up to start their challenge process pretty soon. We're fortunate to be working with some of those, and you'll see those pretty soon. But ultimately, once NTIA approves these on a rolling basis, states have so many days then to start their challenge process have to complete their challenge processes in a 90-day period. And then once NTIA signs off on everything, they can move on to their actual deployment of the grant program, implementation of the grant program. So we still have quite a long way to go until every state will be in the implementation phase, but I truly expect the early adopter states to have to start sometime in first quarter, second quarter of 2024 when that grant money would actually hit the street.

Alan Poole:

Wow. So we're recording this mid-December—one month after the two-year anniversary of the IIJA. And some people are asking, where's all this money? Where's it coming from? Why aren't shovels in the ground? But they're trying to get this right.

Scott D. Woods:

Trying to get it right.

Alan Poole:

This is a once in a lifetime opportunity in terms of the amount of funds and the goals that they have to connect everybody. Now things changed since that bill was signed by President Biden. We've had inflation, supply chain issues, all sorts of things. Let's talk about how some of those issues and how the NTIA and the states are trying to be nimble. The first thing that comes to mind for me is one of the ways you could disqualify a location, even if it didn't currently have qualifying broadband services. There's a federal commitment or there's a funded commitment that something's going to be built there. What happens if that falls apart? Does that location become eligible again? Does the state have to seek a waiver?

Scott D. Woods:

Ideally, it does become eligible, but that's what the challenge process is designed to make clear, right? There's existing service requirement there where a provider, if they're going to provide existing service under their own auspices or through another federal program, they right, can defend that or rebut a challenge to that area under those requirements. So the challenge process is going to be really important for states to engage because it's going to further clarify which locations are indeed eligible for funding. And it does carve out areas where there's either existing service plan where it's previously funded under another federal program or state program. And so we want to make sure that those areas don't move forward and be because they already have a service commitment. But if something were to fail, in theory, yes, those areas then are eligible. My fear is between now and the implementation phase, we're seeing some of this in Rural Development (RD).

If there's a requirement that can't be met and that's not immediately challengeable in the challenge process, then that is deemed an unchallenged or an ineligible location. How do we then address that issue? And I'm sure NTIA and they're thinking about it, the states are thinking about it as well. So hopefully we'll have a mechanism to address that on a case-by-case basis. But the general consensus is that the challenge process will determine exactly which broadband serviceable locations will move forward and be then which ones will not be based on a number of different guidelines and criteria that set in the process.

Alan Poole:

I think an important takeaway that perhaps not everybody gets about the challenge process is it's not just about does this location that they say has no service actually have service. It could be vice versa that this has a committed service, but they get to challenge that determination as well. And then it actually is eligible.

Scott D. Woods:

There are a number of different types of challenges. My team has done a good job. We've broken it down into implementation of software, but we work with our state clients. They have goals that they absolutely want to meet. And I just want to be clear, there's only a certain number of entities that can file a challenge. It can be a state, I mean a local government, a tribe, an operator, or a nonprofit. Those are the only types of entities that can participate in a challenge process. So you and I in our individual capacity can't submit a challenge, but we can work through our local government, county, city, township, whatever, local recognized government or a nonprofit to submit those challenges. And they can be availability challenges, bulk challenges, service challenges. But unfortunately, we can't in this challenge process, actually challenge locations on the map anymore that has since passed. So we're stuck with, so to speak, the version of the fabric that's going to govern the challenge process. And we've seen that there are still holes in that there are still areas both in rural and urban environments that we know don't have access to broadband. And so state broadband offices are going to have to figure out how to address those gaps as we move forward.

Alan Poole:

Let's talk about some of the things the NTIA has done since the issuance of the NOFO. They've, they've worked pretty hard to try and address some of the complaints that have come up with additional guidance. And the two things that come to mind are the Build America, Buy America Act requirements. They've issued a programmatic waiver for that. And also the letter of credit requirement, though both of those were seen as early on significant obstacles to rolling this money out. Can you tell us a little bit about those waivers?

Scott D. Woods:

Yeah. This is where I can be fairly critical of NTIA having worked there because my team, when I was at NTIA, we thought the letter of credit was just a bad policy decision. That's a common sentiment copy that from the FCC's RDOH program. And essentially on top of the match a requirement, the letter of credit was unnecessary. And we know, both anecdotally and empirically, that it impacts small providers. It impacts those providers that are led by women and persons of color that don't have access to capital, right? So it's going to penalize them. When NTIA in its wisdom did relent and issue limited waiver is not solely requiring letter of credit, also doing a performance or surety bond, which is more commonplace in the industry than a letter of credit from, again, a designated financial institution. So kudos to NTIA for that. But they knew that they had that inkling from the drafting stages of the NOFO that the letter of credit was not the best way to go. I digress. I'm not going to say I told you so, but I told you so. Look at the camera too. So not me, just others as well.

Alan Poole:

No, I've heard that. I mean, I've heard private equity guys say, look, just look at the strength of their balance sheet like the rural administration does. Why have any of this stuff?

Scott D. Woods:

Yeah, I think it meant well. And then I think this is where from Washington, honestly, I'm from Washington, DC something seems right from a policy perspective, but this actually impacts actual businesses and people. And I'm really grateful that NTIA did say, based on some public pressure from really a number of different sources, it wasn't just the operators, it was constituency groups, it was advocacy groups, trade organizations, banking community. Everyone's like, it is bad idea. So NTIA got the message relented on that, and now we have different options where it applies. You can do a letter of credit where it doesn't, performance maturity, bond...

Alan Poole:

The milestones were really helpful.

Scott D. Woods:

Yeah, it makes a lot more sense. I think that's more aligned with where the industry is, both the financial industry as well as how it operates in real life with operators. So I'm happy about that. The Build America, Buy America requirements, were probably a little bit more, I wouldn't say

controversial, but I think it was known that a lot of these components aren't manufactured here in the U.S. And so this was, I believe, an attempt to ensure that we bring some of that manufacturing back on shore, which is good.

Alan Poole:

It's happening and it's happening. See announcements.

Scott D. Woods:

Yep. Nokia, Adtran, I don't want to leave some out, but there are other companies who've announced that they're moving production now and manufacturing back on shore. So that's a good thing. I think that's a good thing as well. And it should be kudos to the administration for holding their guns, so to speak. I guess that's a bad analogy, but to holding to the policy principle to make sure, again, that we bring those critical components on shore and kudos to the companies that have answered that and bringing that back. So that should not be an issue as we move forward. These companies have ensured both the administration and NTIA that they'll have the capacity that's needed. I was fortunate enough to be in the audience when Vice President Harris announced with Nokia in Kenosha, Wisconsin earlier this year. Yeah, that was a really cool moment to be in attendance for that and excited for what that means for American manufacturing and jobs, bringing those here. I don't want to sound like I'm stumping for administration, so to speak, but it is a good thing that we bring that capacity back for security and a number of other different reasons.

Alan Poole:

I think they're relying on the Creative Helpful Incentives to Produce Semiconductors (CHIPS) Act to some extent too, to try and bring some of that home. And even in the Build America, Buy America waiver, I think they said something along the lines of, we know that's not going to bear fruit, that may not bear fruit in time. So let's issue this waiver and be thoughtful. And you were telling us earlier we can expect further guidance from the NTIA too.

Scott D. Woods:

Yeah, absolutely. They're not done. Absolutely none of this is set in stone yet. There's still some clarifying guidance and additional information that NTIA and the industry players operators will provide. But I think we know that we, the operator standpoint, equipment availability, that they will be able to procure compliant by America, by American compliant equipment for BEAD purposes. So that's a good thing. Now we got to test them on it to make sure that the production is going to be there and availability. And we haven't talked about the supply chain issues and inflation, but again, at least we know there will be choices. There will be companies that can fulfill those requirements, and that's only a good thing.

Alan Poole:

So in terms of supply chain and inflation, major issues, anything to be done about those? Is it just going to have to shake out the way it shakes out?

Scott D. Woods:

Planning, planning, planning, planning. I know the commerce department is doing a lot with the industry to ensure that there'll be supply chain from a hardware standpoint, but there's also workforce. That's a big concern of having the available workforce to ensure that there's not intra and inter competition going on, pulling from the same workforce in terms of who can build, who can fix, who can deploy. So that's a big one that we'll see coming too. And workforce are part of the BEAD plans that each state has to put forward to NTIA for approval. So all of this works in conjunction and we will see how it all shakes out. But I do know from the government standpoint, I do know from the business and the operator standpoint, there is a lot of planning and preparation that's going on as well as from the states as well.

Alan Poole:

And another type of cost, one that I deal with a lot in my practice is infrastructure access, pole agreements, railroad crossings, right of way. There was some pretty expansive, and to me maybe a little overly hopeful content in the NOFO about trying to influence state level policy to bring these potential barriers to deployment down. For example, one of the big ones was the NTIA did not want to see restrictions on municipal broadband. That might be a viable model. Can you speak to whether or not to what extent that sort of funding-based policy shaping has worked?

Scott D. Woods:

We don't know yet. We'll see. There are some states, as you well know, that have restrictions on municipal ownership. I happen to disagree with that. I think the people should decide what's best for them, let the market decide whether it's an operator, but notwithstanding that the local permitting, a lot of these come down to local issues and it varies per state. And I think that's what we are trying to ascertain and hopefully avoid that. There won't be 56 different ways to get local approval to do pole attachments or to do permitting for right of ways or easements. How many different ways can you deployments permits to do deployment on construction and what are the security and bonding requirements on each one of those projects? And that's going to vary by state. So there's still a lot by Yeah, vary by jurisdiction. You can be building through two different counties and have two different totally different requirements. And we haven't even talked about the environmental part of this, so there's still a lot to be done. There's still a lot to be worked on, but it's exciting. It is exciting.

Alan Poole:

This can be a flashpoint for policy changes. I mean, today as we're sitting here, this is probably coming out in mid-January, the FCC just issued an expansive change to its pole rules to reduce the amount of costs that pole owners pass on to the builders. And that's been an issue near and dear to my heart because I've been on both sides of pole attached my whole career. And I have some pretty strong thoughts I won't get too far into, but leading up to this, states were actually using ARPA funds to pay for pole replacements. And there's a big question about who pays for what, because you don't want to waste bead money. You don't want to waste taxpayer money. You also don't want to shoulder electric rate payers who may not be getting broadband. Absolutely. So I'm pretty pleased with how the FCC struck that line, but what I'm hoping to see

is, and I'm seeing a little bit, is more efforts to try and resolve some of these issues on the state level. And there's still time for that.

Alan Poole:

There is good luck with, we'll see another session coming up in Georgia next year.

Scott D. Woods:

Yeah, Georgia's one of those that their sessions are pretty active, legislature's active. There are some others that they meet every two years or sporadically and how they deal with these issues. When you don't meet on a regular basis, we will see. But I think from a policy standpoint, these are exciting times. But if you're on the other side of a community that's waiting for these investments, waiting for these projects, operators that you want to bid on these and submit projects, it can be a bit harrowing as you try to figure out all these machinations that have to happen before we can actually get the money. So just be patient. These things will work out. It's enough. Yeah, persistence. Be persistent. Work with your state broadband office, understand their approach, be a part of the solution. I think that's one of the main messages I want to get across today. Let's not just sit on the side and complain about what could go wrong. Let's be a part of the solution, participate with your state broadband office, and provide information and assistance to local government officials about how to make some of these processes better and easier. Because this is in our lifetime, this is the moonshot of how we can address inequity, how we can address connectivity, how we can address the digital divide that persists in our country.

Alan Poole:

So a part of digital equity is adoption and affordability. One of the key components of the feed program is the affordable Connectivity Program, a baseline \$30 subsidy for income qualifying broadband users that may run out in April of next year. Is it wise to rely on that as part of the affordability component of such a historic program?

Scott D. Woods:

Is it wise? That's a great question. I say yes and no, right? The policy wonk in me is like, yes, we can absolutely ensure the success of this program by ensuring that there's a low-cost affordable option for communities to have robust high-speed broadband. But the cynic that lives in DC is like, why the hell would you have two different agencies with two different missions? One that has a program that's basically the lifeblood support of an essential element of the BEAD program. But I live in Washington DC so I can be a cynic, but then we've learned recently that there's a pending bill, 7 billion that will put 7 billion in the Affordable Connectivity Program (ACP) program. It has bipartisan support. Well, it'll be introduced on a bipartisan basis. We'll see if it has bipartisan support. But yeah, so there is a movement to ensure that that money is going to be there. And I want to make a really big distinction like this. The ACP money does not go to households. It's a subsidy to the provider to offset the cost of broadband, so to make it affordable, and it's an incentive for, quite frankly, the provider to provide service to lower income unserved or underserved areas. So I want to make sure that's clear. It does not go to the household. It's not something that's paid to an individual or family. It shows up as a credit. It goes to the service provider to offset that monthly bill cost.

Alan Poole:

And I mean, going back to your point about policy, what's the alternative? Price control? That's a political third rail.

Scott D. Woods:

We can't do that. That's throwing a grenade in a landmine, right? It's already a contentious issue. Don't make it worse. And quite frankly, that's an issue right now is I've heard that NTIA is requiring or maybe pushing some states to identify a price cap or a price mark. I just read about that. That's rate regulation. We don't want to do that, right? You want to let to some extent the market bear that out, but you have the ACP program that sets at that floor what a no-cost price would be with that \$30 subsidy. We don't want to get into, I don't think rate regulation or anything like that with this program, but a key component of this is affordability. It doesn't make any sense to build millions and millions of dollars of broadband networks when your core unserved underserved communities can't afford the service. That doesn't make a lot of sense.

Alan Poole:

So you could waste money building and you could make conditions such that nobody wants the money to build.

Scott D. Woods:

Absolutely. And they said there's equity in the BEAD program, and affordability is a core component of that. So is digital literacy, so is utilization and workforce and training, and so it all works together. I think we tend to look at things in sort of stagnant order, but in the grand scheme of things, these components should all work together. And I'm hopeful that the Congress will reauthorize the ACP program and then that the residents or the households that really need that offset to make broadband affordable, get it right, and I think ultimately that's what we want. You want to be able to access affordable, high-quality broadband no matter your zip code, right? East, west, north, south, it shouldn't matter, right? We've learned that coming out of COVID that it matters. Having reliable broadband impacts us educationally, our children, our business opportunities. It impacts us with telemedicine and telehealth and just where we're going as an economy. I think it just makes a lot of sense. So I'm hopeful that people can put away their skepticism as I just talked about being a skeptic, and let's make sure we can work together to make this happen.

Alan Poole:

One last topic before we get to some closing thoughts. I initially had a worry that this program was a little too focused on last mile¹. There's other components of the broadband ecosystem that we need to focus on, and maybe I was misperceived that because you had 42.5 billion for last mile and just 1 billion for middle mile, but that's not quite right. Is it because states can use these funds to build middle mile or even Internet Exchange Points (IXP) if they have the funds for it and it's necessary? Is that right?

¹ The physical part of a broadband network that serves as the final leg connecting the provider's network to a home or building. For more information, see: [NCTA](#).

Scott D. Woods:

Yeah. This is one of those public policy prescriptive and lawyers like you and I we get into, whether it's middle mile, whether it's last mile, making these distinctions in the operator community, it's network. There's no difference between, I mean, there are some technical differences between your middle mile transition lines versus last mile, but from a deployment standpoint, it's all seamless. I think the goal, and you were right, states can use it again to effectuate broadband, broadband deployment in unserved and underserved communities. Does that have middle mile components to it? Absolutely. And that's where the project comes in, and that's why the operator community is so needed to be a part of the discussions and the outreach is because there are some where you're going to have to build middle mile components to get to last mile. No infrastructure there, right? Last mile just doesn't pop up.

You got to have it build from an internet exchange point you've, you have got to have middle mile and backhaul bandwidth and capacity that leads to the last mile connection into the homes and businesses, so it all works together. I think there's sufficient flexibility that a state can decide exactly what it wants. I think what role that we play in providing mapping and more granular access and a really accurate picture of where broadband is and is not, I think also helps. And so we're looking forward to being a part of the solution to ensure that this program, quite frankly, is successful. I think anyone wants this program to fail. We want it to be successful, but we also want all the answers right up front, and that's just not going to happen real. It's unrealistic, right? It's going to take some time, but we don't have a lot of time, but it's going to take some time and I think working together, we can do it.

Alan Poole:

Some closing thoughts. You work with a lot of states. What are the lessons that you hope some of the states who are not on the forefront learn? In the very short term?

Scott D. Woods:

I think leadership is important. I think you look at the states that are doing well, they have really good leadership. They have really good buy-in from their operator community, from the state legislature, from local. Nothing's perfect. Don't get me wrong. You're always going to have naysayers and haters, but I think the ones that are doing it well are working together. They're finding ways to work smarter and work together and not an opposite of each other. Now, that's not the case everywhere. There are going to be some states where the incumbents are going to work hard to ensure that these programs aren't successful. We've seen that since the Broadband Technology Opportunities Program days. We saw that. It's unfortunate, but that is the case. So while I do have rose colored glasses, red glasses, I also scripted in reality in seeing how some of this is going to go, what I believe and what my company believes is the more accurate data, the more accurate granular data that we can provide to both the operators and the decision makers will make those decisions relatively easy.

Right? Because you see it, right? It's not just, I have to take a community's word for it anecdotally or an operator's word for it that yeah, we have infrastructure there. When we have accurate broadband data, you actually can see it. You actually can test it, and then it makes the justification of why we fund this project that more palatable and justifiable because you have evidence to back that up. And as long as we're transparent with that, which I think transparency

is built into the BEAD program and the IJJA and we have everyone working, hopefully pushing and pulling in the same direction, we'll get there now. We'll have some humps, there'll be some bumps, but I think here in Georgia, I think they've been doing broadband mapping very well here in Georgia, even before IJJA, so they know where broadband is and is not here in Georgia. So I don't think they could expect the federal government to come in and tell Georgia where they need to build on top of the state program on top of the funding that they've already done. So we have some very good shining examples of leadership, but we also need more enhanced collaboration to continue to work forward.

Alan Poole:

The beginning of 2024 when this episode comes out. I know we're sitting here in 2023, and I can't believe the year's almost over, but tell us your hope for December 31st, 2024 on where we are as our closing.

Scott D. Woods:

Wow, I have to put the crystal ball on.

Alan Poole:

Let's do it.

Scott D. Woods:

Where I hope we are. Well, I think we'll see by the end of the year, all of the states will have submitted their volume ones and volume twos to NTIA, right? They have to do that they believe by December 27th, if I'm not mistaken. So at least we will know from all fifty states, forty-nine states, District of Columbia, six territories, what their plan is and what NTI is reviewing in each state, and then ultimately, I think a renewed spirit in 2024 that we're going to continue to push forward and make this happen. I know on behalf of Ready.net, we want to do whatever we can to make sure that this money goes to the intended purposes to ensure that unserved and underserved communities and anchor institutions have the connectivity that they needed, and whatever role we can play to support the state broadband office to support our operator clients to support local communities. We're willing to do, but I would say go into 2024 with the renewed spirit and vigor that we're going to continue to work hard. We're going to continue to work together to make sure that we can make this happen.

Alan Poole:

That's what the New Year's for. Absolutely. We love it. Scott, this has been a great conversation. Thank you so much.

Scott D. Woods:

I appreciate it. Thank you very much, Alan.

Alan Poole:

This has been another episode of *TAG Infrastructure Talks*. It's a great start to our 2024 podcast season and well timed as the BEAD process gets in full swing. We look forward to you joining us next time. Please subscribe to Troutman Pepper and TAG on LinkedIn and to *TAG Infrastructure Talks* on your podcast listening application of choice. See you next time.

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