

## Review of Proposed BEAD Alternative Broadband Technology Guidance.

### Utah Broadband Center Comments.

The Utah Broadband Center (UBC) appreciates that NTIA is open to our comments and feedback on guidance regarding alternative technologies for the BEAD program to ensure there is universal broadband service across our state. Utah has considered early on in its initial proposal that there would be areas in Utah that could not feasibly be served with any technology that can provide served speeds other than LEO satellite. We proposed early on to cover the costs for equipment but preferred to limit this to areas of economic need and not for high-end vacation second homes in mountain or intentionally remote areas. We are also aware of many locations where fixed wireless is the only solution, but licenses are unavailable.

We favor the idea of considering homes or supporting businesses in remote, rural areas such as tribal lands in Utah with high-speed internet as it can support rural tourism and attract business growth as well as remote education and employment. The concern in these high-poverty areas, however, is if the monthly \$120 fee for LEO satellite is affordable. UBC proposes supporting a shared LEO network among locations that can share the cost.

Why does NTIA consider DSL to be reliable broadband when it initially stated it as unreliable to the point of allowing a pre-modification challenge for it? DSL is inherently unreliable considering it started as 1.5 Mbps to the house when it first came out. There have been improvements in the equipment used to supply DSL but the majority of the OSP is legacy copper which cannot support 100/20 speeds. UBC is curious why NTIA has changed their posture on this?

### Appendix questions:

- 1- 1. NTIA strongly believes that LEO Capacity Subgrants should be used to reimburse costs for the actual delivery of service to consumers and businesses. To effectuate this, NTIA is proposing that Eligible Entities base reimbursement to recipients of LEO Capacity Subgrants on the amount of capacity actually used, as measured by subscription rates in the project area. NTIA recognizes that recipients of LEO Capacity Subgrants will need to make upfront capital investments in their networks to ensure the availability of sufficient capacity in a project area. Subscription levels in a project area will likely be relatively stable and predictable for a substantial majority of the period of performance, and LEO providers will be able to reallocate unused capacity, and thus recover the associated capital costs, to non-BEAD BSLs once subscription levels stabilize. However, subscription levels may be less predictable and stable early in the period of performance, potentially requiring the LEO provider to reserve capacity that goes unused. In recognition of this, should NTIA allow Eligible Entities to make a supplemental reimbursement payment to recipients of LEO Capacity Subgrants early in the period of performance? Alternatively, should NTIA allow Eligible Entities to compensate a

recipient of a LEO Capacity Subgrant for all BSLs in a project area—regardless of subscription rates—in the early years of the period of performance?

UBC agrees that Eligible Entities should be allowed to make supplemental payments to providers in the early period of performance, but the state of Utah prefers that it is based on a scale of subscription, or a projected subscription take rate. The take rate might be better during the initial period of performance and thus the supplemental amount would be less. UBC agrees the recipient of the LEO Capacity Subgrant should be compensated on the total number of BSL's if this is the only technology that can serve the entire project area.

- 2- Even when subscription rates in a project area stabilize, recipients of LEO Capacity Subgrants will presumably need to hold in reserve a small amount of network capacity to dedicate to new subscribing BSLs in a project area. To account for this, should NTIA allow Eligible Entities to employ a tiered subscription reimbursement structure? For example, in a subscription reimbursement structure based on tiers of 25 BSLs, an Eligible Entity would reimburse a recipient for 25 BSLs if 1-25 of the BSLs in the project area were subscribing, for 50 subscribers if 26-50 of the BSLs in the project area were subscribers, and so on.

UBC is in favor of permitting the tiered BSL structure. It allows for less tedious accounting and follows the benchmark format for fixed awards.

- 3- NTIA is proposing to require LEO providers to dedicate 5 Mbps of capacity (or 2 TBs of usage per month) to each subscribing BSL in a project area under a LEO Capacity Subgrant. The capacity requirement effectively serves as a proxy for ensuring that the LEO provider can meet the statutory speed and latency requirements of the BEAD program. Is there another proxy or measurement that NTIA should use to ensure that subscribers in LEO Capacity Subgrants project areas receive services that meet the speed and latency requirements established by Congress?

UBC is confused by the 5Mbps capacity and how that meets the BEAD requirements. Please clarify rather than a link to a .com report.

- 4- Are there issues not addressed in this guidance that might dampen participation in the BEAD program by Alternative Technology providers?

What is the metric that NTIA will use to determine when alternate technologies can be deployed, is it only the state's EHCPLT amount or will it be based on the density of BSL's over a specific area. There may be some areas that might not meet the high-cost threshold but are still too expensive to deploy primary technology to the PSA.

- 6- Reserving LEO capacity is likely to result in substantial additional expenses for LEO providers. This problem is especially acute with LEO providers who could otherwise sell reserved capacity to other customers. The performance requirements of the BEAD program may necessitate that LEO providers reserve capacity for future customers in order to guarantee that those customers could be served within 10 business days if requested. At the same time, subgrantees generally have four years from the date of subgrant award to complete network deployment. LEO providers—because service may be able to be deployed without the construction of additional terrestrial infrastructure—may be able to substantially accelerate that timeline. To account for these considerations, should NTIA consider alternative LEO reimbursement models where LEO subgrantees may begin providing service and receive corresponding grant funds through LEO Capacity Subgrants before certifying the completion of network build out?

Considering that the LEO platform is already in place and no other transmission deployment is required, each BSL should be considered complete when the subscriber equipment is received, and the customer is up. Therefore, the LEO provider should be allowed to receive reimbursement based on a percentage of subscription take rate. This rate can be determined by the Eligible Entity.

Thank you for your consideration.

Sincerely,

Utah Broadband Center  
Governor's Office of Economic Opportunity