



# Co-ops Connect FYI

By Jonathan Chambers • Mar 08, 2024

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# A Time to Build: Don't Wait for BEAD



Ecclesiastes teaches us:

"To every thing there is a season,
and a time to every purpose under heaven:
A time to be born, and time to die;
A time to plant, and a time to pluck up that which is planted;

A time to kill, and a time to heal;
A time to tear down, and a time to build up..."

Over the course of my life, I have meditated on this poem. There are times when I feel out of step with the season. I expect this coming year will be such a time for me.

## A time to tear down, and a time to build up.

I think this is a time to build, even as I can see our country and the world being torn asunder.

While others tear down, we will build.

While others wait, we will persist.

That's all the poetry for today; the rest will be prose.

# Maybe BEAD Is Not For You



**Last week, I recounted a conversation** with a former colleague. As I expressed my frustration with the structure and timing of the BEAD program, he responded by saying, "Maybe BEAD is not for you."

My grievance with BEAD:

- 1. In population densities of fewer than eight homes per mile, the BEAD program design favors inferior technologies and services.
- 2. Once these monies are squandered, Congress will be unlikely to approve such a large amount of money for rural America again for another generation.

### That's not to say that:

- Money won't be spent.
- There won't be press releases from broadband offices and recipients of funding.
- There won't be incremental improvement in broadband in rural communities.
- Or even that Conexon and electric co-ops won't participate.

While my former colleague, who is an expert on BEAD, was suggesting the program may not be for me, he revealed something else.

- BEAD is *a politician's idea* of a solution for rural broadband.
- As for closing the digital divide, it will not.
- In short, we've seen this movie before.

By the time BEAD money flows, the program will have delayed the construction of broadband networks in unserved and underserved areas for years.

# An Alphabet of Funding: CAF II, CARES, RDOF, ARPA, BEAD



At TechAdvantage this week, one of our co-op clients mentioned to me that his co-op had just wrapped up the final phase of its CAF II build.

- Conexon's bidding consortium was awarded more funds for fiber construction than any other bidder in the FCC CAF II auction, and two years later more funds in RDOF than any other bidder except for Charter.
- The CAF II awards were made in 2019. Now, five years into the tenyear program, all of our CAF II projects are wrapping up.
- All of our CARES projects were wrapped up on time.
- Today, most of our ARPA projects are wrapping up, as well as several RDOF projects.

## Go deeper:

Each of these funding programs has played a role in bringing fiber to rural communities. None were a home run program. They were all singles, and maybe a bunt or two to move a runner over.

#### BEAD will be more of the same.

#### No one will be able to build a whole network with BEAD.

• By its nature, the eligible locations are widely dispersed throughout each state.

- For some, the funding will be used to edge out from an existing service territory or fill in holes.
- For a co-op, a fiber network should be designed to follow the electric distribution network. As we say, "Fiber follows power."
- BEAD may be useful for some feeders or parts of feeders.

#### What's next:

This year, Conexon will complete construction projects for a dozen co-ops in a half dozen states.

- "Complete," to us, means 100% of co-op members will have access to fiber to their homes, businesses, farms, schools and other community facilities, as well as co-op electric devices for smart grid.
- All of the projects we'll complete this year had unserved areas.
- None waited for BEAD and they are all better off for not having waited.

## The Final Word



BEAD was adopted by Congress in 2021. **Most people who have** waited on BEAD these past three years will continue to wait.

• They will wait for eligibility maps, for challenges to the maps, for appeals to the challenges, for the Notices of Funding Opportunity, for the decisions of the state broadband office.

Assuming they win a grant, there will be a log jam of new construction.

- They will then wait for design, for materials, for poles, strand, conduit, fiber.
- They will wait for make-ready construction crews.
- They will wait for underground, overhead, and drop crews.
- And on and on.

#### The difference for Conexon and others who do not wait:

As we complete projects, we will start new ones this year **without** waiting for BEAD. We will keep our workforce, construction crews and materials vendors all busy with new construction.

Everything I'm involved in right now is designed to get ahead of BEAD. I'm not ignoring BEAD. I embrace that there is a time for every purpose.

I believe now is a time to build.

Feel free to forward this **Co-ops Connect FYI** to colleagues who want to stay in the know on all things broadband! Subscribe to Conexon's weekly newsletter <u>here</u>.

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