



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC 20554

Brendan Carr  
Commissioner

July 2, 2021

The Honorable Janet Yellen  
Secretary  
Department of the Treasury  
1500 Pennsylvania Ave NW  
Washington, DC 20220

Dear Secretary Yellen,

As you have recognized, the COVID-19 pandemic shined a bright light on the value of affordable, high-speed Internet connections, including those in low-income areas. It also highlighted the work that remains to end the digital divide in this country. So I am very pleased that regulators and lawmakers in Washington and across the country are focused on providing the support necessary to get this job done. Indeed, the hundreds of billions of dollars that have been made available for this purpose can do exactly that if we proceed in a coordinated and collaborative manner.

Over the past year, Congress—through the CARES Act, the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act—has provided a range of federal agencies and states with a substantial amount of additional funding to bridge the digital divide. The Department of the Treasury received over \$500 billion for its Local Fiscal Recovery Funds and the Capital Projects Fund, which can be used by state and local governments to fund broadband infrastructure projects. The Department of Education received approximately \$270 billion that can be used to address connectivity and remote learning issues related to the COVID-19 pandemic, among other purposes, through its ESSER, GEER, and HEER Funds. The Department of Commerce, through the National Telecommunications and Information Administration (NTIA), received \$1 billion in support of its Tribal Broadband Connectivity Grant Program, \$300 million for broadband infrastructure deployment, and \$285 million to establish and fund the Office of Minority Broadband Initiatives. The Department of Agriculture (USDA) received \$735 million in new funding for its ReConnect program, \$25 million for its Distance Learning, Telemedicine, and Broadband Grant program, and \$35 million for its Community Connect grant program. And Congress recently appropriated over \$10 billion for the Federal Communications Commission (FCC) to launch new broadband deployment and affordability programs.

All told, Congress provided various agencies and departments with over \$800 billion for programs that can be used to fund connectivity initiatives through recent COVID-19 appropriations laws. The FCC is currently working on a nationwide broadband coverage map that can ensure federal and state agencies appropriately target this funding. This mapping

initiative is ongoing, and I have expressed my view that the FCC should complete at least a targeted map by this fall.

Distributing these significant resources on behalf of the American people is an incredible responsibility, and if federal agencies and states work in a coordinated manner, we have the opportunity to ensure that every American gets connected. Indeed, this collaboration is key to avoiding the problems that plagued the government's last major broadband stimulus initiative. Following the 2008 recession, Congress appropriated a then-unprecedented \$7.2 billion for broadband in the American Recovery and Reinvestment Act of 2009 (ARRA). As the U.S. Government Accountability Office (GAO) found in multiple reports examining that initiative, failures in program design, reporting, and coordination resulted in significant waste and an inability to verify the impact of federal funds on broadband availability and subscribership.<sup>1</sup> Given the magnitude of current funding and the pressing need to connect more Americans, it is even more important that we ensure that these funds are spent wisely and that their impact is carefully measured.

While the FCC recently executed an interagency agreement with USDA and NTIA for the sharing of limited information, that agreement does not apply to all of the broadband spending programs listed above, nor does it cover all of the agencies that Congress recently provided funding for broadband projects. It also does not require the use of a common set of data or standards.

As such, and given our shared interest in avoiding a repeat of the systemic program failures under 2009 ARRA, as well as our responsibility to act as good stewards of the more than \$800 billion Congress recently appropriated, I am writing in the interest of ensuring greater collaboration and coordination.

To that end, I have a few questions regarding the status of Treasury's programs. How much of your agency's funding noted above has been committed for broadband initiatives and how much has actually been spent by your agency or those authorized by your agency on those efforts? Of the amount spent, how much has been spent on (1) residential broadband deployment, (2) individual low-income or broadband affordability programs, or (3) other projects, such as supporting connectivity to schools or hospitals? What resources is your agency

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<sup>1</sup> See, e.g., U.S. Gov't Accountability Off., GAO-15-473, *Intended Outcomes and Effectiveness of Efforts to Address Adoption Barriers Are Unclear* (2015) ("For example, NTIA compiled and published self-reported information from its BTOP grantees about best practices, but has not assessed the effectiveness of these approaches in addressing adoption barriers. Because BTOP has concluded, NTIA missed an opportunity to evaluate which grantees' approaches were the most effective."), <https://www.gao.gov/assets/gao-15-473.pdf>; U.S. Gov't Accountability Off., GAO-14-511, *USDA Should Include Broadband Program's Impact in Annual Performance Reports* (2014) ("RUS has reported limited information on BIP's impact since awarding funds to projects, and BIP results are not tracked in the Department of Agriculture's (USDA) annual performance reporting. Consequently, RUS has not shown how much the program's approximately \$3 billion in project funding—an unprecedented level of federal investment in broadband—has affected broadband availability."), <https://www.gao.gov/assets/gao-14-511.pdf>; see also Tony Romm, *Wired to Fail: How a Little Known Agency Mishandled Several Billion Dollars of Stimulus Money Trying to Expand Broadband Coverage to Rural Communities*, Politico (July 28, 2015), <https://www.politico.com/story/2015/07/broadband-coverage-rural-area-fund-mishandled-120601>.

using to identify unserved areas or unconnected persons to ensure that funding is not used to overbuild areas that already have high-speed service or otherwise result in duplicative support? Is your agency planning to use the FCC's updated broadband maps to ensure that funding targets unserved areas? What speeds and other metrics are you requiring recipients to meet? What other guardrails and processes are in place to prevent waste, fraud, and abuse? How is your agency working with states to monitor deployment decisions and buildout timelines and to measure the impact of spending on broadband availability and subscribership? What safeguards are in place to hold contractors accountable for their performance under programs that your agency is funding? What agreements has your agency executed with states and federal agencies to coordinate efforts on the disbursement of funds? To what extent is your agency consulting existing GAO guidance on the design and implementation of broadband support programs?

Thank you again for your commitment to expanding connectivity in this country. I look forward to your response and to ensuring effective coordination across agencies and programs as well as the good stewardship of these funds.

Sincerely,

A handwritten signature in blue ink, appearing to read "B Carr", with a long horizontal flourish extending to the right.

Brendan Carr