

March 7, 2024

Re: NTIA's Illegal Rate Regulation

Dear Speaker Johnson, Minority Leader McConnell, Chairwoman McMorris Rodgers, and Ranking Member Cruz:

We, the undersigned organizations and individuals, are alarmed by the National Telecommunications and Information Administration's illegal rate regulation for broadband internet service. **NTIA is weaponizing the Broadband Equity, Access, and Deployment program to force a \$30 per month price mandate on all states that participate in BEAD. This is a direct violation of federal law.**

As section 60102(h)(5)(D) of the Infrastructure Investment and Jobs Act plainly states: **“Nothing in this title may be construed to authorize the Assistant Secretary or the National Telecommunications and Information Administration to regulate the rates charged for broadband service.”** Congress could not have been more explicit in barring NTIA from setting rates, which is counter-productive to broadband expansion according to all available research.<sup>1</sup>

**NTIA is abusing the program to price fix by proxy through state broadband offices**, despite NTIA Administrator Alan Davidson's promise that his agency would not require rate regulation at a December 5, 2023, hearing before the House Communications and Technology Subcommittee. By rejecting all applications a state submits until the desired price point is included, NTIA holds federal BEAD dollars hostage until state governments price fix for them, a form of administrative blackmail.

The most flagrant example is the Virginia Office of Broadband's Volume 2 application. As memorialized by the office's director in the attached December 6, 2023, letter, NTIA rejected the Commonwealth's application because “the low-cost option must be established in the Initial proposal as an *exact price* or formula [emphasis added].”<sup>2</sup> Virginia has proposed multiple compromises between their desired market-driven approach to middle class affordability and NTIA's preferred \$30 per month mandate, but all have been rejected. NTIA may try to hide behind the fig leaf of state-level cut-outs, but their repeated rejections of reasonable alternatives betray their agenda.

Now that the agency has demonstrated its disregard for the law and a willingness to subvert Congressional intent, **we urge you to swiftly hold NTIA accountable for its lawlessness and**

---

<sup>1</sup> Jamison, M. (2024, January). *Broadband pricing under the broadband equity, access, and deployment ...* Broadband Pricing Under the Broadband Equity, Access, and Deployment Program. <https://www.aei.org/research-products/report/broadband-pricing-under-the-broadband-equity-access-and-deployment-program/>

<sup>2</sup> Holmes, T. (2023, December 6). Broadband Equity, Access, and Deployment Commonwealth of Virginia – Volume 2. Richmond, Virginia.

**demand the release of BEAD funds to states that have met the criteria duly enacted by Congress, not arbitrarily imposed by political appointees in the Biden Administration.**

Signed,



**Grover G. Norquist**  
Americans for Tax Reform



**Steve Pociask**  
American Consumer Institute



**Tom Hebert**  
Open Competition Center



**James Erwin**  
Digital Liberty



**Edward Longe**  
James Madison Institute



**Lorenzo Montanari**  
Property Rights Alliance



**Nathan Leamer**  
Digital First Project



**David Williams**  
Taxpayer Protection Alliance

\*Indicates individual



**Jeff Mazzella**  
Center for Individual Freedom



**Phil Kerpen**  
American Commitment



**Barlett Cleland**  
Innovation Economy Alliance



**Tom Schatz**  
Citizens Against Government Waste



**Curt Levy**  
Committee for Justice



**Jonathan Cannon**  
R Street Institute



**Paul Gessing**  
Rio Grande Foundation



**Jim Dunstan**  
TechFreedom

**Evan Swarztrauber\***  
Foundation for American Innovation

**Jeff Westling\***  
American Action Forum

\*Indicates individual



**Mario H. Lopez**  
Hispanic Leadership Fund



**Benita Cotton-Orr**  
High Grounds Consulting/Georgia  
Second Friday Meeting



**Karen Kerrigan**  
Small Business and Entrepreneurship Council



**Gerard Scimeca**  
Consumer Action for a Strong  
Economy



**Yael Ossowski**  
Consumer Choice Center



**Jason Pye**  
FreedomWorks

**Kevin Riffe\***  
West Virginia Center-Right Coalition

**David Miller**  
Center Right Southwest Ohio

**Stephen Stepanek\***  
Former NH GOP Chair

**Tim Jones\***  
Former Speaker, Missouri House

\*Indicates individual