



August 4, 2023

National Telecommunications and Information Administration (NTIA)  
U.S. Department of Commerce  
1401 Constitution Avenue NW, Room 4878  
Washington, DC 20230

RE: Docket No.: 230622-0154 (Tailoring the Application of the Uniform Guidance to the BEAD Program; Request for Comments)

Dear Secretary Raimondo and Assistant Secretary Davidson,

JSI John Staurulakis, LLC (“JSI”)<sup>1</sup> appreciates the opportunity to respond to the above-named Request for Comments (“RFC”) on behalf of our numerous small, rural and independent broadband provider clients. JSI’s clients strongly support the principal focus of the Broadband Equity, Access, and Deployment program (“BEAD”) to ensure “that every American has access to affordable, reliable high-speed internet service” (BEAD Notice of Funding Opportunity (“NOFO”) Summary). We respectfully submit that the NOFO’s (a) proposed requirement for a Letter of Credit (“LOC”) for at least 25% of project costs and (b) proposed minimum subgrantee match of 25% of project costs are inconsistent with NTIA’s goals of getting all Americans online, prioritizing broadband deployment to unserved areas, and fostering competition among broadband providers. We join other stakeholders like Georgetown (MS) Telephone Company and the Schools, Health and Libraries Broadband (SHLB) Coalition in urging NTIA to eliminate these requirements.

The NOFO requires subgrantees to obtain an irrevocable standby letter of credit “in a value of no less than 25 percent of the subaward amount” (NOFO Sec. IV(D)(2)(ii)). The practical impact of this requirement is that small, often family-owned broadband providers without the substantial cash reserves of large providers will face a competitive disadvantage for BEAD support, even while these independent providers are often in the best position to deploy broadband to high-cost and rural areas. Additionally, independent providers will be forced to set aside a substantial portion of project costs with one of a limited number of large banking institutions, even though

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<sup>1</sup> JSI provides financial, engineering, management, regulatory, business development, strategic planning, and training services to broadband providers nationwide. JSI assists its clients with various projects, including designing and operating broadband networks, funding applications, forecasting, competitive pricing, mapping, feasibility studies, intercarrier billing, operational reform, strategic partnerships, and company valuations. JSI also offers a full range of OSP and ISP engineering services, including central office, optical transport, FTTx, IPTV, CATV, and wireless. With over 520 professionals on staff, JSI is an industry leader in offering complete solutions to independent telecom and broadband providers.



these same providers often bank with small, community-focused banks. NTIA should implement more flexible BEAD financial accountability measures that protect against waste, fraud and abuse while remaining equitable to small providers.

Additionally, the NOFO requires subgrantees to provide “matching funds of not less than 25 percent of project costs” (NOFO Sec. III(B)(1)). In the sparsely populated, difficult-to-serve locations where JSI’s clients provide broadband, this requirement will make many otherwise-eligible projects financially unsustainable because of cash flow limitations, especially in light of the twin headwinds they face from inflation and interest rate increases. NTIA should expand its BEAD Match Waiver process (described in NOFO Sec. III(B)(4)) and increase its consideration of “special circumstances” requests.

We urge NTIA to eliminate or reduce the LOC and 25 percent match requirements from the BEAD funding opportunity. Increased flexibility with respect to these cash flow and funding issues will further the goals of BEAD by encouraging independent broadband providers to participate in this grant program and expand their existing services to unserved and underserved Americans.

Respectfully submitted,

Jennifer Holtz

Vice President, Regulatory Affairs