Economy Politics

## Feds throw Washington's \$1.2B broadband program into disarray

States spent more than two years preparing to distribute the infrastructure funding, now the Trump administration is making last-minute changes to the rules.

By: Jake Goldstein-Street - June 27, 2025 4:00 am



(Photo by Mayur Kakade/Getty Images)

Washington utilities, tribes, counties and others have spent years planning how to use the state's \$1.2 billion chunk of a federal program to improve high-speed internet access.

But earlier this month, the Trump administration threw this process into flux when it overhauled guidance on how states nationwide should select applicants for the more than \$42 billion in funding. The move effectively nullifies hundreds of applications already received, and sets Washington and other states on a tight timeline to figure out who should get money.

"Two years of working on it and all of a sudden we're supposed to switch on a dime or less, on a pinhead," said state Rep. Cindy Ryu, a Democrat from Shoreline who chairs the House Technology, Economic Development and Veterans Committee.

Perhaps the biggest change to the federal Broadband Equity, Access, and Deployment, or BEAD, program concerns what technology will be prioritized.

The program originally favored expanding fiber-optic cables, but the new rules require a "technology neutral" stance because "the full force of the competitive marketplace must be utilized," according to the National Telecommunications and Information Administration.

This agnostic approach creates room for satellite, fixed wireless and other technologies, which has the potential to send billions more to Elon Musk's Redmond-based Starlink internet service. Musk served previously as a top adviser to President Donald Trump and spent upward of \$200 million to help get Trump elected last year.

The BEAD program was created under the federal infrastructure law that former President Joe Biden signed in 2021. It was fashioned as a way to expand high-speed internet service into rural areas and other parts of the country where it was unavailable or lacking.

In Washington, local applicants looking to get some of that money include private companies, public utilities, tribes, nonprofits, local governments and more. The state has said it will offer \$300 million in matching funds for local governments and tribes.

This year, Washington's broadband office received hundreds of applications from across the state, and provisionally awarded money to some applicants.

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Other states were further behind than Washington, and now face application rounds as short as four days to meet new deadlines set by the Trump administration, said Aaron Wheeler, director of the Washington State Broadband Office, in a webinar last week.

"We were coming to the end, so we've got kind of a few of these things in place, but it does mean that there were some things that needed to be adjusted on the fly," Wheeler said.

Washington expects to open up the next round of applications in early July. States have until early September to submit final plans on how to spend their portions to the federal government. The feds say they'll review those plans within 90 days.

The guidelines from the National Telecommunications and Information Administration aim to streamline the process, reduce costs, speed up deployment and increase marketplace competition, according to the agency. They eliminate a mandate to analyze climate resilience, and provisions related to open access, low-cost service plans and labor requirements.

State Department of Commerce Director Joe Nguyen noted that Musk's Starlink is a Washington-based company.

"Over 60% of the satellites currently in orbit are made right here in our state," he said.

"As the federal guidelines evolve to allow more alternative technologies, we will continue to work closely with partners across the state to make sure we do not miss this generational opportunity to deliver broadband access to every community," Nguyen added.

## An applicant's perspective

The Kitsap Public Utility District remains laser-focused on fiber-optic cable as the solution to poor internet access.

Experts see wired service as the gold standard for fast, reliable internet.

Claire Ward, a telecom strategist at the Kitsap County utility, fears it'll now be a "race to the bottom" for other applicants seeking cheaper options to expand access. To her, while there is room for satellite and fixed wireless as solutions, they would serve more as band-aids than long-term fixes.

On Wednesday, two members of Washington's congressional delegation, Sen. Maria Cantwell and Rep. Suzan DelBene, made that point to Commerce Secretary Howard Lutnick.

"We made the decision to invest larger sums now in broadband infrastructure that would be resilient and capable of meeting Americans' growing digital demands for decades," reads the letter they signed alongside dozens of lawmakers.

Ward hopes Washington will still lean into fiber under a provision in the original bipartisan infrastructure law that says "priority broadband projects" funded under BEAD must be designed "designed to provide broadband service that meets speed, latency, reliability, consistency in quality of service, and related criteria" that can be scaled to meet evolving technology needs.

Only fiber could meet that requirement, Ward and others say.

The moving goalposts have left Ward feeling tired. She's worried applicants who now need to reapply for funding will run out of resources and give up on the program.

"I hope that they will be able to dig in their heels," she said.

She doesn't want to see the broadband program fall the way of the federal <u>Rural Digital Opportunity Fund</u> started under the first Trump administration, which has seen many providers default and rural areas left without any improved service.

In six months, Ward thinks, the state will know how well BEAD will serve Washington.

## In the background

Broadband officials are also grappling with an unpopular provision tucked into the massive tax cut and spending bill Republicans are considering in Congress.

The sweeping legislation, now in the Senate, would impose a 10-year ban on state regulation of artificial intelligence. If states don't follow the prohibition on enforcing new or existing laws, the federal government would rescind the federal broadband funding.

Washington Attorney General Nick Brown has said the ban would jeopardize the state's laws on deepfakes in political advertising and fabricated sexual images known as "revenge porn." Dozens of attorneys general from Republican- and Democratic-led states oppose the measure, arguing they can't rely on Congress to adequately regulate artificial intelligence.

Meanwhile, at this tumultuous moment, Wheeler, the director of Washington's broadband office, is stepping down Friday. Wheeler, who was appointed in March 2024, is taking a job with the Suquamish Tribe. The state Department of Commerce, which houses the broadband office, expects to name an interim director while recruiting for a permanent leader.

"That person's preferences of technology are going to have a big impact on how the Washington state BEAD program plays out," Ward said.

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