



PUBLIC UTILITIES COMMISSION
STATE OF CALIFORNIA
505 VAN NESS AVENUE | SAN FRANCISCO, CALIFORNIA 94102

July 7, 2026

Arielle Roth
Assistant Secretary of U.S. Commerce for Communications and Information
National Telecommunications and Information Administration
1401 Constitution Avenue, N.W.
Washington, DC 20230

RE: Curing Request for Additional Cost Savings

Dear Arielle Roth,

The National Telecommunications and Information Administration (NTIA) requested to meet with the California Public Utilities Commission (CPUC) on Wednesday May 27, 2026, to discuss next steps in California's Broadband Equity, Access, and Deployment (BEAD) Final Proposal, which was submitted to NTIA for review on December 19, 2025, and is still awaiting NTIA approval.

In addition to our assigned Federal Program Officer and Western Regional Director for the BEAD program, the meeting included several other national NTIA staff, including Brooke Donilon, Chief of Staff to Assistant Secretary Arielle Roth. During this meeting, Ms. Donilon indicated that California would be receiving another curing request soon because the state was proposing to use too much of its \$1.86 billion BEAD allocation for broadband deployment as compared to neighboring states. Ms. Donilon indicated that NTIA would like to see California save somewhere between 27% - 60% of its overall funding allocation (or stated conversely, to only use 40% - 73% of allocated funds for broadband deployment), and that this could be achieved by asking proposed subgrantees to lower costs overall, or to "open our minds to more technologies."

The CPUC received a formal curing request for our BEAD Final Proposal from the NTIA on May 28, 2026. The curing request was as follows:

"NTIA reviewed the Final Proposal submitted by California on April 1, 2026, and determined that, as a whole, the plan's costs to deploy BEAD are excessive. Under the RPN, NTIA "reserve[d] the right to reject any proposed deployment project or specific BSL connection for which costs to deploy are excessive, as determined by NTIA based on the cost characteristics of the area to be served." As such, NTIA requests that California submit an updated proposal that demonstrates greater scrutiny of its projects based on excessive cost characteristics at the project level and for the state as a whole."

Despite the Notice of Funding Opportunity (NOFO) and Restructuring Policy Notice (RPN) only providing NTIA the right to reject specific projects or Broadband Serviceable Locations (BSLs) (“Locations” hereafter), the NTIA curing request did not specify a specific project or BSLs connections that were deemed to have excessive costs. To respond to the curing, the CPUC worked with proposed subgrantees to review California’s Final Proposal project costs and assess if further reductions could be realized. We have submitted the results to the NTIA grants portal and further add this letter to the record of our curing.

Before summarizing the results of curing, the CPUC wishes to highlight certain factors that framed our approach and results for the curing:

1. California’s program allocation per BEAD-eligible location is already lower than in other neighboring Western States, resulting in a higher deployment percentage despite a lower cost per location.

California’s BEAD allocation per location was the lowest relative to other neighboring Western States, despite the state’s complex topography, large area, and mix of mountainous, rugged, and rural terrain. Nevada and New Mexico received more than double California’s BEAD allocation per location. As a result of their proportionally larger allocations, those states were able to save proportionally more, despite having higher costs per location for deployment.

As such, the comparison of savings percentages across states is not an apt metric for success or cost-effectiveness. Cost per BEAD location is a more suitable metric, especially when compared with Western States that have a less challenging topography, such as Nevada. Table 1 below reflects the cost per BEAD eligible location for Western States and clearly shows that California received the lowest allocation per location, despite having the highest number of locations to serve in comparison.

Table 1: Comparison of BEAD Allocations Per Location for Western States

State	Number of BEAD Eligible Locations	BEAD allocation	BEAD allocation per Eligible Location
CA	339,822	\$1,864,136,509	\$5,485.63
AZ	164,411	\$993,112,231	\$6,040.42
ID	91,446	\$583,256,250	\$6,378.15
OR	105,652	\$688,914,932	\$6,520.60
WA	165,985	\$1,227,742,066	\$7,396.70
CO	96,065	\$826,522,650	\$8,603.79
MT	71,975	\$628,973,799	\$8,738.78
WY	38,933	\$347,877,921	\$8,935.30
UT	32,261	\$317,399,742	\$9,838.50
NV	26,869	\$416,666,230	\$15,507.32
NM	43,378	\$675,372,312	\$15,569.47

Source: [Connected Nation BEAD Tracker](#), which reflects information on published Final Proposals as approved by NTIA.

2. California's Final Proposal average deployment cost per BEAD eligible location is lower than most Western States

California's deployment cost per location is well within the bounds of reasonableness given current cost of broadband deployment. Further, neither the NOFO nor the RPN outline a specific cost per location target. California's average cost per location of \$4,449 is lower than the mean for other Western states at \$5,375, including those that have had their Final Proposal approved by NTIA despite having higher average costs per location than California. Table 2 below displays a comparison of the average cost of deployment per locations between California and other Western states.

Table 2: Average Deployment Cost Per BEAD Eligible Location Among Western States

CA	OR	WA	MT	WY	CO	NV	NM	AZ	UT	ID
\$4,449	\$5,617	\$4,421	\$4,434	\$5,146	\$4,378	\$6,504	\$8,956	\$2,760	\$6,866	\$4,666
<i>Based on California's Final Proposal as of May 2025; for other states, based on Connected Nation BEAD Tracker</i>										

3. NTIA has approved proportionate utilizations higher than California's

Deployment cost savings percentages are a function of many factors, including geography, terrain, population density, infrastructure baseline, the scale and complexity of eligible locations, and the size and suitability of the original allocation amount. None of these factors are uniform across states. While NTIA indicated it would like to see approximately 27% - 60% savings of the state's allocation, NTIA has already approved Final Proposals with a higher total deployment percentage than California. For example, Oregon used approximately 85% of its allocation, which is higher than California's utilization as of May 27, 2026. Yet Oregon's Final Proposal was approved by NTIA. California is a geographically larger state with significantly more eligible BSLs, but proportionately, it was able to accomplish 100% coverage at a lower utilization rate of its BEAD allocation and a lower cost per location.

4. Curing maintains fidelity to Notice of funding Opportunity (NOFO) and Restructuring Policy Notice (RPN) requirements

California must follow the statutory requirements of the Infrastructure Investment and Jobs Act (IIJA), the NOFO, and its Initial Proposal as modified by the RPN. NTIA approved the process outlined in the Initial Proposal, which was formally codified in CPUC decisions and a concluded and approved public comment phase.

California is obligated to fulfill the statutory requirements regarding preferred Priority Projects, to select those projects where costs are not excessive, and to ensure that all BEAD-eligible locations receive BEAD-compliant service. The CPUC has, accordingly, responded to NTIA's curing request by ensuring compliance with these requirements and preserving the integrity of the process. Not following this process as outlined in the IIJA, NOFO, Initial Proposal and RPN would constitute a preference for a specific technology based purely on costs, unrelated to the cost characteristics of the specific project area or ability to deliver Priority Project service standards.

Despite already having among the lowest costs for deployment of Western States, the CPUC directly engaged with proposed subgrantees with some of the highest cost projects and requested they review their costs to assess what

additional savings could be realized. The CPUC communicated that proposed subgrantees could reduce their BEAD award, remove costly locations, or consider other cost-saving approaches without violating the requirements for preferring Priority Projects, preserving the integrity of the selection process, and maintaining solutions for all BEAD eligible locations. In addition, the CPUC sought opportunities to remove locations using the Reason Code process where feasible, for projects where such removals could translate into reduced awards and yield a higher non-deployment ratio.

5. Summary of results

As of May 27, 2026, after several rounds of curing since the original submission of our state's Final Proposal on December 19, 2026, California was on course to utilize almost 81% of its total allocation for deployment of broadband. This was already lower than the original 85% reflected in the submitted Final Proposal from December 2025. Table 3 below outlines the proposed utilization by technology type, total eligible locations, and deployment breakdown of costs by type before we implemented the May 28, 2026 curing request.

Table 3: BEAD Deployment as of May 27, 2026 (before most recent NTIA curing)

Technology	Number of Eligible Locations	Percent of Eligible Locations	Total BEAD Funding	Percent of BEAD Deployment Cost
Fiber To The Premise (50)	142,501	42%	\$1,284,825,540	85%
Low Earth Orbit (61)	140,901	42%	\$160,418,199	11%
Unlicensed Fixed Wireless (70)	5,181	2%	\$17,827,191	1%
License Fixed Wireless (71)	556	0%	\$9,670,659	1%
License By Rule (72)	48,787	14%	\$36,367,051	2%
Grand Total	337,926	100%	\$1,509,108,640	100%

As of today, after this most recent round of curing, California was able to achieve further savings, with a Final Proposal that contemplates utilizing 76% of the state's total allocation towards deployment costs, while still reaching 100% of all eligible locations with a technology solution. These savings were driven by three main factors:

- Soliciting cost reductions or the removal of high-cost locations from proposed subgrantees
- Reconciling with recent state-funded enforceable commitments
- Implementing NTIA's direction to CPUC on June 23, 2026, to apply reason codes 3 and 5 to nearly 80K Low Earth Orbit (LEO) preliminarily awarded locations based on version 8 of the Location Fabric.

Proposed Subgrantees noted to CPUC that they were severely constrained as their costs for proposed projects were already low, and that further cutting costs in light of increasing costs for labor and materials would create a hardship. These concerns were shared with the state in writing in response to our inquiries for this curing. Additionally, California had already optimized on the objectives of the Benefit of the Bargain process delivering the lowest feasible cost per location with a smaller available budget than other states considering the number of locations that were

eligible for BEAD. Table 4 below outlines the updated and current proposed utilization by technology type, total eligible locations, and deployment breakdown of costs by type.

Table 4: BEAD Deployment Cost as of July 8, 2026 (after most recent curing)

Technology	Number of Locations	Percent of Total Locations	Total BEAD funding	Percent of BEAD Deployment Cost
Fiber To The Premise (50)	141,861	53%	\$1,274,622,143	90%
Low Earth Orbit (61)	72,937	27%	\$76,560,541	5%
Unlicensed Fixed Wireless (70)	5,181	2%	\$17,827,191	1%
Licensed Fixed Wireless (71)	556	0%	\$9,670,659	1%
License By Rule (72)	48,787	18%	\$36,367,051	3%
Grand Total	269,322	100%	\$1,415,047,585	100%

6. Request for confirmation of speedy Final Proposal approval

The CPUC has consistently and cooperatively met each of the now 7 curing requests from NTIA, including meeting cost targets requested by NTIA in previous rounds of curing. California has acted in good faith with both NTIA and proposed subgrantees in responding to this curing request.

Given the factors outlined above, the CPUC requests confirmation that curing actions have concluded, along with an anticipated timeframe for Final Proposal approval and Notice of Award. If NTIA determines that it requires specific additional actions from the State before it can provide such confirmation, the CPUC requests a formal curing with justification.

The CPUC kindly reminds NTIA that any further delays in approving our Final Proposal have cascading effects to proposed subgrantees. In addition, curing activities require BEAD and CPUC-mandated activities and public transparency around NTIA-imposed alterations to its selection process and award results, and puts preliminary awards at risk as the protracted Final Proposal approval process alters the economic viability of projects in light of increasing costs and supply chain challenges.

Sincerely,



Maria I. Ellis

Director of Broadband Initiatives

Authorized Organizational Representative

California Public Utilities Commission