



NOFO SUMMARY

Broadband Equity, Access and Deployment (BEAD) Program- \$42.5 billion to expand high-speed internet access by funding planning, infrastructure deployment and adoption programs.

Key Dates

- Completed Letters of Intent must be received by NTIA through the application portal **no later than 11:59 p.m. Eastern Daylight Time (EDT) on July 18, 2022.**
- Upon submission of the Letter of Intent, the Point of Contact for each Eligible Entity may request Initial Planning Funds through the application portal.
- If the Eligible Entity requests Initial Planning Funds, it must submit an application for Initial Planning Funds by 11:59 p.m. Eastern Daylight Time (EDT) August 15, 2022, and a Five-Year Action Plan **within 270 days of receipt of Initial Planning Funds.**
- **Eligible Entities will have 180 days from receipt of the Notice of Available Amounts to develop and submit an Initial Proposal**, which will, among other things, describe the competitive process the Eligible Entity proposes to use to select subgrantees to construct broadband projects.

Application Submission Address

- Complete Letters of Intent, Requests for Initial Planning Funds, Five-Year Action Plans, Initial Proposals, and Final Proposals must be submitted electronically through NTIA's online application portal, available at <https://grants.ntia.gov/>.

Anticipated Funding Amounts

- Minimum Initial Allocation- Each State is eligible to receive a minimum of \$100,000,000 and each Territory is eligible to receive a minimum of \$25,000,000.
- **Each State may request up to \$5,000,000 of its minimum allocation in Initial Planning Funds.** American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands each are eligible to receive a minimum allocation of \$25,000,000. Each of those territories may request up to \$1,250,000 of its minimum allocation in Initial Planning Funds
- After the publication of broadband coverage maps being prepared by the Federal Communications Commission (Broadband DATA Maps), which will be used to determine the number of unserved locations in every State and Territory, NTIA will notify Eligible Entities of their total funding allocations.
- High-Cost Allocation- The "High-Cost Allocation" for each Eligible Entity will be calculated by (i) dividing the number of unserved locations in high-cost areas in the Eligible Entity by the total number of unserved locations in high-cost areas in the United States and (ii) multiplying the

quotient obtained by \$4.245 billion. NTIA will provide further information regarding its designation of high-cost areas in future guidance and/or related documents.

- Remaining Funds Allocation- The funds remaining after subtracting each of (i) the total Minimum Initial Allocations; and (ii) the total High-Cost Allocation from \$41,601,000,000 are the “Remaining Funds.”
- Each Eligible Entity’s Remaining Funds Allocation shall be computed by dividing the number of unserved locations in the Eligible Entity by the total number of unserved locations in the United States and multiplying the result by the Remaining Funds.

Main Points to Highlight

- Speeds:
 - Unserved locations (No access to 25/3 Mbps) and Underserved locations (No access to 100/20 Mbps)
 - The Program’s principal focus will be on deploying broadband service to unserved locations (those without any broadband service at all or with broadband service offering speeds below 25 megabits per second (Mbps) downstream/3 Mbps upstream) and underserved locations (those without broadband service offering speeds of 100 Mbps downstream/20 Mbps upstream).
 - Eligible Entities that demonstrate they will be able to ensure service to all unserved and underserved locations will be free to propose plans that use remaining funds in a wide variety of ways, but **NTIA underscores its strong preference that Eligible Entities also ensure deployment of gigabit connections to community anchor institutions such as libraries and community centers that lack such connectivity.**
 - With respect to the deployment of last-mile broadband infrastructure, the **Program prioritizes projects designed to provide fiber connectivity directly to the end user.**
- Pro Fiber in BEAD:
 - **NTIA has determined that “Priority Broadband Projects” are those that use end-to-end fiber-optic architecture.** Only end-to-end fiber will “ensure that the network built by the project can easily scale speeds over time to ... meet the evolving connectivity needs of households and businesses” and “support the deployment of 5G, successor wireless technologies, and other advanced services.”
 - Moreover, new fiber deployments will facilitate the deployment and growth of 5G and other advanced wireless services, which rely extensively on fiber for essential backhaul.
- Streamlining and Barriers to Deployment:
 - Initial Proposal- An Eligible Entity may submit only a single Initial Proposal. The Initial Proposal must, at a minimum include:
 - #14 on the list- Identify steps that the Eligible Entity will take to reduce costs and barriers to deployment, promote the use of existing infrastructure, promote and adopt dig-once policies, streamlined permitting processes and cost-

effective access to poles, conduits, easements, and rights of way, including the imposition of reasonable access requirements.

- Final Proposal- An Eligible Entity may submit only one final proposal. The Final Proposal must include, at a minimum:
 - #11 on the list- Implementation status of plans described in the Initial Proposal related to: a. Steps that the Eligible Entity has taken or intends to take to promote streamlined permitting processes and cost-effective access to poles, conduits, easements, and rights of way, including the imposition of reasonable access requirements
- Wholesale / Open Access Language:
 - Additional Prioritization Factors. Eligible Entities may develop additional secondary criteria to be given weights that align with Eligible Entity and local priorities, subject to the requirement to give the greatest weight to the primary criteria and the approval of the Assistant Secretary in the Initial and Final Proposal process. In particular, NTIA encourages Eligible Entities to incorporate the following as selection criteria:
 - **Open Access.** NTIA encourages Eligible Entities to adopt selection criteria promoting subgrantees' provision of open access wholesale last-mile broadband service for the life of the subsidized networks, on fair, equal, and neutral terms to all potential retail providers.
 - NOFO defines the term "Open Access" as the offer of broadband service to wholesale customers on a nondiscriminatory basis and at a discount off of retail prices equal to costs that are avoided when a broadband provider sells service to wholesale customers.
 - Interconnection Requirements and Wholesale Access:
 - Any subgrantee receiving funds to deploy Middle Mile Infrastructure under this Program in connection with service to an Unserved Service Project or an Underserved Service Project shall permit other broadband service providers to interconnect with its funded Middle Mile Infrastructure network facilities on a just, reasonable, and nondiscriminatory basis.
 - An Eligible Entity awarding funds for construction of Middle Mile Infrastructure shall require the subgrantee, via contract or other binding mandate, to allow such interconnection at any technically feasible point on the Middle Mile Infrastructure network (without exceeding current or reasonably anticipated capacity limitations). This duty includes, at a minimum, the physical interconnection of the subgrantee's Middle Mile Infrastructure to a requesting party's facilities for the exchange of traffic. In addition, subgrantees shall connect to the public internet directly or indirectly and provide requesting parties with an ability to connect to the internet. Rates and terms for interconnection shall be reasonable and nondiscriminatory.

- In selecting subgrantees for last-mile deployments to Unserved Service Projects and Underserved Service Projects, **NTIA encourages Eligible Entities to give preference to prospective subgrantees who commit to offering wholesale broadband services at rates and terms that are reasonable and nondiscriminatory.**
- Affordability Option:
 - **Each Eligible Entity must include in its Initial and Final Proposals a middle-class affordability plan to ensure that all consumers have access to affordable high-speed internet.** We expect that Eligible Entities will adopt diverse strategies to achieve this objective. For example, some Eligible Entities might require providers receiving BEAD funds to offer low-cost, high-speed plans to all middle-class households using the BEAD-funded network.
- Build America Provision:
 - Under the Build America, Buy America Act and the Buy America Guidance issued by the Office of Management and Budget on April 18, 2022, 100 the Secretary of Commerce (Secretary) may waive the application of this preference when (1) applying the domestic content procurement preference would be inconsistent with the public interest; (2) types of iron, steel, manufactured products, or construction materials are not produced in the United States in sufficient and reasonably available quantities or of a satisfactory quality; or (3) the inclusion of iron, steel, manufactured products, or construction materials produced in the United States will increase the cost of the overall project or other eligible activities by more than 25 percent. **Consistent with the waiver principles detailed in Sec. 70921(b)(1) of the Build America, Buy America Act and the Buy America Guidance, the Secretary will seek to minimize waivers, and any waivers will be limited in duration and scope.**
 - In addition to the provisions above, subgrantees may not use BEAD funding to purchase or support any covered communications equipment or service, as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019.
 - Additionally, **the Infrastructure Act expressly prohibits subgrantees from using BEAD funding to purchase or support fiber optic cable and optical transmission equipment manufactured in the People’s Republic of China unless a waiver of this requirement is received from the Assistant Secretary.** Waivers of the ban on Chinese-made fiber will be based on a demonstration from the Eligible Entity that application of this prohibition would unreasonably increase the cost of or delay the project or other eligible activities. Waiver applicants will need to provide concrete evidence of this circumstance and will be held to a high burden of proof.

Other Items to Highlight:

Timing and Schedule

- NTIA will review Initial Proposals as expeditiously as possible. Once an Initial Proposal is approved, NTIA will make available to the Eligible Entity not less than 20 percent of the total grant funds allocated to the Eligible Entity.
- An Eligible Entity may initiate its competitive subgrantee selection process upon approval of its Initial Proposal and will have up to one year to conduct additional local coordination, complete the selection process, and submit a Final Proposal to NTIA.
- After the Eligible Entity has selected subgrantees and otherwise executed its approved Initial Proposal, it will submit to NTIA a Final Proposal describing how it complied with that Initial Proposal and the results of its processes. NTIA will award the remaining funds allocated to the Eligible Entity upon approval of the Eligible Entity's Final Proposal, and Eligible Entities will initiate their subgrants for the remaining 80 percent of funding and any portion of the original 20 percent that the Eligible Entity has not yet awarded as a subgrant.
- **NTIA will make up to \$41,601,000,000 available** for federal assistance under the Broadband Equity, Access, and Deployment Program.

Cost Sharing or Matching

- Except in certain specific circumstances described herein (including projects in designated "high-cost areas" and other cases in which NTIA has waived the matching requirement), in the context of subgrants used to fund broadband network infrastructure deployment, **each Eligible Entity shall provide, require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs.**
- Funds from other Federal programs (including funds from the Commission's Universal Service Fund programs) generally may not be used as matching funds; however, the Infrastructure Act expressly provides that matching funds for the BEAD Program may come from a federal regional commission or authority and from funds that were provided to an Eligible Entity or a subgrantee for the purpose of deploying broadband service under the Families First Coronavirus Response Act; the CARES Act, the Consolidated Appropriations Act, 2021; or the American Rescue Plan Act of 2021, to the extent permitted by those laws.

Challenge Process

- After submission of its Initial Proposal and before allocating BEAD funds received for the deployment of broadband networks to subgrantees, an Eligible Entity must conduct a challenge process. Under this process, a unit of local government, nonprofit organization, or broadband service provider can challenge a determination made by the Eligible Entity in the Initial Proposal as to whether a particular location or community anchor institution within the jurisdiction of the Eligible Entity is eligible for the grant funds, including whether a particular location is unserved or underserved, and Eligible Entities must submit any successful challenges to NTIA for review and approval.

Subgrantee Selection Process

Each Eligible Entity must establish fair, open, and competitive processes for selecting subgrantees.

- The selection of subgrantees is a critically important process that will determine which providers will bring service to all Americans, and in many cases, which entities will stand up and operate training programs and take other actions aimed at closing the digital divide.
- Eligible Entities' selection processes must be made clear to potential subgrantees and must be described in the Eligible Entity's Initial Proposal and Final Proposal.
- Each Eligible Entity is encouraged to invite participation in the process by a broad cross-section of potential subgrantees, including minority-owned business and other socially or economically disadvantaged individual-owned businesses.
- In establishing a fair, open, equitable, and competitive selection process, each Eligible Entity must ensure that adequate safeguards are in place to protect the integrity of the competition, including safeguards against collusion, bias, conflicts of interest, arbitrary decisions, and other factors that could undermine confidence in the process.
- Last-Mile Broadband Deployment Projects- When selecting subgrantees to provide broadband service to Unserved Service Projects, Underserved Service Projects, and Eligible Community Anchor Institutions ("last-mile broadband deployment projects"), each Eligible Entity must apply a process that abides by principles.
- An Eligible Entity may choose its own means of competitively selecting subgrantees for lastmile broadband deployment projects, subject to approval by the Assistant Secretary (during review of the Eligible Entity's Initial Proposal). Each Eligible Entity's subgrantee selection process must, however, incorporate the following principles to satisfy the Infrastructure Act's mandates and the BEAD Program's goals.
- NTIA has determined that "**Priority Broadband Projects**" are those that use **end-to-end fiber-optic architecture**. Only end-to-end fiber will "ensure that the network built by the project can easily scale speeds over time to ... meet the evolving connectivity needs of households and businesses" and "support the deployment of 5G, successor wireless technologies, and other advanced services."
- Moreover, new fiber deployments will facilitate the deployment and growth of 5G and other advanced wireless services, which rely extensively on fiber for essential backhaul.

Primary Criteria

In deciding among competing Priority Broadband Projects covering the same location or locations, Eligible Entities must give the greatest weight (e.g., substantial points or credits) to the following criteria:

- Minimal BEAD Program Outlay. The total BEAD funding that will be required to complete the project, accounting for both total projected cost and the prospective subgrantee's proposed match (which must, absent a waiver, cover no less than 25 percent of the project cost), with the

specific points or credits awarded increasing as the BEAD outlay decreases. In comparing the project's BEAD outlay and the prospective subgrantee's match commitments, Eligible Entities should consider the cost to the Program per location while accounting for any factors in network design that might make a project more expensive, but also more scalable or resilient.

- **Affordability.** The prospective subgrantee's commitment to provide the most affordable total price to the customer for **1 Gbps/1 Gbps service** in the project area.
- **Fair Labor Practices.** Eligible Entities must give priority to projects based on a prospective subgrantee's demonstrated record of and plans to be in compliance with Federal labor and employment laws. New entrants without a record of labor and employment law compliance must be permitted to mitigate this fact by making specific, forward-looking commitments to strong labor and employment standards and protections with respect to BEAD-funded projects. This prioritization requirement is described in further detail in Section IV.C.1.e of this NOFO.

Secondary Criterion

Eligible Entities must also give weight (e.g., some number of points or quantity of credits less than the amount given to the criteria above) to the following criterion:

- **Speed to Deployment.** All subgrantees that receive BEAD Program funds for network deployment must deploy the planned broadband network and begin providing services to each customer that desires broadband services within the project area not later than four years after the date on which the subgrantee receives the subgrant from the Eligible Entity. Eligible Entities must give secondary criterion prioritization weight to the prospective subgrantee's binding commitment to provide service by an earlier date certain, subject to contractual penalties to the Eligible Entity, with greater benefits awarded to applicants promising an earlier service provision date.
- **Speed of Network and Other Technical Capabilities.** Eligible Entities must weigh the speeds, latency, and other technical capabilities of the technologies proposed by prospective subgrantees seeking to deploy projects that are not Priority Broadband Projects. Applications proposing to use technologies that exhibit greater ease of scalability with lower future investment (as defined by the Eligible Entity) and whose capital assets have longer useable lives should be afforded additional weight over those proposing technologies with higher costs to upgrade and shorter capital asset cycles.
- **Additional Prioritization Factors.** Eligible Entities may develop additional secondary criteria to be given weights that align with Eligible Entity and local priorities, subject to the requirement to give the greatest weight to the primary criteria and the approval of the Assistant Secretary in the Initial and Final Proposal process. In particular, NTIA encourages Eligible Entities to incorporate the following as selection criteria:
 - **Equitable Workforce Development and Job Quality.** NTIA encourages Eligible Entities to adopt selection criteria relating to the subgrantee's enforceable commitments with respect to advancing equitable workforce development and job quality objectives, see Section IV.C.1.f of this NOFO.
 - **Open Access.** NTIA encourages Eligible Entities to adopt selection criteria promoting subgrantees' provision of open access wholesale last-mile broadband service for the life

of the subsidized networks, on fair, equal, and neutral terms to all potential retail providers.

- Local and Tribal Coordination. NTIA encourages Eligible Entities to adopt selection criteria reflecting a prospective subgrantee's support from the local and/or Tribal Government with oversight over the location or locations to be served.
- 20 Percent Funding Release and Eligible Uses If the Assistant Secretary determines that the Initial Proposal meets the standards set forth in Section IV.B.5.c, the Assistant Secretary shall make available to the Eligible Entity 20 percent of the grant funds that were allocated to the Eligible Entity, or a higher percentage at the sole discretion of the Assistant Secretary, for uses as described in Section IV.B.3 of this NOFO.

Eligible Entity Obligations

- Consider All Provider Types- Competition among broadband providers has the potential to offer consumers more affordable, high-quality options for broadband service. As required by the Infrastructure Act, in awarding subgrants for the deployment of a broadband network using grant funds, Eligible Entities **may not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments (“potential providers”) from eligibility for grant funds.**
- In determining whether to approve an Eligible Entity's Initial or Final Proposal, NTIA will consider whether the Eligible Entity has, after the enactment of the Infrastructure Act, adopted new laws, regulations, policies, procedures or any other form of rule or restriction that, in the determination of NTIA, seeks to exclude or has the effect of excluding any potential providers from eligibility for its subgrant competition. This could include new laws that have the effect of excluding providers from offering broadband service or rendering them incapable of effectively competing for subgrants.
- Each Eligible Entity must develop a comprehensive local coordination approach that will begin in the development of the Five-Year Action Plan and continue at each stage of the BEAD Program through the awarding of all subgrant funding.
- **Local and Tribal coordination and stakeholder engagement is critical to the BEAD Program's success, to eliminating barriers to broadband access and adoption, and to rapidly and economically building out new broadband networks.** NTIA views strong involvement between Eligible Entities and local and Tribal communities as key to ensuring that the broadband needs of all unserved and underserved locations and underrepresented communities are accounted for in Initial and Final Plans.

Obligations for Subgrantees Deploying Network Projects

Eligible Entities shall ensure that any subgrant agreement for a Funded Network permits the subgrantee to use the subgrant to deploy broadband infrastructure in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of a project providing broadband service to an unserved location, underserved location, or Eligible Community Anchor Institution.

Speed and Latency Testing

- To ensure that Funded Networks meet current and future use cases and to promote consistency across federal agencies, NTIA adopts the compliance standards and testing protocols for speed and latency established and used by the Commission in multiple contexts, including the Connect America Fund and the Rural Digital Opportunity Fund. In order to demonstrate continued compliance with these standards, subgrantees must perform speed and latency tests from the customer premises of an active subscriber to a remote test server at an end-point consistent with the requirements for a Commission-designated IXP.

Deployment Deadlines and Benchmarks Eligible

- Entities shall ensure that each subgrantee deploys its Funded Networks and begins providing broadband service to each customer that desires broadband service not later than four years after the date on which the subgrantee receives the subgrant for the applicable network.
- Eligible Entities shall establish interim buildout milestones, enforceable as conditions of the subgrant, sufficient to ensure that subgrantees are making reasonable progress toward meeting the four-year deployment deadline.
- Eligible Entities may, following consultation with the NTIA and with the approval of the Assistant Secretary, extend the deadlines under this subparagraph if the Eligible Entity reasonably determines that (i) the subgrantee has a specific plan for use of the grant funds, with project completion expected by a specific date not more than one year after the four-year deadline; (ii) the construction project is underway; or (iii) extenuating circumstances require an extension of time to allow the project to be completed.