



Obligations for Subgrantees Deploying Network Projects

Guidance

U.S. Department of Commerce
National Telecommunications and Information Administration





Disclaimer

The Broadband Equity, Access & Deployment (BEAD) Program¹ provides federal funding to make grants to Eligible Entities for broadband planning, deployment, and mapping. The following guide is intended to clarify and provide guidance on information set forth in the Notice of Funding Opportunity (NOFO) released on May 13, 2022.

The below guide is for informational purposes only and is intended solely to assist potential applicants in better understanding the NTIA BEAD Program and the application requirements set forth in the NOFO for this program. This guide does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of a BEAD award, or the specific application requirements set forth in the NOFO. In all cases, statutory and regulatory mandates, the terms and conditions of a particular BEAD award, and the requirements set forth in the NOFO, shall prevail over any inconsistencies contained in the below guide.

¹ Authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 (November 15, 2021).



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Introduction

Purpose of This Guide

This document is structured to serve as a comprehensive guide for subgrantees navigating the requirements of the Broadband Equity, Access and Deployment (BEAD) Program. The BEAD Notice of Funding Opportunity (NOFO) categorizes the Infrastructure Act’s programmatic requirements for subgrantees to include the following:

Network Capabilities: This section delves into the technical requirements, including performance measurement (speed & latency) and resilience against networks outages.

Deployment Requirements: This section outlines the procedural and operational standards for broadband deployment.

Service Obligations: This section addresses the subgrantees’ commitments to affordability, consumer protection, and service accessibility.

Notes: While the Infrastructure Investment and Jobs Act (IIJA) and the BEAD NOFO set the foundational requirements for network deployment and service obligation, Eligible Entities (*i.e.*, States and Territories) have the authority to impose additional conditions to address local needs, enhance service quality, or promote broader policy objectives. For example, an Eligible Entity could require that a certain percentage of the workforce hired to build a BEAD-funded network be residents of the local area in order to boost local employment and ensure economic benefits remain within the community. Eligible Entities must include all of these foundational requirements for network deployment and service obligation in their agreements with Subgrantees. Prospective subgrantees should understand both the requirements set by IIJA and the BEAD NOFO and those detailed by their Eligible Entity in order to prepare to apply for BEAD funding.

The Best Practices outlined in this document are example strategies of some of the ways a subgrantee can ensure compliance with BEAD requirements but are not a comprehensive list or set of additional requirements.

Importance of Understanding Subgrantee Obligations

For prospective subgrantees interested in pursuing BEAD grants for deploying broadband infrastructure, understanding the Program’s obligations and requirements is important to the success of the Program. These obligations ensure that projects not only comply with program standards for quality and efficiency, but also align with the overarching goals of inclusivity and accessibility. A complete understanding of these responsibilities will facilitate compliance with federal regulations, optimize the use of allocated funds, and maximize the impact of broadband deployment efforts.

Understanding Subgrantee Obligations

Network Capabilities (BEAD NOFO Section IV.C.2.a – Page 64)

Speed and Latency

Requirement

The BEAD NOFO requires Funded Networks to deliver speeds of not less than 100 Mbps for downloads and 20 Mbps for uploads for broadband serviceable locations; speeds of not less than 1 Gigabit symmetrical for CAIs; and 95 percent of latency measurements during testing windows to fall at or below 100 milliseconds round trip time. These standards are critical for supporting modern applications and services that require high-speed and low-latency connections.

More information can be found in *Section IV.C.2.a.i – page 64* of the BEAD NOFO.

Guidance

Subgrantees should deploy robust network infrastructure and schedule regular performance testing to ensure that the network can consistently meet or exceed the performance standards. NTIA will provide additional guidance regarding the required performance testing for last-mile broadband infrastructure.

Network Outages

Requirement

Subgrantees must have protocols in place to ensure each Funded Network's outages do not exceed, on average, 48 hours over any 365-day period except in the case of natural disasters or other force majeure occurrence.

More information can be found in *Section IV.C.2.a.ii – page 65* of the BEAD NOFO.

Guidance

Subgrantees should develop a comprehensive outage management plan that includes preventive maintenance schedules, quick response teams for outage resolution, and clear communication channels for informing customers about outages and expected restoration times.

Best Practices:

1. **Preventive Maintenance:** A Subgrantee schedules regular maintenance during off-peak hours to check and replace aging components, aiming to prevent unplanned outages. They use predictive analytics to identify parts of the network that are at risk of failing and address them proactively.
2. **Rapid Response Protocol:** The ability to quickly recover from service disruptions is important for maintaining broadband service reliability. In the event of an outage, a Subgrantee activates an emergency response team that is trained to quickly diagnose and fix network issues. They also have a customer service protocol to inform affected users via SMS and social media, providing updates every 30 minutes until the issue is resolved.

Deployment Requirements (BEAD NOFO Section IV.C.2.b – Page 65)

Deployment Deadlines and Benchmarks

Requirement

Subgrantees must deploy Funded Networks and start service to each customer that desires it no later than four years after receiving the subgrant, meeting interim buildout milestones established by the Eligible Entity to ensure progress. Eligible Entities must set clear interim milestones and enforce them as conditions of the subgrant.

More information can be found in *Section IV.C.2.b.i of the BEAD NOFO – page 65* of the BEAD NOFO.

Guidance

Subgrantees are required to adhere to specific deployment schedules, ensuring the network is operational within the stipulated time. Subgrantees should regularly report progress to their respective State or Territory in alignment with the monitoring requirements detailed by the Eligible Entity in their subgrantee agreements.

Extensions to the four-year deployment deadline may be granted by the Assistant Secretary as described in the NOFO. However, NTIA does not intend to issue waivers for the BEAD program as a standard practice.

Best Practices:

1. **Fiber Deployment:** Establish clear benchmarks that are easily measurable, such as miles of fiber deployed per unit of time. Project timelines should factor in time-consuming gating items such as local permitting, and underground utility locating.
2. **Fixed Wireless Rollout:** For a fixed wireless network covering remote areas, a Subgrantee might have a set deadline with annual milestones defined by the respective Eligible Entity to activate new towers periodically.

Conduit Access Points

Requirement

Underground network deployments must include excess conduit capacity and regular conduit access points for interconnection by others.

More information can be found in *Section IV.C.2.b.ii – page 66* of the BEAD NOFO.

Guidance

Prospective subgrantees should propose a plan for the placement and interval of conduit access points in their applications, ensuring enough capacity for future expansion and access.

Best Practices:

1. **Citywide Broadband Expansion:** In deploying broadband across a large city, a Subgrantee integrates conduit access points every 300 meters to facilitate easy access for municipal services and future Subgrantees.
2. **Highway Fiber Installation:** Installing fiber along a state highway, the Subgrantee sets up conduit access points at regular intervals and at locations where there is high probability to provide future service, such as at rest areas to allow for potential public Wi-Fi services and state traffic management connectivity.

Service Obligations (BEAD NOFO Section IV.C.2.c – Page 66)

Affordability and Low-Cost Plans

Requirement

Prospective subgrantees are required to offer at least one low-cost broadband service option, as defined by the relevant Eligible Entity. The low-cost broadband service option must be made available to eligible subscribers for the useful life of the network asset² (i.e., the federal interest period, which is 10 years after the year in which the subgrant for a project has been closed out).³

More information can be found in *Section IV.C.2.c.i – page 66* of the BEAD NOFO and the BEAD Uniform Guidance Policy Notice.

Guidance

Prospective subgrantees should develop a pricing strategy that complies with at least one of the relevant Eligible Entity’s low-cost broadband service options. The Eligible Entity’s definition of a low-cost service option will detail:

- (1) All recurring charges to the subscriber, as well as any non-recurring costs or fees to the subscriber,
- (2) The plan’s basic service characteristics (download and upload speeds, latency, any limits on usage or availability, and any material network management practices),
- (3) Whether a subscriber may use any Affordable Connectivity Benefit subsidy toward the plan’s rate,
- (4) Any provisions regarding the subscriber’s ability to upgrade to any new low-cost service plans offering more advantageous technical specifications.

Best Practices:

1. **Targeted Plan Offerings - Speed:** A Subgrantee offers a plan that meets or exceeds the Eligible Entity’s required service speeds for the low-cost broadband service option.
2. **Targeted Plan Offerings - Price:** A Subgrantee offers a pricing plan at or below the Eligible Entity’s required pricing for the low-cost broadband service option that is made available to eligible subscribers.
3. **Community Outreach:** The Subgrantee partners with local community centers and social service organizations to hold monthly sign-up drives, ensuring that information about the low-cost broadband service option reaches eligible households.

Consumer Protection

Requirement

Prospective subgrantees are prohibited from imposing data usage caps on any BEAD-funded networks or imposing unjust or unreasonable network management practices.

More information can be found in *Section IV.C.2.c.ii – page 68* of the BEAD NOFO.

² The [BEAD IPFR General Terms and Conditions](#) clarifies that the “useful life” coincides with the “Federal Interest Period” in Term 48, which states: “For the purposes of this award, the useful life of the real property or equipment acquired or improved using BEAD funds shall coincide with the Federal Interest Period as defined in Term 49 below.” Term 49 defines the Federal Interest Period as 10 years.

³ The Federal Interest Period is defined as 10 years per the [BEAD Uniform Guidance Policy Notice](#).



Guidance

Prospective subgrantees should implement clear and transparent billing practices and customer agreements. They should establish a responsive customer service department to provide effective complaint resolution. Additionally, prospective subgrantees should comply with relevant data protection laws and regulations and implement security measures to protect consumer data from unauthorized access or breaches.

Best Practices:

1. **Transparent Billing:** A Subgrantee provides detailed monthly bills that clearly itemize service charges, equipment rentals, and any promotional discounts, with a dedicated hotline for billing inquiries. Invoices should include glossaries that explain what line items mean in plain language that customers can understand.
2. **Customer Service Protocols:** A Subgrantee has a standardized procedure for handling customer complaints and problem reporting, ensuring that all issues are addressed as soon as practicable and customers are provided with regular progress updates, an escalation path and informed when the problem is resolved.

Access to Service

Requirement

Subgrantees are required to provide consumers of BEAD-funded networks with reasonable and non-discriminatory terms and conditions.

More information can be found in *Section IV.C.2.c.iii – page 68* of the BEAD NOFO.

Guidance

Subgrantees should establish reasonable, feasible timelines and procedures for customer installations, ensuring that these processes are not overly complicated, unnecessarily delayed, or discriminatory. Subgrantees must provide equitable access to all individuals regardless of economic or demographic factors.

Best Practices:

1. **Accessibility Features:** A Subgrantee includes features such as voice-activated controls and screen reader compatibility for services offered to households with visually impaired members.
2. **Multilingual Support:** Customer service is available in multiple languages common to the service area, and the Subgrantee's website offers translation options for all informational and billing content.
3. **Standard Installation:** Subgrantees should initiate service for its standard installation fee within 10 business days of a request from any consumer in the BEAD-funded network's service.

Public Notice

Requirement

Subgrantees are required to conduct public awareness campaigns aimed at increasing broadband adoption. Campaigns must include details on the low-cost service option, federal subsidies for low-income households, and be conducted in an equitable and non-discriminatory manner.

Each Eligible Entity shall require each prospective subgrantee seeking to deploy or upgrade network facilities to explain in its application how it intends to notify relevant populations of the new or newly upgraded offerings available in each area. Such proposals shall be designed in a manner that reflects any unique needs of the specific demographics of the area at issue.

More information can be found in *Section IV.C.2.c.iv – page 68* of the BEAD NOFO.

Guidance

Subgrantees should use a variety of communications channels to reach as broad an audience as possible. This includes traditional media like local television and radio, as well as digital platforms such as social media and email newsletters.

Public notices should be transparent and clearly outline what the service entails, the terms and conditions, and any eligibility criteria for promotions or special pricing.

Best Practices:

- 1. New Service Launch:** When launching a new fiber service in a neighborhood, the Subgrantee conducts a direct mail campaign and hosts a community Q&A session to inform residents about the service features, costs, and installation process.
- 2. Promotional Campaigns:** Seasonal promotions are advertised through local radio stations and social media, targeting specific demographics with tailored messaging about the benefits of upgrading or switching to the Subgrantee’s services.
- 3. Service Upgrade:** A Subgrantee planning to upgrade network infrastructure in a community uses local and social media to inform residents of the upcoming changes, expected benefits and any potential disruptions during the upgrade process.

Interconnection Requirements and Wholesale Access

Requirement

Subgrantees must ensure that their Middle Mile Infrastructure networks funded by BEAD are designed to allow interconnection with other service providers at just, reasonable, and non-discriminatory rates.

More information can be found in *Section IV.C.2.c.v – page 69* of the BEAD NOFO.

Guidance

Contracts should specify interconnection points and terms to ensure fairness and promote competition. Subgrantees must adhere to any local, state or federal regulations governing interconnection. Additionally, it is important to align with industry standards for pricing and technical specifications. All requests for interconnection agreements should be treated fairly and the terms and conditions must not favor one party over another.

Best Practices:

- 1. Urban Network Expansion:** A city-funded broadband service sets up multiple interconnection points at major network hubs across the city. It offers standardized rates and technical support for new Subgrantees looking to connect their services.
- 2. Rural ISP Collaboration:** A rural broadband provider funded by BEAD establishes a reciprocal interconnection agreement with a national carrier. This agreement includes defined technical parameters and support services to facilitate seamless data exchange and enhance service reliability for rural users.

Cybersecurity and Supply Chain Risk Management

Requirement

Prospective subgrantees must attest to having cybersecurity and supply chain risk management plans in place, or ready to be operationalized, that reflect the National Institute of Standards and Technology (NIST) cybersecurity and supply chain risk management framework.

More information can be found in *Section IV.C.2.c.vi – page 70* of the BEAD NOFO.

Guidance

Prospective subgrantees should implement robust cybersecurity measures and manage supply chain risks to protect the integrity, reliability, and security of the broadband infrastructure. This includes adhering to national cybersecurity standards and ensuring that all hardware and software components are secure and sourced from reputable suppliers.

Best Practices:

- 1. Implementing Advanced Threat Detection Systems:** A Subgrantee deploys a comprehensive threat detection system that continuously monitors network traffic for signs of unauthorized access or anomalies. They also conduct regular penetration testing to evaluate the effectiveness of existing security measures.
- 2. Securing the Software Supply Chain:** A Subgrantee establishes a protocol for software acquisition that includes validation of software integrity through cryptographic signatures and sourcing from vendors that comply with an internationally recognized cybersecurity framework.
- 3. Training and Incident Response Drills:** A Subgrantee organizes recurring cybersecurity training for all network operations staff and conducts simulated cyber-attack drills to prepare the team for real incident response. This helps to reduce response times and improves the overall resilience of network operations.