

Understanding the BEAD Restructuring Policy Notice



2025.06.13

Policy Disclaimer

This document is intended solely to assist recipients in better understanding the Broadband Equity Access and Deployment (BEAD) Program and the requirements set forth in the Infrastructure Investment and Jobs Act, Notice of Funding Opportunity (NOFO), and BEAD Restructuring Policy Notice. The BEAD Restructuring Policy Notice modifies and replaces certain requirements outlined in the BEAD NOFO. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of the award, or the specific application requirements set forth in the NOFO not modified by the Policy notice. In all cases, statutory and regulatory mandates, the terms and conditions of the award, and follow-on policies and guidance, shall prevail over any inconsistencies contained in this document.

Agenda

- Goals of New Policy Notice
- Policy Notice Walk Through
- Eligible Entity Next Steps



Goals of New Policy Notice

Goals of New Policy Notice

- Emphasize IJJA by reducing non-statutory NOFO requirements
- Streamline the BEAD process
- Prioritize technology neutral solutions
- Increase marketplace competition
- Reduce costs and speed deployment
- Prevent overbuild

Policy Notice Walk Through

Reviews major program shifts and compares and contrasts the NOFO & PN

Policy Notice Sections

- Elimination of Regulatory Burdens
- Technology Neutrality
 - Priority Broadband Projects
 - Technologies Eligible for Participation
 - The Benefit of the Bargain Round (Subgrantee Selection)
 - Scoring Rubrics
- Optimizing BEAD Locations
- Non-Deployment Funding & Permitting
- Alignment with Prior Guidance
- Modification of Initial and Final Proposals



Elimination of Regulatory Burdens

Emphasizes IJA by reducing non-statutory NOFO requirements, streamlines the BEAD process

Regulatory Burdens

- The PN eliminates "burdensome and non-statutory requirements"
- Eligible Entities (EEs) are prohibited from imposing any of the obligations removed by this PN on subgrantees or in application scoring, subgrantee agreements, and subgrantee reporting
- If a state law conflicts with a requirement of this PN, EEs may seek a waiver of that requirement from the Assistant Secretary

Labor, Employment, and Workforce Development Requirements

Removes and Streamlines BEAD NOFO Requirements

Removed NOFO Sections

- **IV.C.1.e-g**
 - Labor, workforce, civil rights, and nondiscrimination
- **IV.B.5.b.11-13** (IP requirements)
- **IV.B.9.b.11.b-c** (FP requirements)
- **VII.E.2.9.12.a-b** (Reporting requirements)
- **VII.D.7**
 - Contracting with minority, women owned and labor surplus firms

Policy Notice Impacts

- **Removes** all EE and subgrantee requirements in these sections, except the IIJA requirement for subgrantees to comply with federal labor and employment laws
- **Streamlines** the application; applicants are only required to certify they comply with all federal labor and employment laws
 - If state law imposes additional labor and employment obligations, an EE must seek a waiver

EEs must still comply with 2 C.F.R. §200.321, which outlines rules regarding contracting with specific entities, such as minority and veteran owned businesses.

Climate Resiliency Requirements

Removes BEAD NOFO Requirements and Acknowledges IIJA Requirements

Removed NOFO Sections

- **IV.C.1.h** - Climate Resilience
 - Describes EEs' obligations to conduct climate related analyses and encourages engagement with NOAA for weather or climate analysis
- **IV.B.5.b.15** (IP Requirements)
- **IV.B.9.b.11.e** (FP Requirements)

Policy Notice Impacts

- **Removes** all EE and subgrantee requirements in these sections
- **Acknowledges** that subgrantees can meet the IIJA requirement to 'incorporate best practices defined by NTIA for ensuring reliability and resilience of broadband infrastructure' by...
 - Establishing risk management plans that account for technology infrastructure reliability and resilience
 - In other words, complying with the "Cybersecurity and Supply Chain Risk Management" section of the NOFO (IV.C.2.c.vi)

Open Access and Net Neutrality

Reduces and Removes BEAD NOFO Requirements and Acknowledges IIJA Requirements

Removed NOFO Sections

- **IV.C.2.b.ii - Conduit Access Points**
 - Requires applicants to provide regular conduit access points and a reasonable amount of excess capacity in applications
- **IV.C.2.c.ii - Consumer Protections**
 - Describes a prohibition on data caps and unjust or unreasonable network management practices
- **IV.C.2.c.v - Interconnection Requirements & Wholesale Access**
 - Required subgrantees to let other ISPs connect to BEAD-funded Middle Mile

Policy Notice Impacts

- **Scales back** requirements in IV.C.2.b.ii to align with IIJA, which only requires, "Any project that involves laying fiber optic cables or conduit underground or along a roadway, shall include interspersed conduit access points at regular and short intervals."
- **Removes** all EE and subgrantee requirements in:
 - IV.C.2.c.ii (Consumer Protections)
 - IV.C.2.c.v (Interconnection Requirements and Wholesale Access)

Local Coordination and Stakeholder Engagement

Reduces and Removes BEAD NOFO Requirements and Acknowledges IIJA Requirements

Removed NOFO Sections

- **IV.C.1.c - Local Coordination**
 - Requires EEs to develop, execute, and report local coordination approaches; describes NTIA evaluation of approach
- **IV.C.2.c.iv - Public Notice**
 - Requires subgrantees to carry out public awareness campaigns
- **IV.B.5.b.4 (IP Requirements)**
- **IV.B.9.b.5 (FP Requirements)**

Policy Notice Impacts

- Removes all EE and subgrantee requirements in these NOFO sections
- Clarifies that EEs can meet the statutory requirement to 'to adopt local coordination requirements established by NTIA' by certifying in the Final Proposal that they...
 - Observed the FP public comment requirements in the FP Guidance
 - Received plans submitted by political subdivisions up until submission of the Final Proposal to NTIA

Non-Traditional Broadband Providers

Reduces and Removes BEAD NOFO Requirements and Acknowledges IIJA Requirements

Removed NOFO Sections

- **IV.C.1.a. - Consider All Provider Types**
 - Describes how EEs may not exclude any provider type and how to navigate SGS if conflicting state laws exist
- **IV.B.5.b.18 (IP Requirements)**
- **IV.B.9.b.10 (FP Requirements)**

Policy Notice Impacts

- Removes all EE requirements in these NOFO sections
- Clarifies EEs must still comply with IIJA requirement that it "may not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility for such grant funds"

Middle Class Affordability Plan

Reduces and Removes BEAD NOFO Requirements and Acknowledges IIJA Requirements

Removed NOFO Sections

- **IV.C.2.c.i - Affordability & Low-Cost Plans**
 - Outlines that EEs are required to submit a plan focused on middle-class affordability

Policy Notice Impacts

- Removes all requirements associated with middle-class affordability, including requirements to develop, implement, and provide updates on the plan

Low-Cost Service Option

Reduces and Removes BEAD NOFO Requirements and Acknowledges IIJA Requirements

Removed NOFO Sections

- **IV.C.2.c.i - Affordability & Low-Cost Plans**
 - Requires EEs to propose a definition of "low-cost broadband service option" (LCSO) and submit it for approval in the Initial Proposal
 - Requires applicants to offer at least one LCSO in alignment with the approved definition for eligible subscribers
- **IV.B.5.b.16 (IP Requirements)**
- **IV.B.9.b.11.d (FP Requirements)**

Policy Notice Impacts

- Removes EE requirements in these sections
- Updates requirement; applicants must propose a LCSO for eligible subscribers
 - LCSO must offer at least 100/20 Mbps with latency measurements of no more than 100 milliseconds
 - If applicable, applicants may offer existing low-cost plan as BEAD LCSO
- Updates definition of "eligible subscriber"
 - Households that are eligible to enroll in the FCC Lifeline Program



Technology Neutrality

Emphasize IJA, prioritize technology neutral solutions, increase marketplace competition, and reduce costs and speed deployment

Overview of Major Shifts

- EEs must rescind all preliminary and provisional subawards
- All BEAD project areas (i.e., all BEAD-eligible BSLs) must be reopened for an additional subgrantee selection application round
- The fiber preference has been removed
 - The term 'Priority Broadband Project' is **restored to the IIJA definition** with no preference for any specific technology
- All technology types that meet BEAD technical standards (including ULFW and LEO) can apply on the same terms to serve any BEAD-eligible BSL
- Rubric criteria must focus on minimizing costs (NOFO Sec IV.B.7.b.2.i-ii eliminated)
 - IV.B.7.b.2.i-ii directed EEs how to select among competing proposals and established the required subgrantee rubric criteria

3.1 Priority Broadband Projects (PBP)

'Fiber Preference' Eliminated		Policy Notice Update
Former NOFO Definition	The term “Priority Broadband Project” means a project that will provision service via end-to-end fiber-optic facilities to each end-user premises.	<ul style="list-style-type: none">Any applicant may ask for its proposal to be treated as a PBP, regardless of technology type, if it meets all technical requirements <u>and</u> provides supporting documentation for the EE to assess that the network meets the IJA PBP standardEEs will determine if the proposal is a PBP but cannot categorically exclude any technology typePBP eligibility must be considered <u>per project area</u>
Policy Notice Definition	The term “Priority Broadband Project” means a project that: (1) provides broadband service at speeds of no less than 100 Mbps for downloads and 20 Mbps for uploads; (2) has a latency less than or equal to 100 ms; (3) can easily scale speeds over time to meet the evolving connectivity needs of households and businesses; and (4) supports the deployment of 5G, successor wireless technologies, and other advanced services.	

NTIA reserves the right to reverse an EE’s determination that a project does or does not meet the standard for a Priority Broadband Project if such determination is unreasonable.

3.2 Technologies Eligible for Participation

Expands Technology Eligibility

NOFO Technology Structure

- Reliable Broadband Technologies (RBS)
 - Fiber optic (Priority Broadband Projects)
 - Coax/hybrid fiber-coax
 - DSL
 - Terrestrial fixed wireless
 - Licensed & Licensed by Rule (including Hybrid)
- Alternative Technologies (Alt Tech)
 - ULFW
 - LEO Satellite
 - Other

Policy Notice Updates

- Removes the distinction between fiber, other RBS, and Alt Tech; all qualifying technologies apply on the same terms
- Allows any applicant to request Priority Broadband status for any project proposal
- Requires ULFW providers to demonstrate that they have taken the steps necessary to resolve interference and capacity constraints associated with the technology
 - Discussed in a later slide
- Rescinds the Alternative Technology and Selecting Technology Policy Notices



The Benefit of the Bargain Round (Subgrantee Selection)

3.3 The Benefit of the Bargain Round (Subgrantee Selection)

Understanding the Benefit of the Bargain Round(s)

- **All EEs** must conduct at least one additional SGS round for every BEAD-eligible BSL
- During this round, **all applicants** – regardless of technology type or prior participation in the program – must be allowed to apply and compete under the same terms
- Applicants that applied in previous rounds have two options for participating in this round(s):
 - **Do Nothing:** These applications will be rescored using the new rubric and may be awarded
 - **Submit a New Application** that removes costs associated with regulatory burdens, removes excessively high-cost locations, etc.

No BEAD Subgrantees can recover costs associated with eliminated regulatory burdens.

3.3 The Benefit of the Bargain Round (Subgrantee Selection)

Next Steps to Comply with the Policy Notice

- All EEs must rescind all preliminary and provisional awards, and notify applicants that another round of applications will be considered for each BSL before final awards are made
- If applicable, EEs must reopen their prequalification process:
 - EEs can choose to include prequalification submissions as a part of the application process
 - Existing pre-qualified applicants do not need to resubmit their documentation
 - Applicants who previously failed to prequalify may resubmit and try again
- EEs must remove non-statutory burdens from the application and scoring processes
- EEs must allow applicants to remove excessively high-cost locations from project areas
 - The EE must solicit bids from other potential applicants to serve these areas; OR
 - An applicant may propose a multi-provider solution to serve these areas

EEs must still ensure all applicants meet the financial and managerial capacity, technical and operational capability, and other requirements in 47 U.S.C. § 1702(g)(2)(A).

3.3 The Benefit of the Bargain Round (Subgrantee Selection)

Understanding Policy Notice Compliance Timelines

Important Timelines	Notes
EEs have <u>90 calendar days</u> from the release of the PN to... <ul style="list-style-type: none">• Comply with its obligations• Submit a Final Proposal to NTIA	This 90-day deadline replaces extensions previously granted in the Final Proposal Deadline Requirements Programmatic Waiver
NTIA will complete its Final Proposal review within 90 calendar days of submission.	
All subgrantees must deploy the planned broadband network and be able to perform a "standard installation" for each customer within the project area not later than four years after the EE has a signed subgrantee agreement. <ul style="list-style-type: none">• <i>Standard installation</i> is the initiation by a provider of fixed broadband internet access service within 10 business days of a request with no charges or delays attributable to the extension of the network of the provider• BEAD subgrantees may charge <u>standard</u> installation fees	



Scoring Rubrics

3.4 Scoring Rubrics

Revising scoring criteria to focus on cost minimization

Important Reminders & Updates

- EEs are **required** to give priority to Priority Broadband Project (PBP) proposals
 - However, if an EE determines that selecting a PBP proposal would incur excessive costs, it **must** reject it and select a lower cost non-PBP proposal
 - EEs must apply an objective, consistent metric to define 'excessive'
 - EEs may, but **are not required** to, adopt an EHCPLT to serve as this metric
 - NTIA will not adopt a national threshold to define 'excessive'
- NTIA reserves 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
 - \$100,000/BSL was an example of an excessive connection cost in the PN
 - NTIA will reject a project selection that imposes "unreasonable costs" on BEAD

3.4 Scoring Rubrics

Revising scoring criteria to focus on cost minimization

Important Reminders & Updates Continued

- If an EE determines that no proposal meets the definition of a PBP, they may select a non-PBP project, as long as it meets BEAD's technical requirements
 - Provides broadband service at speeds of no less than 100/20 Mbps
 - Service has a latency less than or equal to 100 ms
- Scoring for PBP and non-PBP must be conducted using the same scoring rubric

3.4 Scoring Rubrics - Primary Criteria

Primary Criteria	BEAD NOFO	Policy Notice Updates
Minimal BEAD Program Outlay	The <u>total</u> BEAD funding required to complete the project, accounting for the total projected cost and match	EEs must assess total <u>BEAD</u> funding to complete a project (project costs - match) and on a per-BSL basis (total BEAD funding/# of BSLs). EE must select the combination of proposals with lowest cost to the Program.
Affordability	Applicant's commitment to provide the most affordable total price to the customer for 1 Gbps/1 Gbps	Removes this primary criteria
Fair Labor Practices	Applicant's demonstrated record and plans to be in compliance with Federal labor and employment laws	Removes this primary criteria

In deciding among competing applications covering the same general project areas, EEs must (normally) choose the option with lowest cost based on minimum outlay.

3.4 Scoring Rubrics - Secondary Criteria

Secondary Criteria	
Speed of Network & Other Technical Capabilities	EEs may weigh the speed, latency, and other technical capabilities of the technologies proposed by applicants.
Preliminary/ Provisional Subgrantees	For locations where EEs have already selected subgrantees, EEs may give additional weight to those applications.
Speed of Network & Other Technical Capabilities	EEs may weigh the speed, latency, and other technical capabilities of the technologies proposed by applicants.
EEs will determine the relative weighting of these three criteria.	

Secondary criteria are used when applications in the same general project area propose project costs within 15% of the lowest cost proposal on a BSL basis.

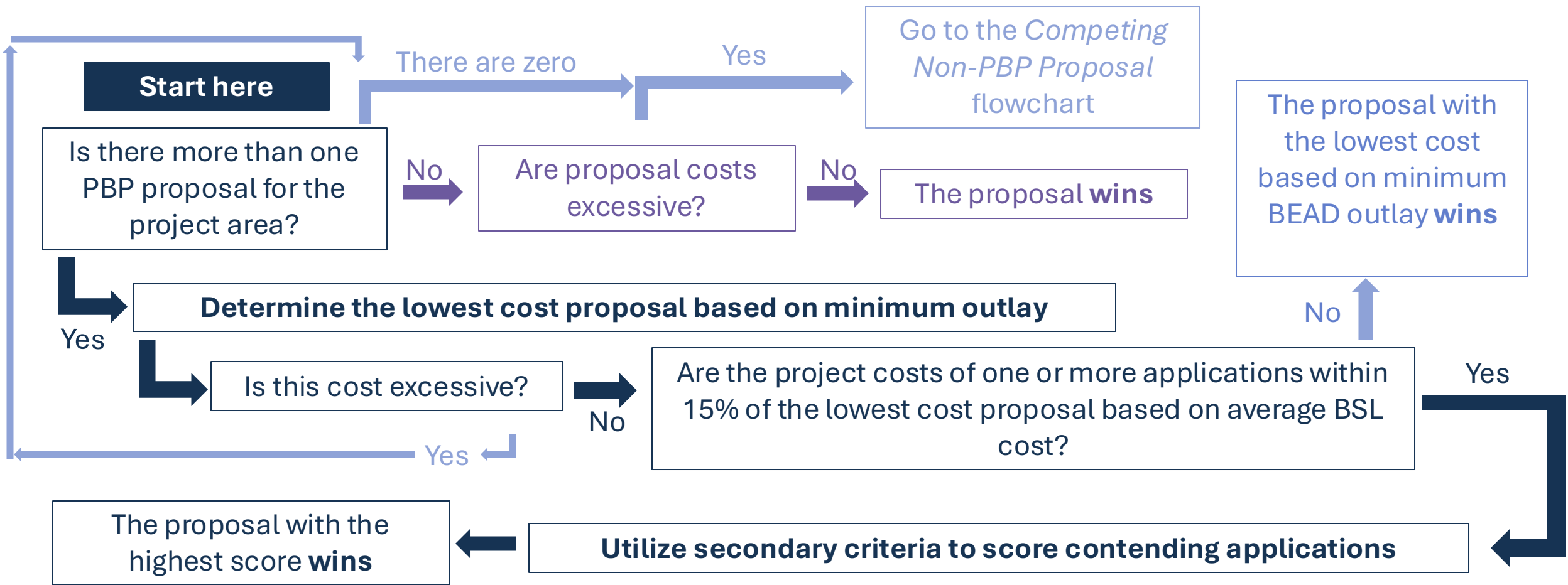
3.4 Scoring Rubrics

Additional Prioritization Factors	Policy Notice Updates
Equitable Workforce Development and Job Quality	Removes all additional scoring criteria outside of those dictated in the Policy Notice
Open Access	
Local and Tribal Coordination	
Any Additional Scoring Criteria Imposed by EEs	

No additional scoring factors may be considered during subgrantee selection.

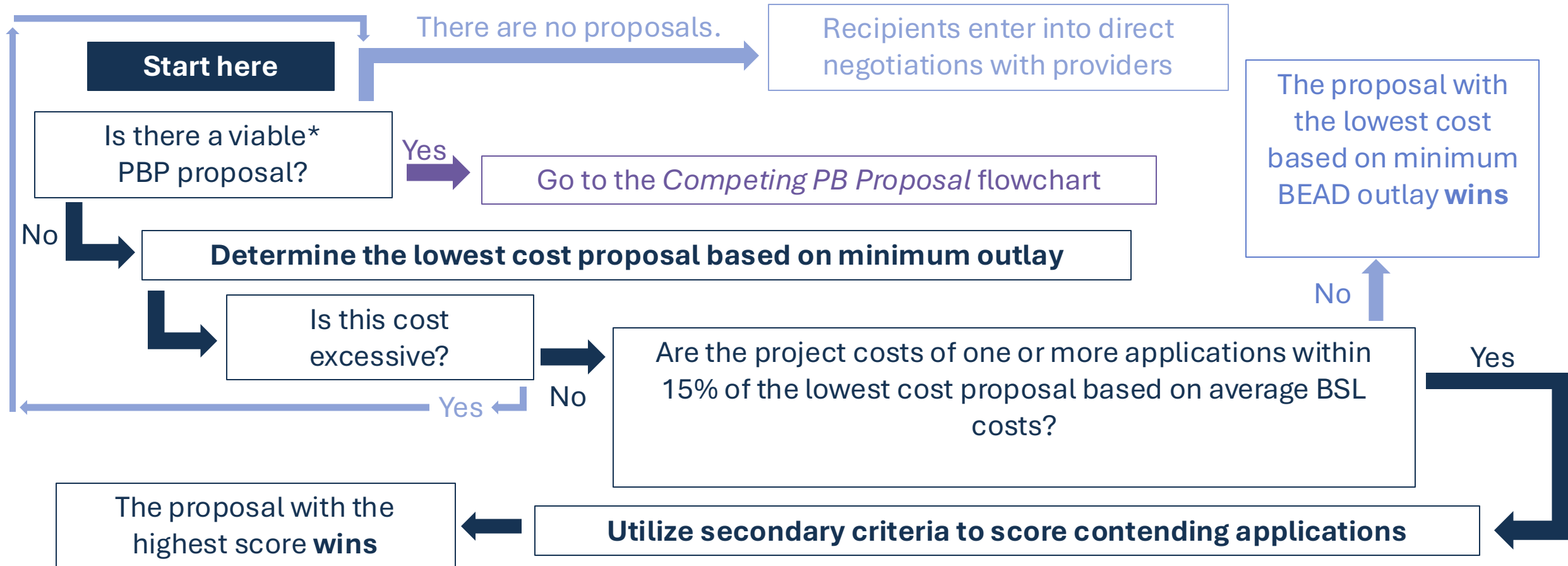
4.4 Scoring Rubrics

Selecting Among Competing Priority Broadband Project (PBP) Proposals



4.4 Scoring Rubrics

Selecting Among Competing Non-Priority Broadband Project (PBP) Proposals



*Viable PBP proposal costs are not excessive

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Optimizing BEAD Locations

Reduce costs, prevent overbuild

Overview of Major Shifts

- EEs **are not required** to re-run their challenge processes
- EEs can only alter approved location lists in accordance with Policy Notice
- EEs **must** investigate and account for locations that do not require BEAD funding and remove them with non-service codes as outlined in the Final Proposal guidance
- EE **must** modify BEAD-eligible locations lists to include locations that are no longer served due a default of a Federal Enforceable Commitment where the Federal entity has notified NTIA by the release of this Policy Notice
- EEs are **required** to give ULFW providers an opportunity to remove the locations they serve from BEAD eligibility before implementing the new SGS process
- EEs **must** revise their list of eligible Community Anchor Institutions (CAIs) to conform with the IIJA definition of a CAI; NTIA will narrowly interpret the term “community support organization”

Mandatory Use of Non-Service Codes

Updates former guidance by requiring the use of non-service codes

Policy Notice Updates

- Requires EEs to use non-service codes in the Final Proposal and (for codes 1-3) throughout the Period of Performance
- Final Proposal:
 - Reason codes 3, 4, and 5 must be utilized wherever possible
 - EEs will certify they have no knowledge of BSLs that should be classified using reason codes 1 and 2
- Period of Performance
 - EEs must utilize reason codes 1, 2, and 3 throughout the Period of Performance, in accordance with the Final Proposal Guidance

Reason Codes	
1	No Broadband Connection
2	No Demand for Mass Market Service
3	Removal from FCC's Fabric
4	Enforceable Commitment
5	Served by Non-Subsidized Service
6	Other Reasons
7	Financially Incapable

Inclusion of Defaulted Federal Commitments

Updates former guidance by requiring defaulted BSLs to become BEAD eligible

Policy Notice Updates

- Requires the modification of BEAD-eligible location lists to include locations no longer served due to default on a federal enforceable commitment
- Requires EE to submit the updated BEAD eligibility list to NTIA in its IP Correction Letter
 - Discussed in upcoming slide

Process and Requirements

Within 14 calendar days of the Policy Notice release, **NTIA** will send EEs a list of federal defaulted and newly eligible locations, if applicable.



Prior to submitting its IP Correction Letter, **EEs must:**

- Determine locations are not served by another means
- Certify if locations are unserved or underserved
- Incorporate these locations into the list

Preventing ULFW Overbuild

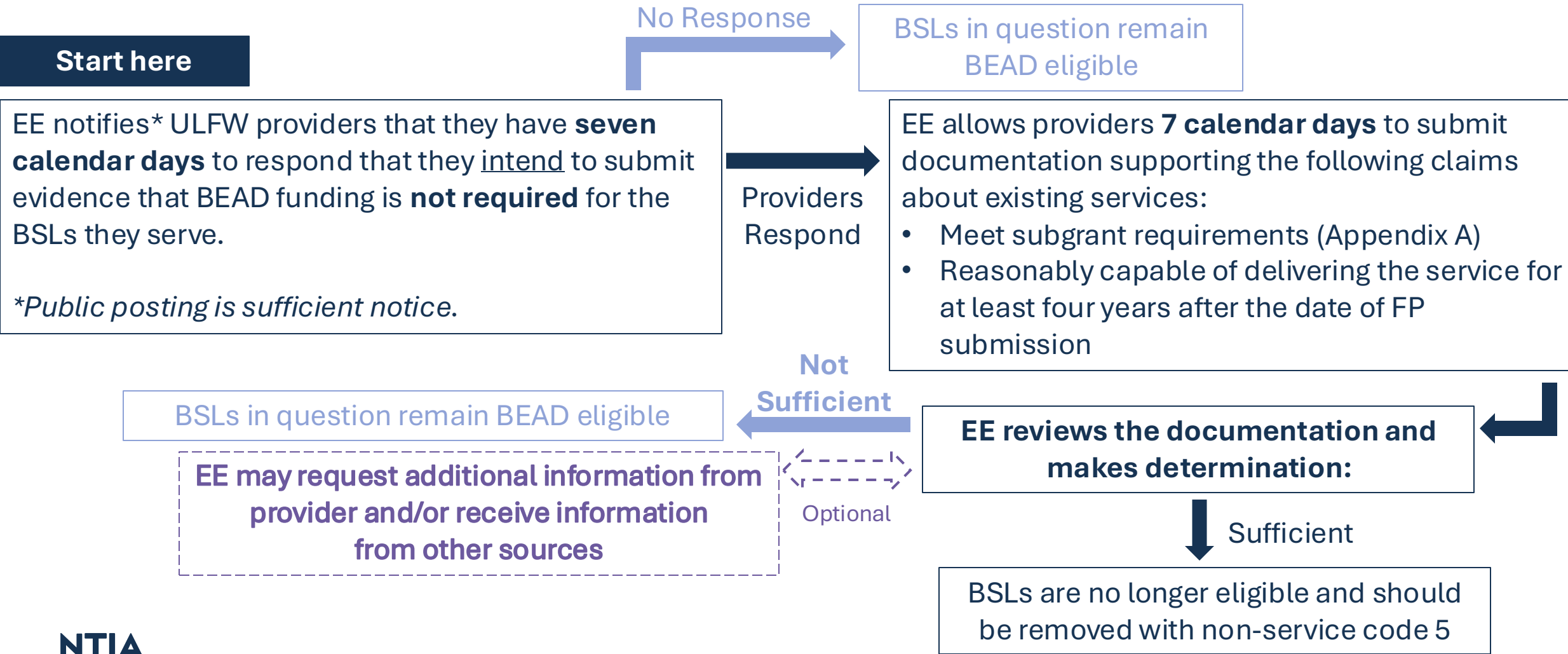
Ensuring qualifying ULFW locations are removed from BEAD eligibility

Before implementing the new SGS process, EEs must:

- Review the FCC's National Broadband Map to determine whether an ULFW provider currently offers service that meets technical requirements to any BEAD-eligible BSLs
 - Technology Code 70
- If no providers currently offer qualifying service, no locations will be removed from eligibility
- If providers currently offer qualifying service, the EE must follow the process on the following slide
 - If ULWF locations are removed from BEAD eligibility, use non-service code 5

Preventing ULFW Overbuild

If a ULFW provider offers qualifying service, EEs follow this process:



Receiving Information from Other Sources

- Any information used to determine BEAD eligibility must directly address the services being deployed at the BSLs the ULFW provider is asserting are already served
- EEs could not use evidence such as...
 - *General* statements regarding ULFW
 - *General* assessments regarding ULFW
 - Real world measurements sourced from *other* providers or BSLs
- ...to determine BEAD eligibility



Non-Deployment & Permitting

Reduce costs, streamline the BEAD Process

Non-Deployment & Permitting

The Policy Notice also provides the following updates:

Non-Deployment

- Funding for non-deployment purposes is under further review
- As of the date of this PN, NTIA...
 - Rescinds approval of all non-deployment activities approved in IPs
 - Refuses reimbursement of new costs associated with non-deployment
- Directs EEs to work with NIST to reimburse expenses already incurred
- Final Proposals will only require detail on deployment projects

Permitting

- Requires all EEs are to use NTIA's Environmental Screening and Permitting Tracking Tool (ESAPTT)
- Encourages EEs to use ESAPTT's permitting tracking capacity to evaluate and track subrecipient NEPA milestone schedules and escalate Federal right-of-way permitting issues to NTIA for interagency resolution



Alignment with Prior Guidance

Prioritize technology neutral solutions, reduce costs, prevent overbuild

Overview of Major Shifts

- All approved Final Proposals are rescinded
- The Policy Notices addressing "Alternative Technologies" are rescinded:
 - Selecting the Most Robust, Affordable, Scalable Technology
 - Alternative Broadband Technology Policy Notice
- Certain portions of these Policy Notices addressed unique issues related to ULFW and LEO and are addressed in this PN in Section 4 and Appendix B
- Notably in Appendix B: EEs must employ "LEO Capacity Subgrants" when making BEAD subawards to LEO providers
 - LEO Capacity Subgrants reserve sufficient network capacity to deliver BEAD-level broadband service to each BSL in the project area
 - The PN outlines the conditions of awarding LEO capacity subgrants



Modification of Initial and Final Proposals

Overview of Major Shifts

- As of the date of the Policy Notice, new costs incurred by an EE in relation to its Initial Proposal **must** comply with the PN's outlined terms
 - Costs that do not comply may be disallowed
- **All** EEs must request an Initial Proposal correction to incorporate new terms and come into compliance with the terms of the PN

Request to Modify the Initial Proposal

Overviews the content in the required IP Correction

- Must be submitted by the Authorized Organization Representative (AOR) within 30 calendar days of the published PN to BEADCorrections@ntia.gov
 - AORs should CC their FPO and Regional Director
- This letter will:
 - Request to incorporate the terms of the PN into the IP
 - Confirm that EE will modify its previously-approved SGS to conform with the PN
 - Confirm that EE will take all other actions needed to conform with the PN
- Must attach the updated BEAD eligibility list that reflects federal enforceable commitment defaults
- May attach IPFR budget modification

A template is provided in the Policy Notice appendix (Appendix D).

Request to Modify the Initial Proposal

Overviews the content in the required IP Correction

- An EE is allowed (not required) to submit an IPFR budget modification that:
 - Requests access to funds currently held under a Specific Award Condition
 - Requests to reallocate BEAD funding across categories
- An EE is not allowed to make changes to its approved IP unless it is directly necessary to comply with the PN. **Other IP corrections will not be entertained.**
 - If EEs are unsure if a change is covered by their IP correction letter, they should work with their FPO

Additional guidance regarding IPFR budget modifications will be provided.

Eligible Entity Next Steps

Summarized Next Steps Sourced From Across the Policy Notice

Immediate Next Steps

Summarizes required next steps for **all** EEs to comply with the Policy Notice

No later than July 7, 2025, EEs Must:

- Update BEAD eligibility list with federal enforceable commitment defaults
 - Determine locations are not served by another means
 - Certify if locations are unserved or underserved
 - Incorporate these locations into the list
- Submit a letter requesting an IP correction
 - Template provided
 - Attach updated eligibility list that reflects federal enforceable commitment defaults
- Submit an IPFR budget modification, if desired

Next Steps Prior to Reopening SGS

Summarizes required next steps for **all** EEs to complete before reopening SGS

- Modify the SGS process to score all applicants under same terms and remove non-statutory burdens from the application & scoring processes
- Rescind preliminary awards and notify applicants of next application round
- Reopen prequalification process, if applicable
 - May choose to make prequalification submissions part of the application
- Update the eligible location list following the ULFW process
- Request waivers, as needed, particularly for EEs that have state laws that impose additional labor and employment obligations

An EE may only reopen its SGS process after NTIA has approved its IP Correction; however, it does not have to wait for a budget modification to be approved to move forward, if applicable.

EE Deadlines

All EEs must submit their Final Proposals for evaluation in **90 days**

- All EEs have 90 calendar days from the release of the PN to comply with its obligations and submit an amended Final Proposal to NTIA
 - This 90-day deadline replaces extensions previously granted in the Final Proposal Deadline Requirements Programmatic Waiver
 - The new deadline is **Thursday, September 4, 2025**

Questions?

