Obligations for Subgrantees Deploying Network Projects

GUIDANCE

CONTENTS

Note:

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), as modified by the BEAD Restructuring Policy Notice (RPN). 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 RPN. 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.

Introduction

Purpose of this Guide

This document is structured to serve as a guide for subgrantees navigating the requirements of the Broadband Equity, Access and Deployment (BEAD) Program. This guide provides insight into the more complex requirements but is not intended to be comprehensive. The BEAD Notice of Funding Opportunity (NOFO)[1] categorizes the Infrastructure Act's programmatic requirements for subgrantees to include the following:

- **Network Capabilities**: Technical requirements, including performance measurement (speed & latency) and resilience against network outages.

- **Deployment Requirements**: Procedural and operational standards for broadband deployment.

- **Service Obligations**: Subgrantees' commitments to service, including low-cost plans, service and fund access, and risk management.

The BEAD Restructuring Policy Notice (RPN) reforms the BEAD NOFO, aligning the program with statutory intent to speed broadband deployment.[2] Note, Eligible Entities' subgrantee agreements must include BEAD NOFO requirements not revoked via the RPN and all IIJA requirements for network deployment and service obligation. Prospective subgrantees should understand the requirements set by IIJA, the BEAD NOFO, and the RPN.

The Best Practices outlined in this document are example strategies that subgrantees may employ to ensure compliance with BEAD requirements. The list is not comprehensive nor is it a set of additional requirements.

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[1] BEAD NOFO, (May 12, 2022), https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf. (BEAD NOFO)

[2] RPN, (June 6, 2025), https://www.ntia.gov/sites/default/files/2025-06/bead-restructuring-policy-notice.pdf. (RPN)

Importance of Understanding Subgrantee Obligations

For prospective subgrantees interested in pursuing BEAD subgrants for deploying broadband infrastructure, understanding the Program's obligations and requirements is key to a competitive application. These obligations ensure that projects comply with program standards for quality and efficiency. 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 Complex Subgrantee Obligations

Network Capabilities

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[3] 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 the BEAD NOFO Section IV.C.2.a.i - page 64.

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.

Reliability and Resilience

Requirement

Subgrantees must ensure the reliability and resilience of the broadband infrastructure and network through the incorporation of best practices as defined by the Assistant Secretary. More information can be found in IIJA (47 U.S.C. § 1702 (g)(1)(D)).

Guidance

Subgrantees should establish comprehensive risk management plans that address the reliability and resilience of their technology infrastructure. The cybersecurity and supply chain risk management plans that BEAD subgrantees must have in place should

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[3] *See* BEAD NOFO at 65 FN80. The BEAD NOFO indicates that 80 percent of a provider's download and upload measurements must be at or above 80 percent of the required speed (*i.e.,* an 80/80 standard). More information can be found in the *Performance Measures Order*, 34 FCC Red at 6528, para. 51.

satisfy this requirement as long as they incorporate strategies for mitigating risks associated with natural disasters, such as wildfires, flooding, tornadoes, hurricanes, etc., as applicable. The plans should reflect current best practices and demonstrate preparedness for physical and digital disruptions.

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 the BEAD NOFO Section IV.C.2.a.ii - page 65.

Guidance

Subgrantees should develop a comprehensive outage management plan that includes preventive maintenance schedules, metrics for measuring outages, quick response teams for outage resolution, and clear communication channels for informing customers about outages and expected restoration times. As applicable, subgrantees should develop network designs that meet Eligible Entity metrics for measuring outages once the network is operational.

Best Practices

1. ***Preventive Maintenance:*** Schedule regular, recurring maintenance windows during off-peak hours for all non-emergency service-impacting activities. Announce regularly scheduled maintenance windows on network status or management pages to set proper expectations for customers regarding necessary maintenance and network reliability. Use modern predictive analytics to identify risks that may be handled proactively during regularly scheduled maintenance, which can reduce the number of emergency events and lead to greater network availability.

2. ***Rapid Response Protocol:*** The ability to quickly recover from service disruptions is important for maintaining broadband service reliability. In the event of an unplanned outage, activate an emergency response team that is trained to quickly diagnose and fix network issues, with a customer service protocol in place to inform affected users via "out-of-band" communication such as SMS and social media with regular updates until the issue is resolved.

Deployment Requirements

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.[4] Eligible Entities must set clear interim milestones and enforce them as conditions of the subgrant. More information can be found in the BEAD NOFO Section IV.C.2.b.i - page 65.

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 Eligible Entity in alignment with the monitoring requirements detailed by the Eligible Entity in their subgrantee agreements. Eligible Entities may request waivers to the four-year deployment deadline, as described in the NOFO. Although NTIA will carefully review all waiver requests, there should not be an expectation that they will be granted.

Best Practices

1. **Fiber Deployment:** A subgrantee reports readily measurable milestones to the Eligible Entity, such as the total number (or percentage) of BSLs served in a project area. At the start of a project, milestones may include time-consuming gating items such as submitting local permits to the appropriate offices, locating underground utilities, and receiving final approval of permitting requirements.

2. **Fixed Wireless Deployment**: For a fixed wireless network covering remote areas, a subgrantee might report to the Eligible Entity the number of new towers, base stations, and sectors completed, or endpoints completed in a coverage zone.

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[4] All subgrantees must deploy the planned broadband network, regardless of technology utilized, and be able to perform a standard installation for 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. LEO Capacity Subgrant recipients are deemed to have begun to provide service when they certify to the Eligible Entity that the recipient can initiate broadband service within ten (10) business days of a request to any covered BSL in the project area, with no charges or delays attributable to extension of the service. See RPN at 11 and Appendix B.

3. **Low Earth Orbit Deployment:** For a low Earth orbit network, a subgrantee may certify to the Eligible Entity that service is available to a percentage of BSLs in the project area, or once the subscription rate reaches a set percentage of locations in the project area.

Conduit Access Points

Requirement

Projects that lay fiber optic cables or conduit underground or along a roadway must include interspersed regular conduit access points at regular and short intervals. More information can be found in IIJA (47 U.S.C. § 1702 (h)(4)(D)).

Guidance

Prospective subgrantees should propose a plan for the placement and interval of conduit access points in their applications for projects that lay fiber optic cables or conduit underground or along a roadway.

Covered Purchases

Requirement

When deploying Funded Networks, subgrantees may not purchase covered communications equipment[5] or support the People's Republic of China through purchasing fiber optic cable and optical transmission equipment manufactured there. More information can be found in IIJA (47 U.S.C. § 1702 (g)(1)(D)).

Guidance

Subgrantees are required to follow specific deployment guidelines when purchasing equipment to be used in the Funded Network. Eligible Entities may request waivers to the covered purchases clause if the Eligible Entity shows that the requirement unreasonably increases the cost of the project, as described in IIJA. Although NTIA will carefully review all waiver requests, there should not be an expectation that they will be granted.

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[5] Covered communications equipment or services are defined in section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. 1608)

Service Obligations

Low-Cost Plans

Requirement

Prospective subgrantees are required to offer at least one low-cost broadband service option, as proposed by the relevant subgrantee and approved by NTIA . The low-cost broadband service option must be made available to eligible subscribers for the useful life of the network asset (i.e., the federal interest period, which is 10 years after the year in which the subgrant for a project has been closed out or in the case of LEOs, a ten-year period of performance). More information can be found in IIJA (47 U.S.C. §1702(h)(4)(B)).

Guidance

The subgrantee's definition of a low-cost service option must detail:

- All recurring charges to the subscriber, as well as any non-recurring costs or fees to the subscriber;
- The plan's basic service characteristics (download and upload speeds and latency; the LCSO must be at least 100/20 Mbps and <100ms latency);
- The plan's price and, as applicable, how the price will change over time;
- Whether the subgrantee will define Eligible Subscriber more broadly than the RPN.

Best Practice

1. **Low-Cost Broadband Service Option Eligibility:** A subgrantee requires potential subscribers to provide the same documentation required by the Lifeline program to determine low-cost broadband service option eligibility.

Access to Service

Requirement

Subgrantees are required to provide consumers of BEAD-funded networks with reasonable and non-discriminatory terms and conditions. Subgrantees should initiate service at standard installation charges within 10 business days of a request from any consumer in the BEAD-funded network's service. Low Earth orbit (LEO) Capacity subgrantees are required to provide all necessary consumer premises equipment (CPE)

at no cost as part of the standard installation for each new subscriber at the BEAD-funded location throughout the period of performance. This obligation is limited to no more than three (3) CPE per location during the period of Performance. For subgrantees planning to send CPE to the subscriber to self-install or use a third-party installer, the BEAD program requires at a minimum that the subscriber receive the CPE within ten days. More information can be found in the BEAD NOFO Section IV.C.2.c.iii - page 68 and RPN Appendix B - page 21.

Guidance

Subgrantees will adhere to the timelines set forth and establish procedures for customer installations, ensuring that these processes are not overly complicated, unnecessarily delayed, or discriminatory.

Use of Funds

Requirement

Subgrantees are required to use funds in an equitable and nondiscriminatory manner. Eligible Entities shall require prospective subgrantees to agree to reasonable provisions for the recovery of funds in the event of subgrantee nonperformance, as stipulated in the subgrantee agreement. More information can be found in IIJA (47 U.S.C. § 1702 (g)(2)).

Guidance

Subgrantees will adhere to the commitments outlined in their subgrantee agreements as well as those established by the Program and the Assistant Secretary. Failure to meet these commitments may result in enforcement penalties determined by the Eligible Entity and agreed to by the subgrantee. These actions may include, but are not limited to, additional grant provisions, suspension of payment or award, termination of the grant, or clawback of funds.

Public Notice

Requirement

Subgrantees are required to conduct public awareness campaigns, both online and through other means, to increase broadband adoption by highlighting the value and benefits of broadband internet access. 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 IIJA (47 U.S.C. § 1702 (h)(4)(G)).

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. More information can be found in IIJA (47 U.S.C. § 1702 (h)(4)(F)).

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 IIJA (47 U.S.C. § 1702 (g)(1)(B)) and the BEAD NOFO Section IV.C.2.c.vi - page 70.

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.

Risk management plans should account for technology infrastructure reliability and resilience, including from natural disasters (e.g., wildfires, flooding, tornadoes, hurricanes). More information can be found in the RPN - page 5.

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.