Frequently Asked Questions and Answers Version 16

Broadband Equity, Access, and Deployment (BEAD) Program

National Telecommunications and Information Administration

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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.

Please review the questions and answers carefully as the release of the RPN has impacted previously published answers. Versions of the BEAD Frequently Asked Questions and Answers published prior to the release of the RPN are no longer valid.

1. NOFO Overview

1.1 How does the BEAD program define an "unserved" location?

An unserved location is defined as a broadband-serviceable location that the Broadband DATA Maps show as (a) having no access to broadband service, or (b) lacking access to Reliable Broadband Service offered with - (i) a speed of not less than 25 Mbps for downloads; and (ii) a speed of not less than 3 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds (NOFO Section I.C.dd).

An unserved service project is defined as a project in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations. An "Unserved Service Project" may be as small as a single unserved broadband serviceable location (NOFO Section I.C.ee).

1.2 How does the BEAD program define an "underserved" location?

An underserved location is defined as a broadband-serviceable location that is (a) not an unserved location, and (b) that the Broadband DATA Maps show as lacking access to Reliable Broadband Service offered with - (i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds (NOFO Section I.C.bb).

An underserved service project is defined as a project in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations or underserved locations. An "Underserved Service Project" may be as small as a single underserved broadband-serviceable location (NOFO Section I.C.cc).

1.3 How does IIJA define "Community Anchor Institution" (CAI)?

The term "community anchor institution" means an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including low-income individuals, unemployed individuals, and aged individuals.

1.4 Which Community Anchor Institutions are eligible to receive broadband access through the BEAD Program?

A Community Anchor Institution that lacks access to Gigabit-level broadband service is an eligible service location under the BEAD Program.

1.5 Are BEAD funds only restricted for use on last-mile broadband deployment? May funds be used for middle mile infrastructure?

As noted in Section IV.B.5.b. of the NOFO an "Unserved Service Project" or "Underserved Service Project" may include Middle Mile 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 service to an unserved location, underserved location, or eligible CAI.

1.6 Is an Eligible Entity able to change the administering entity for the BEAD program after initial designation in the LOI?

Yes. An Eligible Entity may contact its Federal Program Officer or other designated program contact to change the designated administering entity or the point-of-contact. Eligible Entities must provide updates to Federal Program Officers of any personnel changes that result in changes to the designated point-of-contact.

1.7 How long do Eligible Entities have to spend Initial Planning Funds?

The period of performance for the planning grants will be 5 years from the date of award. Eligible Entities can spend initial planning funds over the 5-year period.

1.8 Are subgrantees required to retain ownership of assets that they build, or can ownership be transferred in exchange for arrangements like right of way?

The costs related to the assets are only allowed to be charged to the grant if they are necessary and reasonable for the performance of the BEAD award. As these assets would not be used in the performance of the BEAD award, they are not necessary and reasonable for the purpose of this grant and are thus not allowed (see 2 CFR 200.403(a)). The costs related to a plan to build grant-funded assets for eventual exchange, for example exchanging asset ownership for right of way, are not allowable. If a subgrantee sought to obtain a right of way using NTIA grant funds, and the costs related to obtaining that right of way were determined to be necessary and reasonable for the purpose of the grant, those costs would be an allowable use of NTIA grant funds.

In the event that original or replacement grant-funded equipment is no longer needed for the original project or program, the Eligible Entity and subrecipients must dispose of property in accordance with 2 CFR 200.313.

1.9 Will subgrantees be allowed to deploy other offerings over a Funded Network?

Yes, subgrantees may use BEAD-funded facilities to provide other offerings, such as telephone and video, over a Funded Network. It is important to note that income generated by a project over the period of performance is subject to project income regulations outlined in 2 CFR § 200.307.

1.10 Is it permissible for broadband providers to use BEAD funding to serve unserved locations within a different provider's service area?

Yes, if those areas are unserved or underserved locations.

1.11 Is the 25% non-federal match required for BEAD Planning funds?

A non-federal match is not required for Initial Planning Funds.

1.12 What is the 2% statutory cap for the BEAD program?

The BEAD program has a **cap of 2% of project funds only for costs related to the administration of the Eligible Entity's grant.** Programmatic costs and administrative costs that are not for the administration of the Eligible Entity's grants do not count towards this 2% cap. The 2% statutory cap includes any subcontracts or subawards made to assist in the administration of the Eligible Entities grant. The 2% statutory cap on costs related to the administration of the Eligible Entity's grant administrative costs does not apply to funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2). Otherwise, the 2% statutory cap applies to all other BEAD Program funding.

1.13 Do all administrative costs count towards the 2% admin cap?

No – Only those costs that are related to the administration of the Eligible Entity's grant count towards the 2% cap. Additionally, the 2% statutory cap does not apply to funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2).

In making a determination of whether an expense falls within the 2% caps, consider the following:

- **The 2% cap** may include expenses that are both indirect and direct administrative costs so long as those expenses are related to the administration of the Eligible Entity's grant.
- **Indirect costs** that are related to the administration of the Eligible Entity's grant count toward the 2% ceiling. By their nature, indirect costs are those recipient costs that are not directly associated with the recipient's execution of its grant-funded project, but that are necessary to the operation of the organization and the performance of its programs. The Eligible Entity should describe the types of indirect costs that it will charge to the grant. The Eligible Entity can never double-charge a cost as both a direct and an indirect administrative cost. The budget provided by the Eligible Entity must explain how they will account for direct and indirect personnel costs charged to the grant with the 2% administrative cost ceiling.
- **Examples of personnel expenses** relating to administration of the grant may include costs attributable to: accounting, auditing, contracting, budgeting, and general legal services.
- **Examples of expenses** include costs attributable to: accounting, auditing, contracting, budgeting, and general legal services; facility occupancy costs, e.g., rent, utilities, insurance, taxes, and maintenance; general liability insurance that protects the organization (not directly related to a program); depreciation on buildings and equipment; general office supplies; general and administrative salaries and wages; subgrants administration like staffing and/or contract support; and training for staff in relation to subgranting (e.g., federal grants compliance training)

1.14 Does the 2% statutory cap on costs related to grant administration apply to all BEAD funds?

No, the 2% statutory cap on costs only applies to the administration of an Eligible Entity's grant (see BEAD NOFO section IV.B.4). The 2% statutory cap does not apply to funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2).

1.15 How should applicants track their 2% administrative costs?

Recipients are required to maintain financial management systems that include records documenting compliance with Federal statutes, regulations and terms and conditions of Federal award, that is sufficient to permit the preparation of reports; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

As such, recipients will be required to track and report the costs associated with this requirement. For example, if any position funded by grant funds will incur direct administrative charges, you must note which position will be doing these activities, what the activities are, and how much time will be spent on these activities.

Additional information about how to report these costs and the frequency of the reporting will be provided at a future date and incorporated into the specific award conditions for the award during the initial-phase of the award (not in the planning phase).

Below are some strategies that NTIA recommends to help applicants track costs related to the administration of the grant:

Identify the 2% cap amount first to understand your budget for costs related to the administration of the Eligible Entity's grant:

- Track when direct administrative costs are incurred and retain documentation;
- Identify key personnel associated with administering the program. Record their salaries and fringe benefits;
- Report operating expenses of facilities required to administer the program;
- Check spent administrative costs against the 2% cap estimate on a monthly basis;
- Contact FPO if you have any questions about costs that may qualify as administrative costs;
- Create an internal fund code specific to administrative charges within your BEAD funding codes in your financial system and a more specific, separate code of administrative charges related to the administration of the Eligible Entity's grant, and;
    - This way, employees can charge their admin time directly to the administrative charge code and make it easier for you to track personnel administrative charges.
- Ensure your organization has a time and attendance policy that addresses tracking of administrative charges.

1.16 Are subgrantees subject to the 2% administrative cap? How does this affect the administrative cap for Eligible Entities?

Yes- subgrantees are subject to the 2% administrative cap, however the administrative cap only applies to administrative expenses related to administration of the Eligible Entity's grant. The administration cap requirement in section 60102(d)(2)(B) applies to the Eligible Entities and all subcontractors and subgrantees. Under 2 CFR 200.101 and DOC ST&Cs F.03, the terms and conditions of Federal awards generally flow down to subcontracts and subawards. So, this requirement will flow down to subrecipients.

Regarding the scope of this requirement, Section 60102(d)(2)(B) states that "An eligible entity may use not more than 2 percent of the grant amounts made available to the eligible entity under subsection (e) for expenses relating (directly or indirectly) to administration of the grant" (emphasis added).

The cap applies only to the expenses relating to the administration of the Eligible Entity's BEAD grant. If an Eligible Entity enters a subcontract or subaward for a subcontractor or subgrantee to undertake administrative activities related to the administration of the Eligible Entity's BEAD grant, those expenses would be included within the 2% cap. However, the cap does not apply to a subgrantee's administrative expenses to administer its subaward.

While the statutory requirement will apply to all grants and subgrants, the scope of the statutory requirement (and the 2% cap) is somewhat narrow. The majority of subgrants for broadband deployment will not be associated with the administrative expenses related to the administration of the Eligible Entity's grant, and therefore will not fall within the 2% administrative cap.

1.17 What is a Direct Administrative Cost and what is an Indirect Administrative Cost?

Direct Administrative Costs are costs associated with specific work for the effective administration of the grant, and they must be specific to the program. Examples include salaries and fringe benefits for grant administration personnel, office supplies, postage, program coordination and project execution, and equipment required to administer the program.

Indirect Administrative Costs are costs incurred by the organization during the execution of the project, but not clearly identifiable to the project. Examples include depreciation of facilities, facility occupancy costs, general liability insurance, general legal services, taxes, rent and utilities, indirect salaries, and accounting fees.

1.18 Are facilities constructed as part of a BEAD project award subject to BEAD network requirements even if not paid for with BEAD funds?

Yes. All facilities constructed as part of a BEAD project award are subject to BEAD network requirements. This is to ensure that the BSLs in the project area are and will continue to receive the services required under the terms of the program. If facilities count toward matching funds, they are subject to the same network requirements as those directly funded by BEAD projects. Accordingly,

Eligible Entities should ensure all potential subgrantees are specific and precise in their proposals for funding usage and potential federal funding match opportunities.

1.19 Can U.S. Treasury Coronavirus Capital Projects Fund (CPF) grants, provided under the authority of the American Rescue Plan Act of 2021, be used for BEAD matching funds?

Yes, CPF grants may be used as matching funds for a BEAD broadband network infrastructure deployment subgrant, subject to all relevant match rules. Further, assets purchased with previously disbursed CPF grant funds may be used as an in-kind matching contribution for the BEAD program if the contribution is allowable as part of a BEAD broadband network infrastructure deployment project and meets all in-kind match requirements. As with any potential match contribution, Eligible Entities that want to contribute CPF funds as match for a BEAD broadband network infrastructure deployment project must use those funds in a way that complies with all requirements of both programs, as well as regulations regarding in-kind matches. Authorities that Eligible Entities should review regarding allowability of match include 47 U.S.C. 1702, the BEAD NOFO, the terms and conditions incorporated into their specific BEAD award, and 2 C.F.R. § 200.306.

1.20 Can Eligible Entities use grant funding to leverage, augment, upgrade, or modify existing infrastructure owned by their potential partners, subgrantees, political subdivisions, or associated federally recognized Tribes to meet BEAD goals (i.e. adding fiber lines to an existing electrical networks)?

Yes, this may be an allowable use of grant funds if leveraging the existing infrastructure aids or otherwise helps the entity achieve the goals of the BEAD Program. Use of such existing infrastructure could also potentially count towards matching funds requirements. Applicants are encouraged to review sections III.B and V.H.2 of the NOFO, FAQs in the "Cost Sharing and Matching Guidelines" section, and 2 CFR § 200.306 CFR for further information on matching funds.

1.21 Will NTIA grant period of performance extensions? How will these be granted?

Yes, under certain circumstances. NTIA may grant extensions for both the Eligible Entity and subgrantees under the following circumstances:

Section II.B.1. of the NOFO states that an Eligible Entity may extend the four-year network deployment deadline for subgrantees by not more than one year if:

1. 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;
2. the construction project is underway; or
3. extenuating circumstances require an extension of time to allow the project to be completed

Extensions for Eligible Entities for any part of the process may be granted at the sole discretion of the Assistant Secretary when extenuating circumstances demonstrate that additional time will support the overall goals of the BEAD Program.

Section II.B.2. of the NOFO states that each Eligible Entity must develop a process by which subgrantees may request extensions and provide documentation about the qualifying circumstances that warrant the extension.

If an Eligible Entity is seeking an extension for any part of the process with respect to which the Act does not authorize the Eligible Entity itself to grant such extension, it shall make a request in writing to NTIA and explain the need for such an extension. Such requests will then be evaluated by the Assistant Secretary based on the text of the Infrastructure Act and the goals of the BEAD Program.

1.22 What are tips for mitigating waste, fraud, and abuse?

NTIA recommends the following tips for mitigating waste, fraud, and abuse:

- Develop and implement fair, transparent, and effective processes, including a system of accounting, procurement policies, internal controls, and records retention
- Examine existing processes and internal controls to identify areas vulnerable to fraud
- Host regular trainings to educate staff on risks
- Implement an internal compliance and ethics program that encourages the recognition and reporting of waste, fraud, abuse, and mismanagement
- Check that all financial and performance reports are supported with the required documentation
- Conduct monthly bank reconciliations to identify errors or irregularities

Allegations of waste, fraud, abuse, and mismanagement may be made anonymously through the OIG Hotline at 1-800-424-5197.

1.23 Can subgrantees submit audited financial statements at the parent-company level?

Yes, audited financial statements of a publicly traded parent company are sufficient to meet the BEAD Program requirements.

1.24 Is it sufficient to have an employee serving in the capacity of a network engineer certify a project instead of a professional engineer?

No, per NOFO Section IV.D.2.c the materials submitted by a prospective subgrantee must be certified by a professional engineer.

1.25 Are the lands described in subpoint (E) of the BEAD NOFO considered Tribal Lands for purposes of BEAD?

No. The Assistant Secretary has determined that a programmatic waiver of Subpoint (E) of the definition of “Tribal Lands” in Section I.C(y) of the BEAD NOFO should be granted. Subpart (E) of

BEAD's definition of Tribal Lands applies to areas near or adjacent to reservations. These are not areas in which a Tribal authority has jurisdiction. Therefore, requiring Tribal consent for projects in these areas raises administrative challenges for Eligible Entities and subgrantees.

1.26 What is the Professional Engineer (PE) certification Requirement for Eligible Entities?

The Professional Engineer (PE) Certification requirement of the BEAD NOFO (page 74) states that prospective subgrantees need to present a network design, diagram, project costs, build-out timeline, milestones for project implementation, and a capital investment schedule certified by a professional engineer. This certification should confirm that the proposed network can deliver broadband service that meets the performance requirements to all locations served by the project. The PE Certification Requirement is partially waived as described: The requirement that a prospective subgrantee submit a "capital investment schedule evidencing complete build-out and the initiation of service within four years of the date on which the entity receives the subgrant" that is "certified by a professional engineer" is waived. A professional engineer is still required to certify the remaining elements of the PE Certification Requirement. The prospective subgrantee must still submit the aforementioned capital investment schedule to avail itself of the waiver, but the schedule does not require PE certification. The professional engineer making certifications in connection with the PE Certification Requirement may be licensed in any of the 56 Eligible Entities.

1.27 Can BEAD Program funds be used to cover both capital expenditures (CapEx) and operating expenditures (OpEx)?

The BEAD Program does not restrict eligible uses of funds to capital expenses. However, the cost principles applied must be in accordance with 2 C.F.R. Part 200, Subpart E for States and non-profit organizations and in 48 C.F.R. Part 31 for commercial organizations.

Eligible Entities should refer to the RPN, as well as section IV.B.2 of the BEAD NOFO for a listing of eligible uses of Initial Planning Funds, section IV.B.5.b. for how funds can be allocated for the Initial Proposal, and sections IV.B.7.a.ii and IV.B.7.a.iii for eligible use of funds for last-mile broadband deployment.

1.28 Are Eligible Entities and subgrantees subject to any unionized workforce requirements?

No. The BEAD NOFO provisions that applied to workforce requirements have been superseded by the RPN, which eliminates the non-statutory requirements in the NOFO related to labor, employment, and workforce development.

1.29 Who holds the title to BEAD-funded assets at the end of the period of performance?

Eligible Entities or subgrantees (when funding through a subgrant) will hold the title to BEAD-funded assets. All assets, however, are subject to NTIA guidelines regarding federal interest which may include 2 C.F.R. Part 200 Subpart D, the DOC General Terms and Conditions, and Specific Award Conditions.

1.30 What is the difference between a programmatic cost and an administrative cost?

Administrative costs are those expenses incurred by the grant recipients or subrecipients in support of their day-to-day operations. These overhead costs are the expenses that are not directly tied to a specific programmatic purpose or activity.

Programmatic costs are costs that are directly tied to the delivery of a particular project, service or activity undertaken by an Eligible Entity to achieve an outcome intended by the funding program.

Please refer to the Two Percent Grant Administration Spending Limitation Guidance for more information.

1.31 Can an Eligible Entity reserve a pool of BEAD contingency funds that are not tied to one specific project so that it can later award those funds?

No. An Eligible Entity cannot reserve a pool of grant funds in its Consolidated Budget for contingency purposes, such as finishing projects that a subgrantee cannot complete. In other words, contingency funds are allowable as part of a subgrantee's budget for a specific construction project, but the Eligible Entity cannot include contingency funds in its own overall budget in anticipation of failed subgrantee projects. See 2 C.F.R. § 200.433. This could effectively duplicate the contingency funding and may lead to fraud, waste, and abuse.

1.32 What are the main process milestones for the BEAD Program and what does an Eligible Entity need to submit by when?

For the BEAD program, the Infrastructure Act created a multi-step, multi-year process. The chart below summarizes the key process milestones of the BEAD Program. Additional information about program sequencing can be found in Section IV.B. of the NOFO and see the RPN for details regarding program changes implemented on June 6, 2025. To view key elements related to BEAD Plans and Milestones, organized by Eligible Entity, you can reference the Public Resources Related to BEAD Plans and Milestones.

Stage	Description
Letter of Intent	**July 18, 2022,** was the deadline for an Eligible Entity to submit a Letter of Intent to participate in the Program.
Request for Initial Planning Funds	Each Eligible Entity's Initial Planning Funds were drawn from that Eligible Entity's Minimum Initial Allocation. If the Eligible Entity requested Initial Planning Funds, an application for Initial Planning Funds was due by **August 15, 2022**, and a Five-Year Action Plan was due within **270 days** of receipt of Initial Planning Funds.

Notice of Available Amounts	Once the Broadband DATA Maps were made public, the Assistant Secretary notified each Eligible Entity of the estimated amount of funding that NTIA made available to the Eligible Entity under the Program (Notice of Available Amounts) and invited the submission of an initial grant proposal (Initial Proposal) and a final grant proposal (Final Proposal).
Initial Proposal	Eligible Entities had **180 days** from receipt of the Notice of Available Amounts to develop and submit an Initial Proposal.
Challenge Process	After submission of its Initial Proposal and before allocating BEAD funds received for the deployment of broadband networks, each Eligible Entity conducted a challenge process. Under this process, a unit of local government, nonprofit organization, or broadband service provider could 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 submit any successful challenges to NTIA for review and approval.
Initial Proposal Correction	Per the RPN, all Eligible Entities must submit a letter to NTIA by **July 7, 2025** requesting an Initial Proposal correction to incorporate the terms of the Policy Notice into its Initial Proposal.
Subgrantee Selection: Benefit of the Bargain	Per the RPN, each Eligible Entity must conduct at least one competitive subgrantee selection round for every BEAD-Eligible location and must permit all applicants capable of meeting BEAD technical standards – regardless of technology employed or prior participation in the program – to compete.

Final Proposal	The Eligible Entity will submit to NTIA, by September 4, 2025, a Final Proposal describing the results of the Benefit of the Bargain round. NTIA will release funds allocated to the Eligible Entity in accordance with any Specific Award Conditions applied to the Grant upon approval of the Eligible Entity's Final Proposal and Final Proposal Funding Request. Prior to submission to NTIA the Final Proposal must be made available for public comment.
Ongoing Monitoring, Reporting, and Performance Management	Throughout the BEAD Program, NTIA will conduct ongoing monitoring of an Eligible Entity's progress against its approved plans and ensure that the requirements of the Infrastructure Act are met. Eligible Entities will be required to comply with reporting requirements and monitor subgrantee compliance.

1.33 What is a BEAD "high-cost area"?

Section I.C. of the NOFO defines the term "high-cost area" as an unserved area in which the cost of building out broadband service is higher, as compared with the average cost of building out broadband service in unserved areas in the United States (as determined by the Assistant Secretary, in consultation with the Federal Communications Commission), incorporating factors that include— (I) the remote location of the area; (II) the lack of population density of the area; (III) the unique topography of the area; (IV) a high rate of poverty in the area; or (V) any other factor identified by the Assistant Secretary, in consultation with the Commission, that contributes to the higher cost of deploying broadband service in the area. For purposes of defining "high-cost area," the term "unserved area" means an area in which not less than 80 percent of broadband-serviceable locations are unserved locations.

To view a map of the NTIA-designated BEAD High-Cost areas and other information, please reference BEAD Allocation Methodology. BEAD High-Cost areas are included in the formula for calculating each Eligible Entity's BEAD allocation, and subgrantees do not have to contribute a match for locations within BEAD High-Cost areas.

1.34 Does an Eligible Entity with state statutory labor, employment, and workforce development requirements (including prevailing wage requirements) that would apply to BEAD projects require a waiver from NTIA to proceed with its BEAD Program?

The BEAD Restructuring Policy Notice (RPN) eliminated extralegal labor, employment, and workforce development requirements imposed in the NOFO and prohibited Eligible Entities from imposing obligations removed by the RPN. Footnote 11 of the RPN states that if an Eligible Entity has its own labor or employment laws that conflict with this removal, the state must ask NTIA for a waiver to apply requirements that the RPN eliminated.

The BEAD NOFO did not impose prevailing wage requirements on BEAD projects. Instead, the NOFO gave strong preference to projects with extensive labor and employment commitments and required additional reporting for BEAD projects not subject to prevailing wage laws. The RPN eliminated both of those requirements. Therefore, an Eligible Entity may apply an existing state prevailing wage law without a waiver, so long as it does not reintroduce the preferencing or additional reporting requirements that were eliminated by the RPN.

Finally, to stay within federal grant guidelines on reasonable costs and ensure that prevailing wage laws are applied consistently, states applying prevailing wage laws should accurately classify workers in the context of a broadband network deployment and clarify wage and/or worker classifications for potential subgrantees.

1.35 Does BABA apply to all BEAD projects? Including BEAD LEO projects?

Yes, BABA applies to all BEAD projects. BABA applies to infrastructure projects, including deployment of broadband networks, and “infrastructure projects” are defined as any activity related to the construction, alteration, maintenance, or repair of infrastructure in the United States regardless of whether infrastructure is the primary purpose of the project (See 2 CFR § 184.3).

To the extent that placing radios into a LEO system includes “any activity related to the construction, alteration, maintenance, or repair of infrastructure,” the components used in that construction/alteration would be subject to BABA, even if the electronics were waived.

2. BEAD Restructuring Policy Notice

2.1 Are Eligible Entities and subgrantees still bound to the NOFO requirements not addressed by the Restructuring Policy Notice (RPN)?

Yes. The RPN does not rescind the NOFO. Eligible Entities and subgrantees must still adhere to the NOFO provisions not addressed in the RPN (RPN, Summary, p. 1).

2.2 What is required from Eligible Entities within thirty (30) calendar days after the release of the RPN?

All Eligible Entities must, by July 7, 2025:

- **Update** the BEAD eligibility list with federal enforceable commitment defaults
  - Determine if locations are not served by another means
  - Certify if locations are unserved or underserved
  - Incorporate these locations into the list
- **Submit** a letter BEADCorrections@ntia.gov to request an IP correction using the Initial Proposal Correction Template (see RPN, Appendix D, p. 23).
- **Attach** updated eligibility list that reflects federal enforceable commitment defaults, if applicable
- **Submit** an IPFR budget modification, if desired

2.3 With the release of the RPN, should Eligible Entities continue to prioritize unserved, underserved, and CAI BSLs?

Yes. Eligible Entities must prioritize service to unserved service projects, underserved service projects, and then CAIs, consistent with the requirements of the Infrastructure Act.

2.4 When are Final Proposals due under the RPN?

All Eligible Entities have 90 calendar days from the publication of the RPN to comply with the obligations outlined in the RPN and submit a Final Proposal that reflects the results of the Benefit of the Bargain round. In other words, Final Proposals are due by September 4, 2025. This deadline replaces any deadline in place prior to the publication of the RPN. NTIA will complete its review of each Final Proposal within 90 calendar days of submission (RPN, 3.3, p.10).

2.5 The RPN removes local coordination requirements, but retains the public comment requirements in the FP. What are the FP public comment requirements?

Upon the conclusion of its public comment period, the Eligible Entity must:

- Describe how it conducted a public comment period
- Provide a high-level summary of the comments received, and;
- Demonstrate how it incorporated feedback in its FP submission, as applicable

The Eligible Entity is not required to respond to all individual comments but must capture where public comments impacted the contents of the FP submission. The Eligible Entity must also demonstrate how it conducted outreach and engagement activities to encourage broad awareness, participation, and feedback during the public comment period.

2.6 Does the RPN change EHP requirements?

No. The Environmental and National Historical Preservation requirements have not changed. However, per the RPN, Eligible Entities are "hereby required to use the Environmental Screening and Permitting Tracking Tool (ESAPTT) within the NTIA Grants Portal" (RPN, 6, p. 15).

2.7 Do costs incurred using Initial Planning Funds need to comply with the RPN?

Yes, otherwise the costs run the risk of being disallowed. Per Section 8 of the RPN: "any costs incurred by an Eligible Entity after the publication of the RPN that do not comply with the terms of the RPN may be disallowed" (p. 16).

2.8 How can an Eligible Entity confirm that there are no new federal enforceable commitment defaults that impact its eligible locations list?

Eligible Entities can contact their Federal Program Officer to confirm whether there were any new federal enforceable commitment defaults prior to the release of the RPN that impact their approved list of BEAD eligible locations.

2.9 Is the IP Corrections Letter a template and where can it be found?

Yes. The IP Corrections Letter is a template that Eligible Entities shall use to submit their IP Corrections to comply with the RPN. The template can be found in Appendix D of the RPN (RPN, Appendix D, p. 23).

2.10 May an Eligible Entity submit an IP Correction for a change other than what is required by the RPN?

No. Until the Final Proposal deadline, which is 90 days from the publication of the RPN (September 4, 2025), Eligible Entities may only submit an IP Correction that ensures their Initial Proposal complies with the RPN. Eligible Entities will use the template in Appendix D of the RPN to submit their IP Corrections (RPN, Appendix D, p. 23).

2.11 How does the modified definition of "Priority Broadband Project" affect applicants and Eligible Entities?

For applicants, the RPN broadly allows any applicant to request the Eligible Entity to treat its application as a Priority Broadband Project regardless of the technology used (RPN, 3.1, p. 9).

For Eligible Entities, the RPN establishes guardrails around what constitutes a Priority Broadband Project.

The RPN also affords Eligible Entities a significant role in discerning whether a given project falls within those guardrails, including the ability to make Priority Broadband Project determinations based on the specific project area. For example, an Eligible Entity may determine that a given application is not a Priority Broadband Project for a particular project area because the relevant technology cannot easily scale to meet evolving connectivity needs, but it may also determine that a different application in a different project area using the exact same technology is a Priority Broadband Project because it falls within the guardrails set forth in the RPN. NTIA may reverse a Priority Broadband Project determination if it is "unreasonable" (RPN, 3.1, p. 9).

2.12 How is Fabric Version 6 used with respect to the RPN?

The RPN does not allow Eligible Entities to add new BSLs from Fabric V6 (as of 2024-12-31) to BEAD-eligible location lists for subgrantee selection. Eligible Entities will continue to base the universe of BSLs to be served by BEAD on the version of the Fabric used in their approved Challenge Process. The use of Fabric V6 is limited to the following purposes:

- Identifying BSLs that were in the post-challenge list (regardless of classification) and have been removed from Fabric v6. These must be removed with non-service code 3.
- Identifying current service for BSLs that are in the Eligible Entity's final list of BEAD-eligible locations used for subgrantee selection that may already be served by non-subsidized service (privately funded network, including identification of ULFW services per the RPN) and removed from BEAD eligibility with non-service code 5.

Fabric v6 will not be used as a "true up" in the manner that was permitted in the BEAD Challenge Process and is not used to change BSL eligibility from served to unserved or underserved.

2.13 Can BSLs in Fabric version 6 that were not on the fabric used for the Eligible Entity Challenge Process be added to BEAD-eligible locations lists for Subgrantee Selection?

No.

2.14 Are Eligible Entities subject to minimum or maximum requirements governing the use of certain technologies?

No. While the RPN makes clear that the BEAD program is technology neutral—meaning all technologies should be treated equally—the RPN also affords Eligible Entities a significant role in discerning whether a given technology maximizes BEAD dollars for a particular project area. The requirement that all technologies must compete on a level playing field, which maximizes the benefits of competition, is not dispositive of outcomes in particular circumstances.

One of the primary objectives of the RPN is to ensure that Eligible Entities have flexibility to award the set of proposals that deliver high-quality service for a reasonable cost. In pursuit of that core objective, both NTIA and the public are keenly aware of the unique role that fiber plays in the Internet backbone and in providing backhaul capacity for all broadband technologies.

2.15 How will Eligible Entities ensure that people receive high-quality service when they are required to select the cheapest project proposal? How will applicants that previously applied remain competitive?

Eligible Entities are required by statute to prioritize "Priority Broadband Projects," i.e., projects that meet certain performance standards described in the statute and the RPN. And as explained above, Eligible Entities have a significant role in determining what constitutes a Priority Broadband Project on a proposal-by-proposal basis.

When scoring competing Priority Broadband Projects and competing non-Priority Broadband Projects, the RPN directs Eligible Entities to prioritize "minimal program outlay," which focuses on the overall cost to the BEAD program. Eligible Entities have the ability to balance a variety of factors in deciding among competing applications, including cost per location, cost per project, and the combination of proposals with the lowest overall cost to the program. Eligible Entities also have significant flexibility when deciding among proposals that are cost-competitive (i.e. within 15% of one another). Indeed, Eligible Entities have discretion to weigh cost-competitive proposals based on three criteria: speed to deployment, speed of network, and prior identification or selection.

The RPN does not open the door to the possibility of certain applicants gaming the new scoring rubric, including intentionally underbidding previous proposals that are publicly available. For starters, all applicants can submit new proposals. An applicant choosing to stand on a previous application may submit an appendix that explains why the application remains competitive.

Finally, the RPN clarifies that Eligible Entities must still ensure that applicants meet the financial and managerial capacity, technical and operational capability, and other requirements in 47 U.S.C. § 1702(g)(2)(A). BEAD subgrantees must "maintain risk management plans that account for technology infrastructure reliability and resilience, including from natural disasters (e.g., wildfires, flooding, tornadoes, hurricanes, etc.), as applicable, as well as cybersecurity best practices." These measures require Eligible Entities to determine, prior to awarding a subgrant, that the applicant will deliver high-quality, reliable, and resilient service.

2.16 Does the removal of the Local Coordination requirement remove the requirement for Tribal Consent?

No. The requirement to secure a Resolution of Tribal Consent remains for locations on Tribal Lands that are included in a BEAD project. The BEAD NOFO directs Eligible Entities to include resolutions of tribal consent, when applicable, with the Final Proposal submission. Subgrant applicants are not required to have already obtained Tribal Consent at the time of application.

If Tribal Consent is not obtained in time for Final Proposal submission, the Eligible Entity can request a deadline waiver (but not a waiver of the Tribal Consent requirement). If the waiver is approved, the funds for the projects overlapping with Tribal Lands will not be released until the Resolution of Tribal Consent is obtained. The Eligible Entity must submit the Resolution of Tribal Consent to NTIA as soon as possible after NIST transmits approval of the Final Proposal. Eligible

Entities may not finalize subawards for these projects until Tribal Consent is obtained and reviewed by NTIA.

2.17 Are the costs associated with securing Tribal Consent, or in the case of a waiver, its equivalent, an allowable use of BEAD funds?

Yes. Costs associated with securing Tribal Consent (or its equivalent) are allowable expenses and are distinct from local coordination and stakeholder engagement activities. As always, costs must be reasonable and allocable to be reimbursed.

2.18 Will NTIA reject projects on Tribal Lands deemed excessively costly, even if the state approved the application and the project has secured Tribal Consent?

NTIA reserves the right to reject a proposed deployment project for which costs are excessive. Regardless of project cost, NTIA will not fund deployment projects on Tribal Lands that do not receive Tribal Consent as required by the NOFO, Section IV.B.9.b.15.

2.19 May Eligible Entities with regulatory process requirements that impede meeting the 90-day Final Proposal deadline seek an extension waiver?

Yes. To obtain a waiver of the 90-day deadline, the Eligible Entity's request must include:

- Evidence of concrete steps taken in good faith to meet the Final Proposal deadline
- Information about the specific barriers (e.g., statutory prohibition(s)) that prevent compliance; and
- A detailed timeline outlining when the Eligible Entity will come into compliance with the Policy Notice and submit its Final Proposal.

2.20 What is a "General Project Area"?

The definition of "general project area" is at the discretion of the Eligible Entity. This provides the Eligible Entity with the flexibility to determine how it will compare two proposals, even if they do not include the exact same set of BSLs, when scoring Minimal BEAD Program Outlay.

Because applicants may propose to exclude specific BSLs from their applications, proposed project areas in applications may differ from the project units or areas defined by the Eligible Entity.

2.21 Can Eligible Entities use BEAD funding to implement non-deployment projects that support deployment efforts?

No. NTIA has rescinded approval for all non-deployment activities approved in Initial Proposals at this time. Further guidance will be provided.

2.22 Are subgrantees required to deploy new interconnection points in addition to conduit access points?

No. The RPN clarifies that subgrantees are responsible for meeting the IIJA requirement to "include interspersed conduit access points at regular and short intervals" for any project that involves laying fiber optic cables or conduit underground or along a roadway (see 47 U.S.C. § 1702(h)(4)(D)).

2.23 Under the RPN, how will Eligible Entities verify the financial capability of LEO providers?

As outlined in Appendix B of the RPN, NTIA is currently in the process of reviewing the financial capacity of LEO providers Starlink and Kuiper. This review is expected to conclude the week of July 14, after which NTIA will make available a letter documenting the financial capabilities of the providers. This letter can be used by the Eligible Entities to satisfy their obligation to ensure the financial capability of the LEO providers. Eligible Entities shall not disqualify LEOs on the basis of financial capability (for prequalification or subgrantee selection) if they have not yet received NTIA's financial capacity assessment letter.

2.24 Section 4 of the RPN (Optimizing BEAD Locations) says that Eligible Entities must account for locations that do not require BEAD funding using the reason code process. Eligible Entities were instructed to use Fabric version 6 for these updates, but which BDC update ("last-updated" date) should be used for reason code 5 (location already served by non-subsidized service)?

Eligible Entities must use the most recent update of the Fabric v6BDC (last-updated date) practicable prior to their Final Proposal submission to NTIA, and the BDC last-updated date should be indicated in the notes field of the *no_fp_BEAD_locations.csv* rows where reason code 5 was applied. The same BDC version (i.e., last-updated date) must be used for all reason code 5 entries.

2.25 When should an Eligible Entity update its CAI list?

The Eligible Entity will update its CAI list consistent with the RPN and submit the list with the Final Proposal. The CAI list submitted with the Final Proposal will only include the CAIs to be served through the Eligible Entity's provisionally selected BEAD subgrants.

2.26 How is NTIA re-defining community support organization in the context of serving Community Anchor Institutions?

Per 47 U.S.C. § 1702(a)(2)(E), "the term 'community anchor institution' means an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including low-income individuals, unemployed individuals, and aged individuals." For BEAD purposes, a "community support organization" is an organization located in a government-owned facility that provides publicly accessible Internet service and currently offers digital skills training.

2.27 Is it the Eligible Entity's responsibility to determine if an ULFW provider submits sufficient evidence to address and resolve interference and capacity concerns associated with the technology?

Yes. The Eligible Entity determines what is sufficient and reviews documentation submitted by the ULFW provider and/or other sources. Note that this determination is separate from deciding whether a ULFW proposal merits Priority Broadband Project status. The Eligible Entity must establish reasonable standards based upon the RPN guidance (*see* RPN Appendix A) and apply such standards fairly across all providers. Unreasonable standards or inequitable application of such standards to all providers may result in NTIA rejecting an Eligible Entity's Final Proposal.

2.28 If an Eligible Entity determines that one of its BEAD-eligible locations is already served by ULFW service through the process detailed in RPN Section 4, should the location be omitted from the BEAD-eligible list?

No. Only the BEAD-eligible locations subject to reason codes 3 and 4 may be omitted from the BEAD-eligible list. A location already served by ULFW will receive Reason Code 5 (Served by Non-Subsidized Service) and may be separated or indicated as explained in the Final Proposal Guidance.

2.29 If an Eligible Entity included a licensed fixed wireless (LFW) pre-challenge modification in its BEAD challenge process, how should it address new LFW services on Fabric v6?

Generally, the approved LFW pre-challenge modification would continue to govern and the Eligible Entity would not use Reason Code 5 for a location due to new LFW service appearing on Fabric v6. However, Eligible Entities have flexibility to incorporate any unique characteristics of their LFW pre-challenge mod into their SOP to ensure that reason codes are properly applied to all locations.

2.30 Can Eligible Entities submit non-deployment projects with their Final Proposal? When will non-deployment projects be approved?

No. The Final Proposal is limited to the collection of information on broadband infrastructure deployment projects. Eligible Entities shall not submit information on non-deployment projects in the Final Proposal. NTIA will provide further guidance on non-deployment, including the method of submitting additional information, after concluding its review of the appropriate uses of non-deployment funding.

2.31 How will subgrantees that do not perform installations comply with the requirement to install within 10 business days?

The RPN clarifies that all subgrantees must deploy the planned broadband network, regardless of the 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. The RPN defines standard installation as 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. A

recipient of a LEO Capacity Subgrant shall be deemed to have begun to provide service when it certifies 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.

Eligible Entities may specify in the subgrant agreement precisely what must be accomplished by the subgrantee to have initiated broadband service, and that may include requiring the subgrantee to ensure – either through provider installation or third-party installation – that subscribers that do not wish to self-install will have fully functioning service within 10 business days. Regardless of what the Eligible Entity requires, BEAD subgrantees may charge standard installation fees to subscribers on the BEAD-funded network but may not require subscribers to make modifications to their own or surrounding property or charge fees for the same in connection with installation of broadband services funded by the BEAD Program. See also FAQ 3.32 below.

For subgrantees planning to send Customer Premises Equipment (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.

2.32 How long does the Final Proposal need to be made available for public comment?

The Final Proposal must be posted for public comment for seven (7) days. Eligible Entities must post their Final Proposal for public comment no later than August 28th to meet the September 4th Final Proposal submission deadline.

Upon the conclusion of its public comment period, the Eligible Entity must include the following information in its Final Proposal submission:

- Describe how it conducted a public comment period,
- Provide a high-level summary of the comments received, and;
- Demonstrate how it incorporated feedback in its Final Proposal submission, as applicable

The Eligible Entity is not required to respond to all individual comments but must capture where public comments impacted the contents of the Final Proposal submission.

2.33 May an Eligible Entity add CAI addresses to its approved CAI list?

No. An Eligible Entity cannot add CAI addresses to the list approved in their Initial Proposal Volume I. However, an Eligible Entity can remove CAIs from the approved list to come into compliance with the RPN.

2.34 If an Eligible Entity believes a BSL on its final eligible location list was removed from the fabric and replaced with a new location ID (i.e. a different location ID appears on the same parcel) in Fabric V6, can it substitute the new ID for the removed ID?

No. An Eligible Entity may not substitute a new location ID on the same parcel as one that was previously removed from the FCC's fabric. It cannot be assumed that the same BDC data for the previous location ID on an older version of the fabric will match the newly added location ID.

2.35 Can Eligible Entities aggregate multiple CAI locations under one address?

No. CAIs are identified specifically by the institution and the address of a particular facility and are required to be listed this way in the post Challenge Process CAI list. For example, if the CAI in question is a Community College with three campus locations in different towns, each of the three campus addresses constitute a distinct CAI for the purposes of broadband deployment. This is because broadband is physically deployed to a specific location. If there are multiple CAIs at a single address, listing one CAI is sufficient to trigger a deployment to that location.

2.36 Do Eligible Entities need to apply non-service codes to the CAIs that won't be reached?

No. The BEAD Program does not require Eligible Entities to serve CAIs. If an Eligible Entity is only able to connect some CAIs through BEAD, those CAIs that are included in BEAD projects will be listed in the CAI CSV file that is submitted with the Final Proposal. CAIs that are not included in BEAD projects will not be reported to NTIA.

2.37 If an Eligible Entity plans to connect CAIs, should it consider the cost to serve CAIs as part of the minimal BEAD outlay calculation in the primary scoring criteria?

Yes. The Eligible Entity must consider the total cost to the BEAD program to serve the project area; if the project area includes CAIs, then the cost to serve those CAIs should be considered in the minimal BEAD outlay calculation for primary criteria.

As a reminder, Eligible Entities have the discretion to determine what constitutes the same "general project area." For example, if one project is cheaper than another because it excludes CAIs, the Eligible Entity can choose to award the more expensive project by determining that they are no longer the same general project area.

2.38 When will Semi-Annual Report (SAR) 2.0 guidance be released to Eligible Entities?

SAR 2.0 guidance is expected to be released in Fall 2025.

2.39 May LEO Capacity Subgrantees choose to maintain a LOC/Performance Bond in the amount of 10% of the subaward instead of the reduction methodology outlined in the RPN?

No. NTIA requires Eligible Entities awarding BEAD subgrants to LEO providers to employ "LEO Capacity Subgrants" that are subject to the conditions described in the RPN. Accordingly, LEO subgrantees that receive funding for reserving capacity (rather than constructing a physical network) must provide a Letter of Credit that incentivizes them to reach out to potential subscribers to encourage adoption (see RPN, Appendix B, p. 20). As a result, LEO Capacity Subgrant recipients must provide the Eligible Entity an irrevocable standby letter of credit in the required form, acceptable in all respects to the Eligible Entity, in a value of no less than 25 percent of the subaward amount prior to entering into any subgrant agreement. The LOC can then be reduced based on the methodology outlined in Appendix B.

2.40 How should Eligible Entities use reason codes for non-service during the period of performance?

Eligible Entities must continue to use the non-service reason codes 1, 2, and 3 - and may use reason code 6 - throughout the period of performance as subgrantees build out their networks. The non-service reason codes 1 (No Broadband Connection), 2 (No Demand for Mass-Market Broadband Service), 3 (Removal from FCC's fabric), and 6 (other) should be used for a location that cannot or should not be built for a valid reason. Using the Reason Code format maintains consistency with Final Proposal submissions and provides documentation for both the Eligible Entity and NTIA's records.

2.41 Are all BEAD subgrantees required to obtain Tribal Consent?

Yes. All BEAD subgrantees, including low-Earth orbit (LEO) satellite providers, must obtain Tribal Consent for locations on Tribal Lands that are included in a BEAD project. NTIA will not fund BEAD projects on Tribal Lands that do not receive Tribal Consent as required by the NOFO, Section IV.B.9.b.15.

2.42 When do Eligible Entities have to submit Tribal Resolutions of Consent for BEAD projects that take place on Tribal Land?

Any Tribal Resolutions of Consent that the Eligible Entity has secured at the time of Final Proposal submission should be submitted with the Final Proposal. If the Eligible Entity is unable to secure Tribal Resolutions of Consent at the time of Final Proposal Submission, then the Eligible Entity has 6 months from the data of the approval of its Final Proposal to submit them to NTIA. A Special Award Condition (SAC) will be placed on the funds for projects in which a necessary Resolution of Consent was not submitted, to be applied until the Tribal Consent requirement is met. For more information, view the Programmatic Waiver of Tribal Consent Deadline Notice.

3. Subgrantee Selection: Benefit of the Bargain

3.1 What is the definition of Priority Broadband Project?

The Infrastructure Act defines a priority broadband project as one designed to:

(i) provide broadband service that meets speed, latency, reliability, consistency in quality of service, and related criteria as the Assistant Secretary shall determine; and

(ii) ensure that the network built by the project can easily scale speeds over time to -

a. meet the evolving connectivity needs of households and businesses; and

b. support the deployment of 5G, successor wireless technologies, and other advanced services (RPN, 3.1, p. 8-9)

The RPN restores the definition of Priority Broadband Project to its statutory definition and removes the fiber preference.

3.2 Which aspects of the original prequalification period must be reopened to comply with the RPN?

Under the RPN, Eligible Entities must reopen all prequalification processes that potential applicants must complete to determine eligibility for a BEAD subgrant (RPN, 3.3, p.10).

3.3 Can applicants that did not prequalify prior to the RPN resubmit a pre-qualification application for the Benefit of the Bargain round?

Yes. If an Eligible Entity had a prequalification process, this process must be reopened to all interested applicants, including those applicants that failed to pre-qualify in the past. Existing qualified applicants do not need to resubmit prequalification documentation (RPN, 3.3, p. 10-11).

3.4 Can a previous applicant be considered in the Benefit of the Bargain round without submitting a new application?

Yes. Existing pre-qualified applicants do not need to resubmit documentation for consideration in the Benefit of the Bargain round. However, if selected, subgrantees will not be permitted to recover costs that were budgeted to comply with the regulatory burdens eliminated in the RPN (RPN, 3.3, p. 11).

3.5 May Eligible Entities create or add their own scoring criteria for subgrantee selection?

No. No additional scoring factors outside of those explicitly listed in the RPN may be considered during subgrantee selection (RPN, 3.4, p.11-13).

3.6 The Primary Criteria to choose a BEAD subgrantee is "... the option with the lowest cost based on minimal program outlay" (RPN, 3.4, p.12). However, Secondary Criteria are provided. Can you explain this?

Scoring subgrantee applications may consist of a two-part process.

First, the Eligible Entity must determine which Priority Broadband Projects (PBP) proposal costs the least according to the minimal BEAD program outlay definition (see RPN, 3.4, p. 12). (Note: If PBP proposals are too expensive, an Eligible Entity can move to less expensive non-PBPs.) If there are no proposals within 15% of the lowest cost proposal, and costs aren't excessive, that proposal wins.

Second, if there are other proposals for the same project area that are within 15% of the lowest cost proposal, the Eligible Entity then goes on to consider Secondary Criteria in order to determine a winner (RPN, 3.4, p. 12).

3.7 What steps must Eligible Entities take prior to opening the Benefit of the Bargain Round?

All Eligible Entities must take the following steps prior to reopening subgrantee selection:

- Submit the Initial Proposal correction letter and receive NTIA approval
- Modify the SGS process to score all applicants under same terms
- Remove non-statutory burdens from the application & scoring processes
- Rescind preliminary awards & notify applicants of next application round
- Reopen prequalification process, if applicable
    - Eligible Entities may choose to make prequalification submissions part of the application
- Update the eligible location list following the ULFW process

3.8 Do Eligible Entities need to receive approval of their IP Corrections Letter before beginning the subgrantee selection via the Benefit of the Bargain round?

Yes. Eligible Entities must have an approved IP Correction Letter prior to opening subgrantee selection in the Benefit of the Bargain round.

3.9 Which Eligible Entities can use the "Preliminary/Provisional Subgrantees" secondary scoring criteria?

Any Eligible Entity that has "already identified preliminary or provisionally selected subgrantees may give additional weight to those applications in the Benefit of the Bargain Round." (RPN, 3.4, p. 13). For locations where an Eligible Entity has selected a preliminary subgrantee, regardless of whether the subgrantee has been notified, it may employ the "Preliminary/Provisional Subgrantees" secondary criterion. As the RPN makes clear, Eligible Entities have significant discretion over how much weight to give the "Preliminary/Provisional Subgrantees" criterion.

3.10 Will NTIA second-guess how an Eligible Entity weighs the secondary criteria established in the RPN?

No. Eligible Entities may determine how much weight is given to each secondary criterion, and that may include giving no weight to one or two of the secondary criteria. NTIA reserves the right to review whether it was appropriate to apply the secondary criteria (i.e. the Eligible Entity may only use secondary criteria when scoring competing low-cost proposals within 15% of one another) and if the Eligible Entity employed an unauthorized secondary criterion (RPN, 3.4, p. 12-13).

3.11 Can Eligible Entities include secondary criteria if it is required by state law?

No. Any additional scoring criteria, beyond the three required in the RPN (see RPN, 3.4, p.12), cannot be used in subgrantee selection. If state law conflicts with the RPN, the Eligible Entity must seek a waiver from NTIA (RPN, 2, p. 4).

3.12 Are the costs associated with subgrantee selection subject to the 2% administrative cap?

No. Costs related to the subgrantee selection process are not subject to the 2% administrative cap.

Subgrantee selection process is a key programmatic component and therefore not an expense related to the administration of an Eligible Entity's grant. Costs associated with the actual subgranting process (contracting, monitoring, disbursement of funds, etc.) are administrative costs but are not expenses related to the administration of the Eligible Entity's grant. Please review Section 1 for additional questions and answers regarding the 2% cap.

3.13 Can applicants request reimbursement from the Eligible Entity for costs associated with preparing its application, including costs associated with submitting a Benefit of the Bargain application and costs for extending the time they must hold a Letter of Credit for a BEAD project?

It depends. If the Eligible Entity allows for pre-award costs in its NOFO, these costs may be allowable. If the Eligible Entity does not allow for pre-award costs in its NOFO, these costs may not be allowable.

All pre-award costs are incurred at the risk of the applicant. For guidance, applicants should discuss whether pre-award costs are allowable with their Eligible Entity.

Applicants concerned about the costs of applying may stand on their previous applications and acknowledge that recovering costs for eliminated regulatory burdens will not be allowed. However, revising applications should result in more competitive bids after accounting for the flexibility the RPN affords BEAD subgrantees, such as the ability to design their own Low-Cost Broadband Service Option.

If an applicant is not selected for an award, none of the application costs will be reimbursed, regardless of the Eligible Entity's allowability of such costs.

3.14 Can Eligible Entities run more than one Benefit of the Bargain round?

Yes. All Eligible Entities must conduct at least one Benefit of the Bargain subgrantee selection round for every BEAD-eligible BSL. Eligible Entities can choose to conduct more than one Benefit of the Bargain subgrantee selection round. However, for locations not included in any applications during the initial Benefit of the Bargain round, the Eligible Entity may elect to secure service commitments through direct negotiation instead of conducting another subgrantee selection round.

3.15 What should Eligible Entities consider when determining Minimal BEAD Program Outlay?

To determine Minimal Program Outlay, Eligible Entities must consider three factors:

1. The total BEAD funding required for the project (the total project cost minus the applicant's proposed match);
2. The cost per BSL of the project (the total BEAD funding that will be required to complete the project divided by the number of BSLs the project will serve); and
3. The combination of the proposals with the lowest overall cost to the Program

The third factor – the combination of the proposals with the lowest overall cost to the Program – is not a set "formula." For example, suppose a project area has 20 BSLs, and the Eligible Entity receives two Priority Broadband Project proposals to serve them:

- Proposal A is $100 to serve 15 locations (It took out five locations due to excessive cost.)
- Proposal B is $200 to serve all 20 locations

At first glance, one might conclude Proposal A is the most cost-effective. But the Eligible Entities should also consider how much it will cost to serve the five 'excessive cost' BSLs Proposal A omitted.

If funding another provider to serve those five remaining locations will cost $500, the total cost to BEAD to serve the project area (Proposal A ($100) + $500 = $600) far exceeds the cost of Proposal B ($200), and thus Proposal B should be selected, if all other things are equal.

3.16 How long is an applicant required to provide a low-cost service option (LCSO) to eligible subscribers?

Applicants must offer an LCSO throughout the 10-year federal interest period, or in the case of a LEO subgrant, the 10-year period of performance (see RPN, Appendix C). If an applicant seeks the flexibility to change the cost of the LCSO over time, then it must state the methodology it will use to set the LCSO in the future (e.g., tied to inflation or changes in the FCC's urban rate benchmark, etc.) in its subgrant application.

3.17 If an Eligible Entity does not complete its SGS within the 90-day period, will unserved and underserved BSLs not already included in a project selection remain unserved?

No. Eligible Entities are expected to connect all unserved and underserved locations. If the Eligible Entity is unable to complete its Final Proposal by the deadline, it may seek a waiver.

3.18 If no applications are received for a BSL during the Benefit of the Bargain round, an Eligible Entity may select an application submitted prior to the RPN release, so long as the cost is not excessive. Does this principle also apply to previously secured direct negotiation commitments?

Yes, as long as the provider agrees.

3.19 Are BEAD subgrantees permitted to adjust the service available to a subscriber commensurate with network usage as revealed by metering?

The BEAD 100/20 Mbps and <100ms requirement is a floor for the minimum acceptable service, which means customers served by the BEAD-funded network must receive at least 100/20 Mbps and <100 ms latency pursuant to the terms of the subgrant agreement for the BEAD subgrantee to be in compliance with the terms and conditions of the subgrant.

3.20 If NTIA overturns a provisional award in an Eligible Entity's Final Proposal submission, will the Eligible Entity have an opportunity to ensure the locations in the overturned proposal are served?

Yes. Because Eligible Entities are required to serve all unserved and underserved locations, they would have an opportunity to find a solution to deploy broadband to the locations in question.

If an Eligible Entity, in consultation with NTIA, determines that a BSL cannot be served due to excessive costs (or zero provider bids), it should apply non-service code 7 (financially incapable), as described in the Final Proposal Guidance, to the relevant unserved BSLs.

3.21 Do BSLs remain BEAD-eligible if they are included in a state-funded enforceable commitment to reserve LEO capacity?

No, BSLs covered by a state-funded enforceable commitment to reserve LEO capacity are not eligible for BEAD funding, even if no one at the BSL has subscribed to service yet. The Eligible Entity should not put these locations out for bids during the Benefit of the Bargain round and instead should list them as covered by Reason Code 4 (locations already served by an enforceable commitment) during Final Proposal submission.

3.22 How should Eligible Entities determine which project proposals are Priority Broadband Projects?

As stated in the RPN:

> Any applicant may seek to have the Eligible Entity treat its application as a Priority Broadband Project regardless of the technology used. The applicant's project, however,

must still meet the required speed and latency standards set forth in the statute and the NOFO and demonstrate that it meets the additional statutory criteria, including that the project can easily scale speeds over time to support evolving connectivity needs and the deployment of 5G and successor wireless technologies. Applicants must provide supporting documentation sufficient for the Eligible Entity to assess the network application and determine that the proposed network architecture for each specific project area meets this standard.

Because of their on-the-ground familiarity with unserved areas in their jurisdiction, Eligible Entities are given significant leeway in determining which project proposals meet the definition of a Priority Broadband Project. To properly make this determination, an Eligible Entity must establish a review methodology that addresses each component of the statutory definition of a Priority Broadband Project and that can be fairly applied to assess all proposed projects that request Priority Broadband Project Status. Although an Eligible Entity must apply its Priority Broadband Project review standard in a fair and indiscriminate manner, an Eligible Entity may determine that a given application using a certain technology is not a Priority Broadband Project for one particular project area but is a Priority Broadband Project for another particular project area. For example, in applying its review methodology, an Eligible Entity could determine that the relevant technology cannot easily scale to meet evolving connectivity needs in one project area but can easily scale in another project area.

What follows are examples of how an Eligible Entity may analyze a proposal – both as a standalone proposal tailored to serve a specific project area and in light of all proposals submitted by the same applicant across the state – to determine if it meets all statutory criteria for a Priority Broadband Project.

1. Provides broadband service at speeds of no less than 100/20 Mbps with latency less than or equal to 100 milliseconds:

    a. Review applicants' network design and diagrams to determine that the proposed project meets the minimum speed and latency standards.
    b. For example, an Eligible Entity may determine that an applicant with several project proposals across the state may not merit Priority Broadband Project status for all proposals if a proposed technical capability showing is not sufficiently tailored to a given project area.

2. 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:

    a. *Project Area Geography (Including Topography)*:
        i. Consider the natural and physical features of a project area (including weather patterns) when determining the suitability of a proposed project.
        ii. For example, assess tree coverage or threats to infrastructure in a project area that would make certain applications a priority over others.
    b. Project Area Density:

i. Consider the number of people or BSLs in the proposed project area when determining the suitability of a proposed project.
ii. For example, assess the concentration of BSLs in a project area that would make certain applications nonpriority due to lack of scalability.

c. *Statewide Capacity:*
   i. Consider the capacity of an applicant to meet the Priority Broadband Project definition if awarded for all proposed BEAD projects statewide.
   ii. For example, explain why an application that may be considered a Priority Broadband Project for a discrete project area is ultimately designated a non-Priority Broadband Project after reviewing the applicant's proposals across the Eligible Entity and assessing the technological capacity to scale service over time that meets all Priority Broadband Project criteria.
   iii. An Eligible Entity may determine that an applicant lacks capacity to deliver Priority Broadband for every project it applied for in the state. In cases where an Eligible Entity determines that an applicant cannot deliver Priority Broadband service to all locations for which it applied due to capacity concerns an Eligible Entity may still consider one or more discrete proposals from the applicant as Priority Broadband Projects because the smaller number of locations will alleviate the capacity concerns.

NTIA will afford reasonable deference to each Eligible Entity's methodology for determining Priority Broadband Project status based on the characteristics of individual project areas within its jurisdiction. An Eligible Entity may not make a blanket determination for a technology on a statewide basis.

3.23 Is an Eligible Entity required to submit a budget modification prior to starting the Benefit of the Bargain Round?

No. An Eligible Entity is not required to submit a budget modification to start or conduct its Benefit of the Bargain round. NTIA encourages each Eligible Entity to use their currently-approved budget to conduct subgrantee selection activities, so long as the activities are allowable under that budget.

3.24 Can an Eligible Entity reopen its prequalification prior to receiving NTIA's acceptance of its IP Corrections letter?

Yes. An Eligible Entity can reopen prequalification at any time before SGS begins.

3.25 Can Eligible Entities open their Benefit of the Bargain Round before they receive the updated SACs and Terms and Conditions?

Yes. Eligible Entities can and should continue to execute their subgrantee selection process without updated SACs and Terms and Conditions. NTIA and NIST will issue updated General Terms and Conditions and Specific Award Conditions upon the approval of an Eligible Entity's Initial Proposal correction and Final Proposal. Eligible Entities should follow the guidance provided in the RPN until

updated General Terms and Conditions and Specific Award Conditions are incorporated into the BEAD awards.

3.26 How does an applicant indicate to the Eligible Entity that it would like a project proposal to be deemed a Priority Broadband Project?

As stated in Section 3.1 of the RPN, "any applicant may seek to have the Eligible Entity treat its application as a Priority Broadband Project regardless of the technology used," (p. 9). To that end, applicants should consult their Eligible Entity for specific application guidance regarding Priority Broadband Projects. It is the responsibility of the Eligible Entity to provide instructions regarding its application process.

3.27 An Eligible Entity may apply secondary criteria to score competing applications when project costs are within 15% of the lowest-cost proposal. In this context, what is considered the 'project cost?'

To determine if secondary criteria can be used to score competing applications, Eligible Entities should first calculate the Federal share of each project; the Federal share can be found by subtracting the applicant's proposed match from the total project costs. Then the Eligible Entity must assess the Federal share on a per location basis (i.e., Federal share of the cost divided by the number of BSLs in the project). **This per location cost is considered the 'project cost' for purposes of determining when the Eligible Entity should use secondary criteria for scoring competing low-cost proposals.**

3.28 May BEAD subgrantees offer the LCSO to all potential subscribers on the BEAD-funded network?

Yes. Subgrantees may offer the LCSO to all potential subscribers on the BEAD-funded network and are not required to limit the LCSO to eligible subscribers only. Potential subgrantees should use their applications to clearly explain which households, in addition to all Lifeline eligible households, may subscribe to the LCSO. A LCSO is an offering with a lower rate, or additional benefits, compared to what the subgrantee is currently offering to all potential subscribers. As required by IIJA and the NOFO, the LCSO must offer speeds of at least 100/20 Mbps and latency performance of no more than 100 milliseconds.

If a subgrantee initially agrees to offer the LCSO to a broader group of subscribers than what is required by the RPN, it is not obligated to maintain such offer to the broader group for the entire federal interest period (or 10-year period of performance in the case of LEO capacity subgrants). However, if a subgrantee later decides to limit LCSO eligibility to eligible subscribers (as defined in the RPN), it must begin verifying eligibility as described in the RPN.

3.29 May an Eligible Entity require a specific rate for the low-cost service option (LCSO) when required by state law?

No. The IIJA prohibits NTIA or the Assistant Secretary from engaging in rate regulation. Because the Assistant Secretary must approve the LCSO in the Final Proposal, the rate contained may not be the result of rate regulation. The RPN addressed this fundamental flaw in the BEAD NOFO. The RPN

eliminated BEAD NOFO requirements dictating price and other terms for the required low-cost service option. Per the RPN, states may not apply state laws to reimpose LCSO requirements removed by the RPN. More specifically, the RPN "prohibits Eligible Entities from explicitly or implicitly setting the LCSO rate a subgrantee must offer" (BEAD Restructuring Policy Notice, p.7). Violation would result in rejection of the Final Proposal.

3.30 Can an Eligible Entity apply a metric such as 1,000/500 Mbps as a threshold to meet the statutory requirement for scalability for purposes of determining a Priority Broadband Project? When should an Eligible Entity require an applicant to meet this threshold to demonstrate its compliance with the statute?

To comply with the statute, applicants cannot be required to provide more than 100/20 Mbps to each broadband serviceable location in a priority broadband project area by the end of the Period of Performance. The Eligible Entity may apply a metric such as 1,000/500 Mbps to determine the "evolving connectivity needs of households and businesses" under the statutory definition of a Priority Broadband Project and require applicants to submit evidence that the network built by the project could reach this goal by the end of the Federal Interest Period (or extended LEO Capacity subgrant Period of Performance).

3.31 How can an Eligible Entity evaluate scalability?

The ability to scale involves the technology used, how a network is engineered, the service plans offered, and the network operator's policies and practices regarding network upgrades. Understanding how many subscribers can be supported at specific speeds on segments of the network before upgrades are required is important to determine the scalability of a network as built. The provider's policies for how and when to augment network segments will demonstrate how they will add capacity when needed. This includes more than just the speed of existing electronics, but also latent capacity of infrastructure (e.g., room for adding fiber to existing conduits or towers that can support additional base-station radios and antennas). Eligible Entities should document how they evaluate scalability for their records.

3.32 Are subgrantees permitted to include drop costs in the standard installation fee they charge to customers?

No. A location covered by a BEAD project is served when the subgrantee is able to perform a standard installation at the location, which is the initiation of fixed broadband internet access service within ten (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 standard installation fees to subscribers on the BEAD-funded network but may not require subscribers to make modifications to their own or surrounding property or charge fees for the same in connection with installation of broadband services funded by the BEAD Program.

3.33 What rules must Eligible Entities follow when they employ direct negotiation to serve BSLs?

All providers must have had an opportunity to competitively apply to serve the BSLs in question before an Eligible Entity can engage in direct negotiation. In addition, when directly negotiating, Eligible Entities should ensure that the providers with which they engage meet all BEAD eligibility gating criteria.

3.34 If a provider has built out the necessary infrastructure to serve a location but has not yet started providing service (and will not do so before the Benefit of the Bargain round), can an Eligible Entity apply reason code 5 to that location?

No. However, reason code 6 may be applicable in limited situations. Reason codes cannot be applied in situations where service is planned but not yet built. If the infrastructure is built but not yet turned on (and therefore not depicted in the FCC map), reason code 6 may be appropriate. Eligible Entities need to make their case in writing to NTIA in this situation.

3.35 Can an Eligible Entity disqualify an application if it is incomplete or inadequate?

If an applicant does not provide the information needed for an Eligible Entity to determine that it meets the financial and managerial capacity, technical and operational capability, and other requirements in 47 U.S.C. § 1702(g)(2)(A) for the project area, the application can be disqualified or determined to be non-priority. However, to encourage broad participation, NTIA encourages Eligible Entities to allow applicants to cure their applications to the extent allowable by state law.

3.36 When calculating minimum BEAD outlay, can an Eligible Entity consider replacement and/or maintenance costs that will be required during the 10-year federal interest period (or, in the case of LEO capacity subgrants, the extended period of performance)?

No. The Eligible Entity may not consider potential future expenses that are not included in the applicant's proposal.

3.37 Are Eligible Entities required to conduct site visits to confirm the correct application of reason codes throughout the period of performance?

No, Eligible Entities are not required to conduct site visits during the period of performance to verify correct application of reason codes. For example, if a subgrantee determines that a BSL within a BEAD project is a haybale that does not require service, the Eligible Entity should not need to conduct a site visit before allowing application of reason code 1 (location should not have a broadband connection).

Eligible Entities will be conducting site visits on a regular basis throughout the period of performance to monitor deployment progress, but not for the explicit purpose of approving the use of a reason code.

3.38 Do Eligible Entities have to complete the SAC meeting prior to beginning the Public Comment period?

Yes. Eligible Entities may release their Final Proposal for public comment only after they have received written communication from NTIA of the successful completion of the SAC meeting. This communication will come via email from the Eligible Entity's Federal Program Officer.

4. Cost Sharing and Matching

4.1 What are the matching requirements for BEAD?

As described in Section III.B.1. of the NOFO, except in certain specific circumstances (i.e., projects in "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 require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs. A matching contribution may be provided by the subgrantee, an Eligible Entity, a unit of local government, a utility company, a cooperative, a nonprofit or philanthropic organization, a for-profit company, regional planning or governmental organization, a federal regional commission or authority, or any combination thereof. While the match may be provided by multiple sources, Eligible Entities are encouraged to the maximum extent possible to require a match from the subgrantee before utilizing other sources of matching funds.[1] Eligible Entities are also required to incentivize matches of greater than 25 percent from subgrantees wherever feasible (especially where expected operational costs and revenues are likely to justify greater investment by the subgrantee) to reduce the federal share of projects and extend the reach of BEAD Program funding.

4.2 Can federal funds be used as matching funds? (e.g., ARPA Capital Projects Fund)

Federal funds may not be used as matching funds, except as expressly provided by federal statute. The Infrastructure Act expressly provides that for the BEAD Program matching funds 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 following legislation, to the extent permitted by those laws

- Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178);
- CARES Act (Public Law 116-136; 134 Stat. 281)
- Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or
- American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4).

Eligible Entities are encouraged to consider terms and conditions that may be associated with potential sources of match funds and how those may impact the project overall. For example, if an Eligible Entity utilizes federal regional commission funding as a match, the project will need to comply with all BEAD programmatic requirements and any requirements imposed by the federal regional commission.

[1] Rather than using state or local funds as a match to BEAD projects, Eligible Entities are encouraged to use these funding sources on broadband separately and leverage additional subgrantee match commitments. Eligible Entities also must use BEAD Program funds to supplement, and not supplant, the amounts that the Eligible Entity would otherwise make available for the purposes for which the grant funds may be used.

Additional information about matches from other federal programs can be found in Section III.B.3. of the NOFO.

4.3 What are circumstances under which NTIA may consider granting a match waiver?

As explained in Section III.B.5. of the NOFO, in evaluating requests for waiver of the BEAD Program's non-federal match requirement, NTIA will carefully balance the Program's various objectives. Thus, the Assistant Secretary will generally seek to minimize the BEAD funding outlay on a particular project to extend the Program's reach, and expects to grant waivers only in special circumstances, when waiver is necessary to advance objectives that are critical to the Program's success. In order to be considered for a waiver, an Eligible Entity must submit a request that describes the special circumstances underlying the request and explain how a waiver would serve the public interest and effectuate the purposes of the BEAD Program. The Assistant Secretary retains the discretion to waive any amount of the match, including up to the full 25 percent requirement.

4.4 Can matching funds be provided in any form other than cash? What are allowable in-kind contributions?

Section III.B.4. of the NOFO states that matching funds may be provided in the form of either cash or in-kind contributions, so long as such contributions are made consistent with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth at 2 C.F.R. Part 200. In-kind contributions, which may include third-party in-kind contributions, are non-cash donations of property, goods or services, which benefit a federally assisted project, and which may count toward satisfying the non-federal matching requirement of a project's total budgeted costs when such contributions meet certain criteria. In-kind contributions must be allowable and allocable project expenses.

The rules governing allowable in-kind contributions are detailed and encompass a wide range of properties and services. NTIA encourages applicants to thoroughly consider potential sources of in-kind contributions that, depending on the particular property or service and the applicable federal cost principles, could include

- Employee or volunteer services;
- Equipment;
- Supplies;
- Indirect costs;
- Computer hardware and software; and
- Use of facilities.

In the broadband context this could include, consistent with federal cost principles:

- Access to rights of way;
- Pole attachments;
- Conduits;
- Easements; or
- Access to other types of infrastructure.

4.5 Is the 25% non-federal match required for BEAD Planning Funds?

A non-federal match is not required for Initial Planning Funds.

As described in the NOFO, except in certain specific circumstances in the context of subgrants used to fund broadband network infrastructure deployment (i.e., projects in "high-cost areas" and other cases in which NTIA has waived the matching requirement), 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. A matching contribution may be provided by the subgrantee, an Eligible Entity, a unit of local government, a utility company, a cooperative, a nonprofit or philanthropic organization, a for-profit company, regional planning or governmental organization, a federal regional commission or authority, or any combination thereof. While the match may be provided by multiple sources, Eligible Entities are encouraged to the maximum extent possible to require a match from the subgrantee before utilizing other sources of matching funds. Eligible Entities are also required to incentivize matches of greater than 25 percent from subgrantees wherever feasible (especially where expected operational costs and revenues are likely to justify greater investment by the subgrantee) to reduce the federal share of projects and extend the reach of BEAD Program funding (NOFO Section III.B.1).

4.6 Can state highway right of ways (ROWs) be used as match for the BEAD Program?

Yes, state highway ROWs can be used as a match subject to the requirements around in-kind contributions. In-kind contributions are non-cash donations of property, goods or services, such as waiver of fees associated with access to rights of way, pole attachments, conduits, easements, or access to other types of infrastructure (NOFO Section III.B.4).

4.7 Is it allowable for an Eligible Entity to contribute municipal revenue bond proceeds as matching funds for a BEAD?

The Infrastructure Act and BEAD NOFO include a matching requirement of not less than 25 percent of project costs, subject to certain waivers (Act Section 60102(h)(3)(A), and NOFO Section III.B.1). A non-Federal entity may contribute municipal revenue bond proceeds to meet its BEAD matching funds requirement, so long as the contributions meet the criteria laid out in 2 CFR § 200.306(b) and such use is consistent with the terms of the bond. Such a bond would be considered governmental revenue, and not program income, under 2 CFR § 200.307(c).

4.8 If a BEAD Eligible Entity contributes municipal revenue bond proceeds as matching funds, can the Eligible Entity then use program income to repay a revenue bond?

Under the Financial Assistance Standard Terms and Conditions (ST&Cs), unless otherwise indicated in a specific award term, program income may be used for any required cost sharing consistent with 2 CFR § 200.307 (see ST&Cs Section B.05). Any match contributions must meet the criteria of allowable costs (2 CFR § 200.306(b)(4)). Allowable costs for the BEAD Program are determined in accordance with the cost principles identified in 2 CFR Part 200, including Subpart E of such regulations, for States and non-profit organizations, and in 48 CFR Part 31 for commercial organizations (NOFO Section V.H). A recipient may request that the Grants Officer and NTIA consider the repayment of the principal of the bond as an allowable cost. However, the repayment

of the interest portion of the municipal revenue bond would not be allowable for the proposed project purpose. The Grants Officer would have to approve any such a proposal to use program income to repay revenue bonds and may require special award conditions.

4.9 Can U.S. Treasury Coronavirus Capital Projects Fund (CPF) grants be used for BEAD matching funds?

Yes, CPF grants can be used as matching funds. Further, assets purchased with previously disbursed CPF grant funds may be used as an in-kind matching contribution for the BEAD program if the purchase of that asset was an eligible use of BEAD funding. Eligible Entities that use CPF funds as the source of matching funds must comply with the requirements of both programs, as well as regulations regarding in-kind matches.

4.10 Who is the beneficiary for the performance bond?

The Eligible Entity should be the primary beneficiary.

4.11 Does the performance bond amount need to include the match portion of the project or only the federal investment?

The performance bond only needs to be for the amount of the federal funds in the project.

4.12 Are LEO capacity subgrantees required to meet the 25% match requirement?

Yes, LEO capacity subgrantees are required to meet the 25% match requirement (BEAD NOFO, III.B.1. p. 20).

4.13 Do all cost sharing and matching funds need to comply with the RPN?

Yes. All costs incurred after June 6, 2025, including cost share and match, must comply with the terms of the RPN. Per Section 8 of the RPN "any costs incurred by an Eligible Entity after the publication of the RPN that do not comply with the terms of the RPN may be disallowed" (p. 16). Remember that the BEAD cost sharing requirement only applies to broadband deployment projects.

5. BEAD General Terms and Conditions: Protecting the BEAD Program from Defaults

5.1 What did Assistant Secretary Roth mean when she stated on October 28, 2025, at the Hudson Institute that "NTIA will require states to have providers certify in writing that they will not require or take additional federal subsidies—including operational subsidies—to complete or operate their BEAD projects"?

NTIA is requiring that all contracts between Eligible Entities and Subgrantees incorporate a provided templatized certification from the Subgrantee that its application did not rely on the prospect of receiving speculative additional federal funding to fulfill its BEAD obligations, and that it will not need or accept such additional federal broadband funds to serve its BEAD-funded locations. The Eligible Entity must submit each certification as a standalone document (i.e., do not submit the subgrant agreement itself) to NTIA and inform all Subgrantees that NTIA may publish the certifications.

5.2 What are the requirements of the "Protecting the BEAD Program from Defaults" certification document?

The Subgrantee certification referenced in the "Protecting the BEAD Program from Defaults" condition must:

- be a standalone machine-readable PDF document on official Subgrantee letterhead;
- be saved according to a consistent file-naming format established by the Eligible Entity that includes the Subgrantee UEI;
- be signed and dated by the Authorized Organization Representative (AOR) signing the subgrant agreement on behalf of the Subgrantee, and the AOR must have signatory authority for the Subgrantee's affiliates; and
- include Subgrantee contact information.

5.3 Is signing the subgrant agreement sufficient to satisfy the "Protecting the BEAD Program from Defaults" condition?

No. The Eligible Entity must require the Subgrantee to sign its subgrant agreement and provide a separate, signed and dated, document with the required templatized language. The Subgrantee will provide this signed certification document to the Eligible Entity when submitting its signed subgrant agreement. Failure to submit this stand-alone certification document will result in grant funds being held (unavailable) from the Subgrantee until the time the certification is received by the Eligible Entity.

5.4 How will Universal Service Fund (USF) recipients be impacted by signing the certification?

The certification is forward-looking, only applies to BEAD-funded locations, and only applies to federal funds for broadband network deployment and operations. The certification does not apply to federal support for non-BEAD-funded locations, nor does it apply to non-federally funded programs, such as state universal service programs.

The certification applies through the end of the BEAD-funded network's federal interest period (or extended period of performance in the case of LEO Subgrantees). Most locations already receiving federal broadband support were not eligible for BEAD, but in the rare cases where a provider is already receiving support or was already specifically committed support prior to its BEAD application to serve a location that is included in a BEAD project, the provider may continue receiving such support under the existing terms of the other federal program to serve the BEAD-funded location.[2]

5.5 What if the subgrantee refuses to sign the certification?

Subgrantees are required to sign the certification to receive BEAD funding. Participation in BEAD is contingent on making this commitment. If the Subgrantee refuses to sign the certification, it is ineligible to receive BEAD funding as a Subgrantee.

5.6 How and when does the Eligible Entity submit the signed certifications to NTIA?

The Eligible Entity will email the signed certifications to its assigned Federal Program Officer no later than 30 calendar days after a subgrant agreement is signed. The Eligible Entity can email the certifications on a rolling basis individually or in batches; however, it is the Eligible Entity's responsibility to ensure all signed certifications are submitted in accordance with the requirement to finalize all subgrant agreements no later than six (6) months from the date of approval of its Final Proposal, as dated in the Notice of Award Amendment issued by NIST.

[2] Specifically, a provider receiving A-CAM support pursuant to the 2018 Rate of Return Reform Order would be eligible to continue receiving such support through its support term of 2028, even if the provider receives a BEAD award to serve BSLs within its A-CAM area. Connect America Fund et al., Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, FCC 18-176, WC Docket Nos. 10-90, 14-58, and 07-135, CC Docket No. 01-92 (rel. Dec. 13, 2018). Further, a provider relying on the Federal Communications Commission's 2024 decision to make Alaska Connect Fund support available for fixed services to eligible telecommunications carriers in Alaska that receive BEAD funding would not be precluded from receiving such support for BEAD-funded locations. Connect America Fund et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 24-116, WC Docket Nos. 10-90, 23-328, 16-271, 14-58, and 09-197, WT Docket No. 10-208 (rel. Nov. 4, 2024).

5.7 Are there any best practices for the Eligible Entity to track the submission of the certifications?

As a best practice, Eligible Entities can utilize the *fp_subgrantees.csv* file, submitted with their BEAD Final Proposals, for tracking submission. This CSV file contains a comprehensive list of the Subgrantee UEI, official UEI name and FRN. It is recommended that the Eligible Entity make a copy of this file and add columns to track status of the certification, the file name of the certification document, or any other significant information (i.e., collection and filing deadlines).

6. BEAD General Terms and Conditions: Ensuring Timely and Effective Deployment of BEAD Projects

6.1 How do the BEAD General Terms and Conditions interact with state laws and regulations regarding broadband internet service?

In order to receive BEAD funding, the Eligible Entity is required to comply with all of the terms described in the BEAD General Terms and Conditions, including the "Ensuring Timely and Effective Deployment of BEAD Projects" condition. This condition requires the Eligible Entity to commit that it will not enforce any law, regulation, or other enforceable obligation that regulates the rates, terms, and conditions of broadband internet service or imposes net neutrality rules, open access, or other utility-style rules on broadband internet service, against a Subgrantee or its affiliates anywhere it provides service within the State, while that Subgrantee has any subgrant that is still within its period of performance, extended period of performance, or federal interest period.

6.2 Does the "Ensuring Timely and Effective Deployment of BEAD Projects" condition apply only to new state laws?

No. The "Ensuring Timely and Effective Deployment of BEAD Projects" condition applies to all existing and future state laws as they impact BEAD Subgrantees (at all locations the Subgrantee serves in the state, not just those funded by BEAD) for the duration of period of performance and the federal interest period.

6.3 Does the "Ensuring Timely and Effective Deployment of BEAD Projects" condition apply only to new services that will be offered by the Subgrantee in the state?

No. If a Subgrantee provides broadband internet service in the jurisdiction of the Eligible Entity, the Eligible Entity (state or territory) may not impose such laws, rules, orders, or other enforceable obligations on any service provided by that Subgrantee, regardless of when the Subgrantee began offering the service.

6.4 Do the BEAD General Terms and Conditions impose any permitting obligations?

Yes. The BEAD General Terms and Conditions require Eligible Entities to take certain actions to streamline permitting processes as described in the condition titled "Grantee Permitting Obligations." This condition is intended to ensure BEAD projects are carried out in a timely and effective manner.

6.5 The "Grantee Permitting Obligations" condition describes actions to ensure broadband-related permits are processed promptly and approvals/denials are provided within 90 calendar days. What if the procedures detailed in the condition conflict with state law?

The Eligible Entity must establish procedures "consistent with any relevant legal requirements and authorities." Eligible Entities should work to satisfy the condition to the maximum extent permitted by state law.

6.6 May the Eligible Entity use BEAD funds to satisfy any of the requirements under the "Grantee Permitting Obligations" condition?

Yes. As joint lead agencies for NEPA, Eligible Entities must have organizational capacity to support permitting. BEAD funds can be used to hire and/or train dedicated broadband permitting staff or contractual support to develop templates, build databases, develop websites, monitor Subgrantees to ensure they understand and comply with NEPA/permitting requirements, and many other uses. Additionally, the Eligible Entity could provide resources to external agencies (e.g., State Historic Preservation Office) for dedicated staff or contractual services to ensure streamlined and expedited broadband permit processing.

Eligible Entities should consult the following documents for suggestions and guidance on how to proceed: NEPA for BEAD FAQs v2 & NEPA for BEAD Smart Start one and two.

6.7 To help Eligible Entities comply with subsection 3 of the "Grantee Permitting Obligations" condition, where can more information be found on implementing Permitting Roundtables?

NTIA developed a model to support states and territories by establishing Permitting Roundtables to enhance communication and resolve project specific permitting issues. Grant recipients may request to add project specific issues to the agenda of Permitting Roundtables held at the state/territory level to proactively navigate and resolve permitting challenges at the earliest possible time. Contact your State or Territory Broadband Office or NTIA Federal Program Officer for more details in addition to reviewing Streamlining_Environmental_Review_and_Permitting for Broadband.

6.8 Subsection 4 of the "Grantee Permitting Obligations" condition states that the Eligible Entity will track, publicly post, and submit to NTIA, information on Subgrantee compliance with the NEPA milestone schedules and data regarding unresolved complaints from Subgrantees. Will specific guidance be provided to help Eligible Entities submit this information (both for SAR submissions and online)?

Yes, NTIA will develop standardized SAR reporting guidelines as well as guidance for the online reporting requirement.

7. BEAD General Terms and Conditions: Other

7.1 What is the order of operations for Subgrantees to receive their subgrant agreement from the Eligible Entity and begin the subgrant period of performance and to have funds made available?

All subgrant agreements must be signed within 6 months of the approval of the Eligible Entity's Final Proposal. The period of performance for the subaward will begin once this subgrant agreement is signed by both parties (Eligible Entity and Subgrantee), in accordance with the subgrant agreement terms and conditions. Eligible Entities may not release funding to Subgrantees until the "Protecting the BEAD Program from Defaults" certification is signed and submitted to the Eligible Entity, along with their signed subgrant agreement. Note that Eligible Entities may still be required to hold back grant funding until certain activities have been completed (e.g., NEPA requirements).

7.2 Can a Subgrantee receiving grant funds for multiple projects/project areas submit a single certification to satisfy the "Protecting the BEAD program from Defaults" condition?

A Subgrantee may submit a single letter to the Eligible Entity to certify that it will meet the "Protecting the BEAD program from Defaults" condition for all BEAD projects awarded in the Eligible Entity's jurisdiction. In the letter, the Subgrantee should reference the specific BEAD project awards that the certification applies to. Subgrantees must complete at least one certification document for each Eligible Entity in which they have BEAD projects. A Subgrantee may not submit a single certification letter to cover projects across multiple Eligible Entities.

7.3 What does "Subgrantee and its affiliates" mean?

Subgrantee refers to the entity executing the subgrant agreement with the Eligible Entity. Affiliate refers to an entity related to the Subgrantee by shareholdings or other means of control, such as a subsidiary, parent, or sibling corporation. The Authorized Organization Representative (AOR) signing the subgrant agreement on behalf of the Subgrantee must have signatory authority on behalf of its affiliates. By signing the certification, the Subgrantee confirms that all project areas and BSLs outlined in the subgrant agreement as signed, or as modified, will comply with the "Protecting the BEAD program from Defaults" condition.

APPENDIX A: NEW QUESTIONS AND ANSWERS IN V16

New 5. BEAD General Terms and Conditions: Protecting the BEAD Program from Defaults

5.1 What did Assistant Secretary Roth mean when she stated on October 28, 2025, at the Hudson Institute that "NTIA will require states to have providers certify in writing that they will not require or take additional federal subsidies—including operational subsidies—to complete or operate their BEAD projects"?

NTIA is requiring that all contracts between Eligible Entities and Subgrantees incorporate a provided templatized certification from the Subgrantee that its application did not rely on the prospect of receiving speculative additional federal funding to fulfill its BEAD obligations, and that it will not need or accept such additional federal broadband funds to serve its BEAD-funded locations. The Eligible Entity must submit each certification as a standalone document (i.e., do not submit the subgrant agreement itself) to NTIA and inform all Subgrantees that NTIA may publish the certifications.

5.2 What are the requirements of the "Protecting the BEAD Program from Defaults" certification document?

The Subgrantee certification referenced in the "Protecting the BEAD Program from Defaults" condition must:

- be a standalone machine-readable PDF document on official Subgrantee letterhead;
- be saved according to a consistent file-naming format established by the Eligible Entity that includes the subgrantee UEI;
- be signed and dated by the Authorized Organization Representative (AOR) signing the subgrant agreement on behalf of the Subgrantee, and the AOR must have signatory authority for the Subgrantee's affiliates; and
- include Subgrantee contact information.

5.3 Is signing the subgrant agreement sufficient to satisfy the "Protecting the BEAD Program from Defaults" condition?

No. The Eligible Entity must require the Subgrantee to sign its subgrant agreement and provide a separate, signed and dated, document with the required templatized language. The Subgrantee will provide this signed certification document to the Eligible Entity when submitting its signed subgrant agreement. Failure to submit this stand-alone certification document will result in grant funds

being held (unavailable) from the Subgrantee until the time the certification is received by the Eligible Entity.

5.4 How will Universal Service Fund (USF) recipients be impacted by signing the certification?

The certification is forward-looking, only applies to BEAD-funded locations, and only applies to federal funds for broadband network deployment and operations. The certification does not apply to federal support for non-BEAD-funded locations, nor does it apply to non-federally funded programs, such as state universal service programs.

The certification applies through the end of the BEAD-funded network's federal interest period (or extended period of performance in the case of LEO Subgrantees). Most locations already receiving federal broadband support were not eligible for BEAD, but in the rare cases where a provider is already receiving support or was already specifically committed support prior to its BEAD application to serve a location that is included in a BEAD project, the provider may continue receiving such support under the existing terms of the other federal program to serve the BEAD-funded location[3].

5.5 What if the Subgrantee refuses to sign the certification?

Subgrantees are required to sign the certification to receive BEAD funding. Participation in BEAD is contingent on making this commitment. If the Subgrantee refuses to sign the certification, it is ineligible to receive BEAD funding as a Subgrantee.

5.6 How and when does the Eligible Entity submit the signed certifications to NTIA?

The Eligible Entity will email the signed certifications to its assigned Federal Program Officer no later than 30 calendar days after a subgrant agreement is signed. The Eligible Entity can email the certifications on a rolling basis individually or in batches; however, it is the Eligible Entity's responsibility to ensure all signed certifications are submitted in accordance with the requirement

[3] Specifically, a provider receiving A-CAM support pursuant to the 2018 Rate of Return Reform Order would be eligible to continue receiving such support through its support term of 2028, even if the provider receives a BEAD award to serve BSLs within its A-CAM area. Connect America Fund et al., Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, FCC 18-176, WC Docket Nos. 10-90, 14-58, and 07-135, CC Docket No. 01-92 (rel. Dec. 13, 2018). Further, a provider relying on the Federal Communications Commission's 2024 decision to make Alaska Connect Fund support available for fixed services to eligible telecommunications carriers in Alaska that receive BEAD funding would not be precluded from receiving such support for BEAD-funded locations. Connect America Fund et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 24-116, WC Docket Nos. 10-90, 23-328, 16-271, 14-58, and 09-197, WT Docket No. 10-208 (rel. Nov. 4, 2024).

to finalize all subgrant agreements no later than six (6) months from the date of approval of its Final Proposal, as dated in the Notice of Award Amendment issued by NIST.

5.7 Are there any best practices for the Eligible Entity to track the submission of the certifications?

As a best practice, Eligible Entities can utilize the *fp_subgrantees.csv* file, submitted with their BEAD Final Proposals, for tracking submission. This CSV file contains a comprehensive list of the Subgrantee UEI, official UEI name and FRN. It is recommended that the Eligible Entity make a copy of this file and add columns to track status of the certification, the file name of the certification document, or any other significant information (i.e., collection and filing deadlines).

New 6. BEAD General Terms and Conditions: Ensuring Timely and Effective Deployment of BEAD Projects

6.1 How do the BEAD General Terms and Conditions interact with state laws and regulations regarding broadband internet service?

In order to receive BEAD funding, the Eligible Entity is required to comply with all of the terms described in the BEAD General Terms and Conditions, including the "Ensuring Timely and Effective Deployment of BEAD Projects" condition. This condition requires the Eligible Entity to commit that it will not enforce any law, regulation, or other enforceable obligation that regulates the rates, terms, and conditions of broadband internet service or imposes net neutrality rules, open access, or other utility-style rules on broadband internet service, against a Subgrantee or its affiliates anywhere it provides service within the State, while that Subgrantee has any subgrant that is still within its period of performance, extended period of performance, or federal interest period.

6.2 Does the "Ensuring Timely and Effective Deployment of BEAD Projects" condition apply only to new state laws?

No. The "Ensuring Timely and Effective Deployment of BEAD Projects" condition applies to all existing and future state laws as they impact BEAD Subgrantees (at all locations the Subgrantee serves in the state, not just those funded by BEAD) for the duration of period of performance and the federal interest period.

6.3 Does the "Ensuring Timely and Effective Deployment of BEAD Projects" condition apply only to new services that will be offered by the Subgrantee in the state?

No. If a Subgrantee provides broadband internet service in the jurisdiction of the Eligible Entity, the Eligible Entity (state or territory) may not impose such laws, rules, orders, or other enforceable obligations on any service provided by that Subgrantee, regardless of when the Subgrantee began offering the service.

6.4 Do the BEAD General Terms and Conditions impose any permitting obligations?

Yes. The BEAD General Terms and Conditions require Eligible Entities to take certain actions to streamline permitting processes as described in the condition titled "Grantee Permitting Obligations." This condition is intended to ensure BEAD projects are carried out in a timely and effective manner.

6.5 The "Grantee Permitting Obligations" condition describes actions to ensure broadband-related permits are processed promptly and approvals/denials are provided within 90 calendar days. What if the procedures detailed in the condition conflict with state law?

The Eligible Entity must establish procedures "consistent with any relevant legal requirements and authorities." Eligible Entities should work to satisfy the condition to the maximum extent permitted by state law.

6.6 May the Eligible Entity use BEAD funds to satisfy any of the requirements under the "Grantee Permitting Obligations" condition?

Yes. As joint lead agencies for NEPA, Eligible Entities must have organizational capacity to support permitting. BEAD funds can be used to hire and/or train dedicated broadband permitting staff or contractual support to develop templates, build databases, develop websites, monitor Subgrantees to ensure they understand and comply with NEPA/permitting requirements, and many other uses. Additionally, the Eligible Entity could provide resources to external agencies (e.g., State Historic Preservation Office) for dedicated staff or contractual services to ensure streamlined and expedited broadband permit processing.

Eligible Entities should consult the following documents for suggestions and guidance on how to proceed: NEPA for BEAD FAQs v2 & NEPA for BEAD Smart Start one and two.

6.7 To help Eligible Entities comply with subsection 3 of the "Grantee Permitting Obligations" condition, where can more information be found on implementing Permitting Roundtables?

NTIA developed a model to support states and territories by establishing Permitting Roundtables to enhance communication and resolve project specific permitting issues. Grant recipients may request to add project specific issues to the agenda of Permitting Roundtables held at the state/territory level to proactively navigate and resolve permitting challenges at the earliest possible time. Contact your State or Territory Broadband Office or NTIA Federal Program Officer for more details in addition to reviewing Streamlining_Environmental_Review_and_Permitting for Broadband.

6.8 Subsection 4 of the "Grantee Permitting Obligations" condition states that the Eligible Entity will track, publicly post, and submit to NTIA, information on Subgrantee compliance with the NEPA milestone schedules and data regarding unresolved complaints from Subgrantees.

Will specific guidance be provided to help Eligible Entities submit this information (both for SAR submissions and online)?

Yes, NTIA will develop standardized SAR reporting guidelines as well as guidance for the online reporting requirement.

New 7. BEAD General Terms and Conditions: Other

7.1 What is the order of operations for Subgrantees to receive their subgrant agreement from the Eligible Entity and begin the subgrant period of performance and to have funds made available?

All subgrant agreements must be signed within 6 months of the approval of the Eligible Entity's Final Proposal. The period of performance for the subaward will begin once this subgrant agreement is signed by both parties (Eligible Entity and Subgrantee), in accordance with the subgrant agreement terms and conditions. Eligible Entities may not release funding to Subgrantees until the "Protecting the BEAD Program from Defaults" certification is signed and submitted to the Eligible Entity, along with their signed subgrant agreement. Note that Eligible Entities may still be required to hold back grant funding until certain activities have been completed (e.g., NEPA requirements).

7.2 Can a Subgrantee receiving grant funds for multiple projects/project areas submit a single certification to satisfy the "Protecting the BEAD program from Defaults" condition?

A Subgrantee may submit a single letter to the Eligible Entity to certify that it will meet the "Protecting the BEAD program from Defaults" condition for all BEAD projects awarded in the Eligible Entity's jurisdiction. In the letter, the Subgrantee should reference the specific BEAD project awards that the certification applies to. Subgrantees must complete at least one certification document for each Eligible Entity in which they have BEAD projects. A Subgrantee may not submit a single certification letter to cover projects across multiple Eligible Entities.

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