# ARIZONA COMMERCE AUTHORITY

**BEAD Restructuring Policy Webinar** 

**June 2025** 









**THANK YOU** 



RAPID DEVELOPMENTS & CHANGES



NEW FINAL PROPOSAL GUIDANCE



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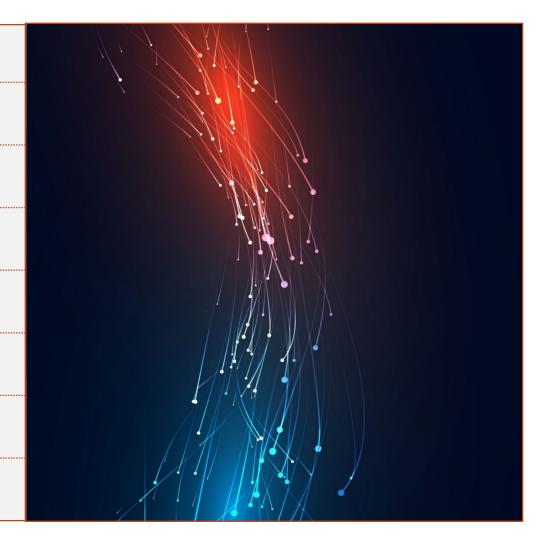


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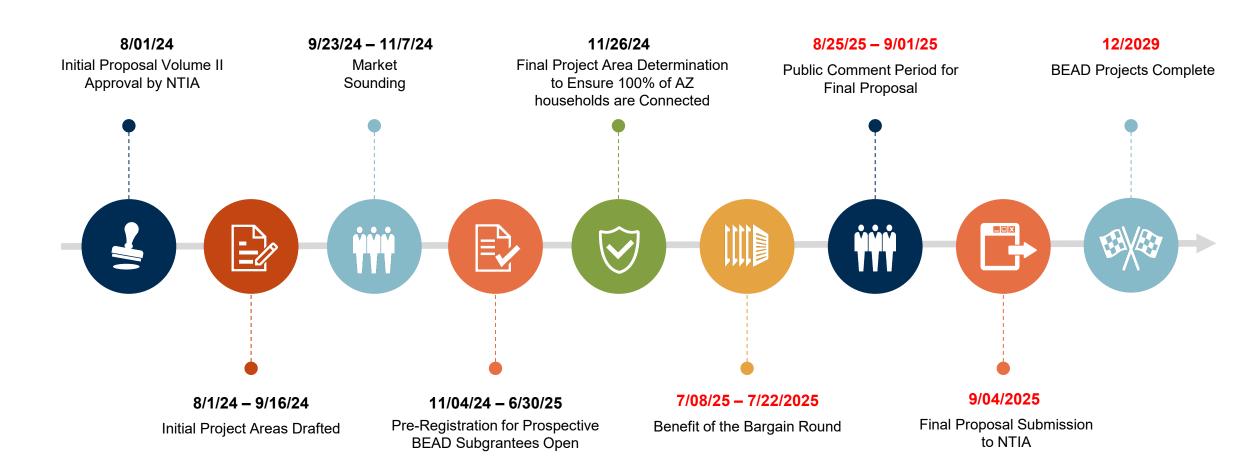
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## **BEAD Program Timeline**



Milestone dates affected by NTIA's BEAD Restructuring Policy Notice are shown in red.



## NTIA BEAD Restructuring Policy Notice Executive Summary

The National Telecommunications and Information Administration (NTIA) has issued a restructuring of the Broadband Equity, Access, and Deployment (BEAD) Program. NTIA states this update is designed to maximize broadband coverage, streamline implementation, and ensure cost-effective use of federal funds.

01

## Policy Streamlining

Removes non-statutory requirements from BEAD NOFO, including those related to Labor standards, Climate change reporting, Open access mandates.

02

### Tech Neutrality

Adopts a technology-neutral stance, allowing terrestrial wireless, fiber, and LEO satellite solutions to compete equally provided they meet IIJA & NOFO performance and reliability standards.

03

## Proposal Revisions

Eligible Entities must submit letter requesting Initial Proposal correction within 30 days of the notice and update subgrantee selection processes to reflect new criteria.

04

## Location Optimization

Entities must use federal datasets to update eligible location lists and avoid overbuilding and ensure accurate service commitments.

05

## Efficiency & Competition Focus

Introduces a mandatory "Benefit of the Bargain Round" of subgrantee selection to promote undistorted competition and ensure maximum taxpayer return.

06

## Compliance & Oversight

NTIA will enforce compliance through proposal reviews, performance benchmarks and ongoing audits.



## Policy Streamlining – Programmatic Changes (1/2)

In accordance with NTIA restructuring, states must eliminate the following non-statutory requirements from BEAD application scoring, subgrantee agreements, and subgrantee reporting requirements.

## Labor, Employment, and Workforce Development

 To meet statutory requirements, eligible entities must now prioritize projects with a demonstrated record and plans for compliance with federal labor and employment laws by requiring subgrant applicants to certify this compliance.

#### NTIA removed sections related to fair labor practices and highly skilled workforce, equitable workforce development, job quality objectives, civil rights, and related proposal and reporting needs.

 Contracting with small, minority, women's businesses, and labor surplus area firms has also been eliminated.

#### **Climate Change Requirements**

- Subgrantees must now comply with statutory requirements by implementing NTIA-defined best practices for broadband infrastructure reliability and resilience.
- This includes creating risk management plans that address natural disasters (Wildfires, flooding, tornadoes, hurricanes) and cybersecurity measures).
- NTIA has removed the 'climate resilience' section and related proposal requirements from the NOFO.

#### **Open Access/Net Neutrality**

 Subgrantees must still meet statutory requirements for interspersed conduit access points in fiber optic projects, but NTIA has eliminated additional obligations from the 'conduit access points' section that go beyond the statute

#### NTIA has removed requirements related to the consumer protections section, which prohibited data caps and unreasonable network management practices, and the interconnection requirements and wholesale access section.

#### Local Coordination and Stakeholder Engagement

- Eligible entities must adopt NTIA's local coordination requirements.
- NTIA now requires eligible entities to certify that they have met public comment requirements and have received plans from local political subdivisions before submitting their final proposal to NTIA.

 NTIA has removed the 'local coordination' and 'public notice' sections from the NOFO and their expanded proposal content requirements

# Eliminations

Requirements



## Policy Streamlining – Programmatic Changes (2/2)

States must eliminate the following non-statutory requirements from BEAD application scoring, subgrantee agreements, and subgrantee reporting requirements.

#### **Non-Traditional Broadband Providers**

 Eligible entities must still comply with the statutory requirement ensuring that various entities are not excluded from eligibility for BEAD subgrants.

#### NTIA has removed NOFO requirements that favored non-traditional broadband providers by obliging eligible entities to justify awarding grants to traditional providers.

 The Consider All Provider Types section and its associated proposal requirements have been eliminated.

#### Middle Class Affordability Plan

 No additional requirements or compliance measures need to be adopted by eligible entities or subgrantees.

#### NTIA has removed the requirement for eligible entities to develop, implement, and update a middle-class affordability plan from the NOFO.

 This non-statutory provision was deemed confusing, arbitrary, difficult to operationalize, and deterred provider participation in the program.

#### **Low-Cost Service Option**

- BEAD subgrantees must still offer at least one low-cost broadband service option.
- Low-Cost Service Option (LCSO): Subgrantees must propose their own LCSO rates, with NTIA approving only those proposals submitted by subgrantees themselves. The LCSO must meet certain speed (minimum 100/20 Mbps) and performance criteria (latency no more than 100 milliseconds).
- Subgrantees are also responsible for verifying subscriber eligibility for LCSO and may use documentation requirements like those of the Lifeline Program.
- NTIA has removed the 'Affordability and Low-Cost Plans' section.
- NTIA prohibits eligible entities from setting specific rates for these options, which was found to constitute improper rate regulation.
- The definition of 'eligible subscriber' for LCSO has been updated to align with the FCC's Lifeline Program eligibility criteria.

# Eliminations

Requirements



## **Technology Neutrality**

NTIA has eliminated the compliance requirement that prioritized end-to-end fiber projects and introduced several updated compliance requirements. This allows eligible entities to consider all qualifying broadband technologies, including terrestrial wireless and Low Earth Orbit (LEO) satellite services.



#### **Technology Neutrality**

The requirement prioritizing end-to-end fiber projects has been removed, allowing **all technologies meeting statutory speed and latency standards** to compete as Priority Broadband Projects.



#### **Eliminated Scoring Criteria**

Criteria based on fiber preference, affordable and open access, equitable workforce development, and local and tribal coordination have been removed. Scoring now emphasizes cost-effectiveness and speed of deployment.



#### **Definition of Priority Broadband Project**

NTIA has redefined this to include projects providing at least **100/20 Mbps speeds** and scalability for future needs, **supporting 5G and advanced technologies**. An eligible entity shall reject a Priority Broadband Project if the cost of the project is excessive.



#### **Cost Considerations**

NTIA mandates cost-effective project selection and subgrantees must deploy networks within **four years** without imposing unjust costs to taxpayers. Eligible Entities are **no longer required to establish an Extremely High Cost Per Location Threshold (EHCPLT).** 



#### **Subgrantee Selection**

An additional 'Benefit of the Bargain' round will allow all qualified technologies to compete equally, and previous subaward selections must be reconsidered.



#### **Compliance with Labor Laws**

Subgrantees must **self-certify compliance** with federal labor laws, but **fair labor practices are no longer part of the scoring criteria.** 



## **Optimizing BEAD Locations**

To streamline BEAD Program implementation and prevent overbuilding, eligible entities must adhere to the updated guidelines without re-conducting their challenge processes.

#### **Update BEAD-Eligible Locations**

- Eligible entities must use the reason code process outlined in the Final Proposal Guidance to remove locations not requiring BEAD funding including those removed from the FCC Fabric, served by enforceable commitments, or covered by non-subsidized services.
- Entities must add locations no longer served due to a default or change in service area on a Federal commitment.
- Entities must certify these locations as unserved/underserved and incorporate them into the BEAD location list before accepting subgrantee applications.

## Unlicensed Fixed Wireless Consideration (ULFW)

- With ULFW providers now eligible to compete for BEAD subgrants, entities need to verify locations served by ULFW networks to prevent redundancy.
- Entities must check the FCC National Broadband Map for ULFW coverage.
- Notify ULFW providers, who have seven days to submit documentation proving their service meets BEAD technical standards and can be maintained for at least four years. If verified, locations are ineligible for BEAD funding.

## Community Anchor Institutions (CAIs) Revisions

- Entities must **revise CAI lists** to align with the IIJA's statutory definition.
- NTIA revokes the broader NOFO definition and will narrowly interpret 'community support organization'.
- NTIA will meticulously review CAI submissions and reserves the right to reject designations inconsistent with statutory guidelines.
- These directives are designed to ensure precise deployment of funds, stimulate competitive participation, and uphold statutory compliance, thereby facilitating efficient and effective broadband expansion.



## **ACA ULFW Evidence Collection and Review Process**

01

ACA informed ULFW providers of the process to prove that BEAD funding is unnecessary for their served locations on **June 20, 2025**.

02

ULFW providers may submit required documentation by June 27, 2025, 5:00 pm MST.

03

ULFW providers are required to provide the following to support their claims:

- Locations and capabilities
- Frequency spectrum usage per tower
- Interference mitigation

04

Finalized BEAD eligible locations will be made available prior to the launch of the Benefit of the Bargain Round on July 8, 2025.



## **Important Dates:**

- TBD: Modified BEAD Eligible Locations Map (available before July 8<sup>th</sup>)
- Tuesday, July 8: Benefit of the Bargain Round Opens at 4:00pm MST
- Tuesday, July 22: Benefit of the Bargain Round Closes at 4:00pm MST
- Wednesday, July 23 to Friday, August 14: ACA Application Review and Evaluations
- Monday, August 25: BEAD Final Proposal Public Comment Opens
- Monday, September 1: BEAD Final Proposal Public Comment Period Closes
- Thursday, September 4: NTIA deadline for SBOs to submit Final Proposals for Approval

Please note: all dates are subject to change as we continue to progress and comply with NTIA Restructuring Guidance.



## **BEAD Resources and Next Steps**



#### What's Next



For the latest updates, including the pre-registration and application guidance and FAQ, please monitor the <u>ACA website</u> for key announcements. Additionally, keep an eye on your email for important messages from ACA's Broadband Inbox.



If you have any questions, feel free to contact us at <a href="mailto:broadband@azcommerce.com">broadband@azcommerce.com</a>.

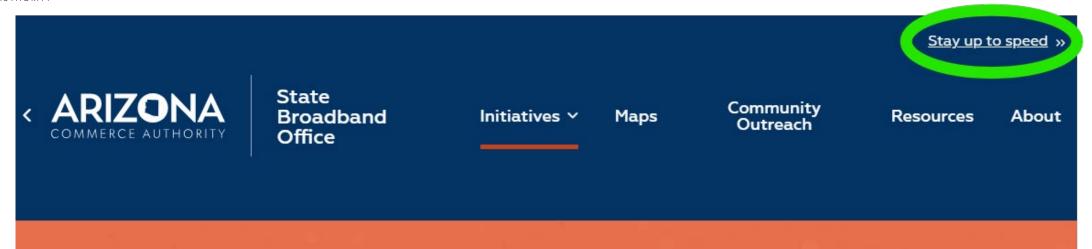


Sign up to receive email communications from the State Broadband Office using QR code or link:

https://www.azcommerce.com/broadband/stay-connected







♠ | <u>INITIATIVES</u> | BROADBAND EQUITY, ACCESS & DEPLOYMENT PROGRAM

## BROADBAND EQUITY, ACCESS & DEPLOYMENT PROGRAM (BEAD)

Arizona's Broadband Equity, Access & Deployment (BEAD) Program represents the state's largest broadband investment in history with the principal objective of universal broadband for all. BEAD prioritizes unserved and underserved households to improve connectivity, support economic growth, enhance education and improve health care access throughout Arizona. The goals under the BEAD Program are:



