DTI BEAD restructuring FAQs

| July 17, 2025

FAQs

The following FAQs reflect updates to the BEAD Program based on the <u>BEAD Restructuring Policy Notice</u> issued by the National Telecommunications and Information Administration (NTIA) on June 6, 2025. DTI is reopening the Prequalification Application and taking other steps in compliance with the Policy Notice.

1. What is the new timeline for grant awards in the restructured BEAD program?

DTI has 90 days from June 6, 2025, to comply with the Policy Notice obligations and submit a Final Proposal that reflects the results of the "Benefit of the Bargain Round" (see explanation below). NTIA will complete its review of DTI's Final Proposal within 90 days of submission. "This deadline replaces the deadline extensions previously granted in the Programmatic Waiver of the Final Proposal Deadline Requirements" (Policy Notice, p. 10).

2. What happened to the EHCPLT (Extremely High Cost Per Location Threshold) in the new BEAD rules?

The Extremely High Cost Per Location Threshold (EHCPLT) requirement has been eliminated. "Eligible Entities are no longer required to establish an Extremely High Cost Per Location Threshold, but an Eligible Entity shall reject a Priority Broadband Project if the cost of the project is excessive" (Policy Notice, p. 9). NTIA now reserves the right to reject projects with excessive costs based on area characteristics rather than requiring states to set predetermined thresholds.

3. If we are allowed to use the Lifeline program criteria to determine eligibility for low-cost service options (LCSO), who will support that analysis?

"BEAD subgrantees are responsible for verifying LCSO eligibility and may ask potential subscribers to provide the same documentation necessary to confirm eligibility as is required under the Lifeline program" (Policy Notice, p. 8). The subgrantee handles eligibility verification using the same eligibility requirements as the FCC's Lifeline Program.

4. When will we see the updated BSL list?

NTIA will send DTI, if applicable, "a list of defaulted or newly eligible locations that qualify for BEAD" within 14 calendar days of the issuance of the Policy Notice (per the Policy Notice, p. 14). DTI must update its post-challenge locations list to reflect new BEAD-eligible locations in the Initial Proposal correction letter that DTI must submit to NTIA detailing Policy Notice implementation.

5. If I did not prequalify before, can I participate now?

Yes. The Policy Notice states: "To the extent [DTI] has a prequalification process, it must be reopened to all interested applicants." Existing qualified applicants do not need to resubmit prequalification documentation. "If an applicant previously failed the prequalification process, it may choose to update its materials and seek prequalification again" (Policy Notice, pp. 10-11).

6. Are labor and workforce development requirements still required for BEAD applications?

No, the non-statutory labor and workforce requirements have been eliminated. The Policy Notice states: "NTIA hereby eliminates the non-statutory requirements in the NOFO related to labor, employment, and workforce development" (Policy Notice, p. 4). Applicants now only need to "certify compliance with such laws" (Policy Notice, p. 4).

7. What technologies can now compete for BEAD funding under the new rules?

"Fiber-optic technology, cable modem/hybrid fiber-coaxial technology, LEO satellite services, and terrestrial fixed wireless technology utilizing entirely licensed spectrum, entirely unlicensed spectrum, or a hybrid of licensed and unlicensed spectrum, may be used in applications for Priority Broadband Projects" (Policy Notice, p. 10). Projects must still meet the technical standards established by the IIJA.

8. How has the definition of Priority Broadband Project changed?

The definition of Priority Broadband Projects has been changed to ensure it is technology-neutral. The new definition is: "a project that provides broadband service at speeds of no less than 100 megabits per second for downloads and 20 megabits per second for uploads, has a latency less than or equal to 100 milliseconds, and 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" (Policy Notice, p. 9).

9. What are the new scoring criteria for applications?

The primary criterion is now "Minimal BEAD Program Outlay"—meaning that DTI must select projects with the lowest overall cost to the program (Policy Notice, p. 12). In the event any other application is within 15% of the lowest-cost proposal, specific other scoring criteria must be applied (Policy Notice, pp. 12-13). These criteria include previous award for substantially the same project, speed and other technical considerations, and speed to deployment.

10. Do net neutrality and open access requirements still apply?

No, these requirements have been eliminated. "NTIA hereby eliminates the non-statutory requirements in the NOFO related to open access and net neutrality" (Policy Notice, p. 5). The interconnection requirements and wholesale access provisions have been removed. However, subgrantees must still include interspersed conduit access points for fiber projects as required by statute.

11. What happens if we already received a preliminary or provisional award?

All preliminary and provisional awards are rescinded. "Eligible Entities must rescind all preliminary and provisional subaward selections and notify applicants that a further round of applications will be considered before final awards are made" (Policy Notice, p. 10). DTI must conduct the Benefit of the Bargain Round before making any final awards, and all applicants—including those with previous preliminary or provisional awards—must be allowed to participate in this new round. Previous awardees can choose to stand on their existing application (which will be rescored under the new criteria) or submit a new application that reflects the elimination of non-statutory requirements and potentially lower costs. If they stand on their existing provisionally awarded application, they will gain additional points in secondary scoring.

12. What happened to the middle-class affordability plan requirement?

This requirement has been eliminated. "NTIA hereby eliminates the NOFO requirement for Eligible Entities to develop, implement, and provide updates on a middle-class affordability plan" (Policy Notice, p. 6).

13. How have low-cost service option requirements changed?

The Low-Cost Service Option (LCSO) is no longer part of scoring for the BEAD program. In addition, the LCSO requirements have been significantly modified. DTI is now "prohibited from explicitly or implicitly setting the LCSO rate a subgrantee must offer" (Policy Notice, p. 7). Subgrantees must propose their own LCSO that meets speed requirements (100/20 Mbps), but specific pricing is no longer mandated. If they already offer an LCSO-compliant service, they may use that instead of offering a new service.

14. Are there still preferences for non-traditional broadband providers?

No, the preference for non-traditional providers has been eliminated. "NTIA hereby eliminates requirements in the NOFO that favored non-traditional broadband providers" (Policy Notice, p. 6). All provider types now compete on equal footing.

15. What are the requirements for unlicensed fixed wireless providers to participate in BEAD?

Unlicensed fixed wireless (ULFW) providers can compete for BEAD subgrants on a technology-neutral basis (Policy Notice, p. 10). They must meet specific technical requirements outlined in Appendix A of the Policy Notice, including demonstrating mitigation strategies for interference and network capability (Policy Notice, pp. 17-18). Like all other applicants, they must also provide project-based data to demonstrate that the proposed project meets the statutory requirement for "Priority" broadband.

16. How do LEO satellite providers participate under the new rules?

LEO satellite services are now eligible to compete on a technology-neutral basis (Policy Notice, p. 10). However, if awarded, they must use special "LEO Capacity Subgrants" with specific conditions outlined in Appendix B, including a 10-year period of performance and unique reimbursement structures (Policy Notice, p. 19-21). In addition, proposed LEO projects must provide technical and

other data on a network and project area basis to enable the state to qualify the project as Priority broadband.

17. Can applicants exclude high-cost locations from their project areas?

Yes. "Eligible Entities must also allow applicants to propose to exclude select broadband serviceable locations (BSLs) that the applicant determines are excessively high-cost locations from the project area" (Policy Notice, p. 11). This requirement is consistent with DTI's original design for the BEAD program, which did not require 100 percent coverage for any grant area (IPv2). If applicants want to have their previously provisionally awarded projects gain extra points in secondary scoring, the project must remain substantially unaltered and limit location removals to those based on DTI's updated list of BEAD-fundable locations.

18. How will existing unlicensed fixed wireless services be handled?

Before implementing the Benefit of the Bargain round, DTI was required to review the FCC's National Broadband Map to determine whether unlicensed fixed wireless providers currently offer service to any BEAD-eligible BSLs that could potentially meet BEAD performance requirements. Providers have been given seven days to respond to DTI's public notice to indicate their intent to provide evidence, then seven additional days from notice of intent to submit documentation proving their services meet BEAD technical standards. Required templates and detailed documentation for submitting the evidence is available on DTI's BEAD website.

19. What happens to approved non-deployment funding?

NTIA rescinds approval of all non-deployment activities approved in Initial Proposals and will not reimburse for any new costs associated with previously approved non-deployment activities incurred after the Policy Notice date. Final Proposals will only require detail on BEAD funds for deployment projects.

20. Are there new permitting requirements if a project is awarded?

Yes. DTI will serve as a joint lead agency for NEPA reviews. DTI is required to use the Environmental Screening and Permitting Tracking Tool (ESAPTT) within the NTIA Grants Portal. This new requirement is designed to streamline the environmental review process and significantly reduce permitting timelines. ESAPTT will help identify applicable categorical exclusions for projects. The system can also generate "draft and final NEPA documents" (Policy Notice, p. 15).

21. Will DTI need to modify its Initial Proposal?

DTI submitted a letter to NTIA within 30 calendar days of the issuance of the Policy Notice requesting an Initial Proposal correction to incorporate the Policy Notice terms. DTI may also submit a budget modification if needed to reallocate BEAD funding across cost categories. No other changes to the Initial Proposals are allowed.

22. How are Community Anchor Institutions defined under the new rules?

DTI must revise its list of eligible Community Anchor Institutions to ensure designations conform with the statutory definition established by IIJA. NTIA revoked the more expansive NOFO definition

and will narrowly interpret "community support organization," reserving the right to reject any CAI designation (Policy Notice, p. 14).

23. Why is the state requiring applicants to submit detailed information about the capabilities of their proposed networks?

The NTIA's <u>BEAD Restructuring Policy Notice</u> requires that states determine on a project-by-project basis whether the proposed network meets the statutory definition of a Priority project.

The Policy Notice states: "The term 'Priority Broadband Project' means a project that provides broadband service at speeds of no less than 100 megabits per second for downloads and 20 megabits per second for uploads, has a latency less than or equal to 100 milliseconds, and 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" (Policy Notice, p. 9).

According to the Policy Notice: "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" (Policy Notice, p. 9).

As a result, the state is obligated to conduct a full and rigorous analysis of each proposed application that seeks to be considered as a Priority project to determine whether the proposed network meets the definition. The data requested are intended to enable the state to conduct this analysis on a data-driven basis applied equally to all applicants.

24. Why are the data requirements for describing our proposed networks so extensive?

The data requirements are designed to enable the state to comply with the federal requirement established in the Policy Notice ("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" (p. 9)) while being as low burden as possible for applicants.

The data requested are elements that an applicant would use (regardless of the type of technology it proposes) to develop a conceptual-level design sufficient to submit a grant application and to determine the grant amount requested.

Much of the data requested, including on a BSL-by-BSL basis, can be copied and pasted from typical modeling tools that are used to design a network for the purpose of submitting a grant application.

The data requested represent a necessary element of the state's consideration of all grant applications. Applications submitted without sufficient data to analyze whether an application meets the definition of a Priority Broadband Project will not be treated as Priority in the project selection process given the federal requirement that states conduct this analysis.

25. DTI has indicated that for scoring purposes, a provisionally selected project would be considered "substantially the same" if the only locations removed from the proposed project are those that were required to be removed by the BEAD Restructuring Policy Notice. If this

criterion is met, may the applicant who has a provisionally selected project propose a different technology for that project, or a mix of technologies that qualify as a Priority Broadband Project, and have the project still be considered substantially the same?

You may submit a revised proposal with a mix of technologies, but it will not receive the full score in the secondary scoring criteria for Preliminary/Provisional Subgrantees. DTI will not consider the project as being "substantially the same" because the application would be changing more than locations.

26. DTI has indicated that for scoring purposes, DTI will assess the total BEAD funding that will be required to complete the project (i.e., the total project cost minus the applicant's proposed match) and the cost to the Program per location (i.e., the total BEAD funding that will be required to complete the project divided by the number of BSLs the project will serve). Does the denominator of the second calculation (i.e., the minimal BEAD Program outlay calculation) also include the number of CAIs proposed to be served by a project, or is the denominator limited to the number of BSLs proposed to be served?

The denominator in the minimal BEAD Program outlay calculation is limited to the number of BSLs the project proposes to serve.

27. Given the limited timeframe to submit applications, may applicants stand on a Professional Engineer Certification that was submitted in the previous subgrantee selection round?

Applicants may stand on a Professional Engineer Certification that was submitted in the previous subgrantee selection round if the project is "substantially the same" as the one previously submitted.

28. For scoring purposes, DTI has indicated that a project that is substantially the same as a project that was awarded in Round 1 would receive 70 points. What is meant by "substantially the same"?

"Substantially the same" is defined by DTI as a project that proposes the same technology, the same overall network design, and at least 90% of the same BSLs.

29. Are applicants still required to certify 2.9A on the Certifications Template ("The applicant certifies that it will ensure there is sufficient excess conduit capacity for future needs such as adding subscribers, expanding the network, adding capacity and resiliency, adding business products, or leasing transport")?

That certification has been eliminated from the Certifications Template. Please download the revised version of the Certifications Template from the Bonfire portal.

30. What is the process applicants should follow to exclude locations from their proposed projects?

Using the Grant Area-specific Locations List Template required in question 2.8, applicants should enter "FALSE" in the "Served by Application" column for each location the applicant wishes to exclude.

31. Application Question 1.5 in the Grant Area scoring section states, "Substantially the same means that the only locations removed from the proposed project are those that were required to be removed by the BEAD Restructuring Policy Notice." However, Question 28 of the July 10 FAQ states, "Substantially the same' is defined by DTI as a project that proposes the same technology, the same overall network design, and at least 90% of the same BSLs." Could you please clarify which definition DTI will be using?

Please consult the FAQ for the most up-to-date guidance. Locations may need to be removed due to address fabric reconciliation and other required updates. The 90% threshold is the minimum BSL level at which the project could still be evaluated based on the previous provisional award.

32. How many applications may an applicant submit for each Grant Area?

Applicants may submit one application per grant area.

33. We have noticed some inconsistencies between DTI's Eligible Locations List and the most recent NTIA Fabric. What version of the NTIA Fabric was used to create DTI's Eligible Locations List?

DTI used NTIA Fabric v3 to create its Eligible Locations List. Latitudes and longitudes tend to switch between NTIA fabric versions, so it is important to use the location ID, rather than spatial information, to match locations to the most recent NTIA Fabric.

34. Must applicants who previously applied submit a new application?

Due to the nature of the Euna (formerly Bonfire) portal, it is best for applicants to resubmit their prior applications so DTI can apply the new scoring criteria.