

DEPARTMENT OF COMMERCE

National Telecommunications and Information Administration

Broadband Equity, Access, and Deployment (BEAD) Program: BEAD Restructuring Policy Notice

ACTION: Notice

SUMMARY:

The Infrastructure Investment and Jobs Act (IIJA) provides funding for robust investment in American infrastructure projects. IIJA established the Broadband Equity, Access, and Deployment (BEAD) Program, which provides \$42.45 billion of funding to achieve high-speed broadband access throughout the United States. *See* Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60101, Public Law 117-58, 135 Stat. 429 (November 15, 2021) (codified at 47 U.S.C. § 1701 *et seq.*).

The National Telecommunications and Information Administration (NTIA), as the agency responsible for administering the BEAD Program, provides herein guidance for Eligible Entities (States, Territories, and the District of Columbia) to ensure American taxpayers obtain the greatest value for their broadband investment or “Benefit of the Bargain” under the BEAD Program.

This Policy Notice modifies and replaces certain requirements outlined in the BEAD Notice of Funding Opportunity (NOFO).¹ Each Eligible Entity must comply with this Policy Notice to gain approval of its Final Proposal from the Assistant Secretary of Commerce for Communications and Information.²

¹ NTIA, Notice of Funding Opportunity, Broadband Equity, Access, and Deployment Program (May 12, 2022), [NOFO.pdf \(doc.gov\)](#).

² This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements. In all cases, statutory and regulatory mandates shall prevail over any inconsistencies contained in this document.

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1. Background and Purpose

Congress allocated \$42.45 billion to the BEAD Program to connect every American to high-speed broadband Internet access. Instead of ensuring the swift and efficient use of these funds, the Biden Administration imposed significant non-statutory burdens and red tape that increased taxpayer costs, limited marketplace competition, and diverted resources away from actual deployment. As a result of these counterproductive Biden Administration burdens, the BEAD Program has failed to put a single shovel in the ground since IIJA's passage in 2021 —leaving many Americans unconnected. This Policy Notice rights these wrongs and institutes much needed reforms to the BEAD Program that will realign the Program with statutory intent, speed broadband deployment, and guarantee that American taxpayers receive the greatest “Benefit of the Bargain” for their historic investment.

These reforms are necessary. NTIA nevertheless recognizes that stakeholders have invested significant resources participating in the BEAD Program since IIJA passed in 2021. Accordingly, this Policy Notice carefully balances the work that has previously been done with necessary changes to ensure the success of the BEAD Program. Specifically, NTIA does not require Eligible Entities to repeat the initial stages of the Program but removes the extralegal Biden Administration burdens and promotes greater competition. This targeted approach will ensure that all Americans receive the greatest Benefit of the Bargain and that the BEAD Program moves forward expeditiously.

2. Elimination of Regulatory Burdens

Through this Policy Notice, NTIA eliminates burdensome and non-statutory requirements contained in the NOFO published on May 12, 2022. There is widespread agreement among states, lawmakers, and industry that the superfluous requirements imposed by the Biden Administration made the BEAD Program more complex and expensive, stifled competition, and led to reduced participation levels.³ This section of the Policy Notice identifies the NOFO provisions that are hereby terminated.⁴

³ Letter from Grant Spellmeyer, et al., to The Honorable Gina Raimondo, July 23, 2024, available [here](#); Letter from Senator Ted Cruz, to The Honorable Alan Davidson, Assistant Secretary of Commerce, August 13, 2024, available [here](#); Letter from Senator Ted Cruz, to The Honorable Alan Davidson, Assistant Secretary of Commerce, November 21, 2024, available [here](#); Letter from Senator John Thune, et al., to The Honorable Howard Lutnick, Secretary of Commerce, March 27, 2025, available [here](#); Letter from Senator John Thune, et al., to The Honorable Alan Davidson, Assistant Secretary of Commerce, April 20, 2023, available [here](#); Letter from Senator Susan Collins, et al., to The Honorable Gina M. Raimondo, Secretary of Commerce, August 18, 2022, available [here](#); Letter from Glenn Hegar, Texas Comptroller of Public Accounts, to Senator Ted Cruz, February 6, 2025, available [here](#); Jericho Casper, *ACA Connects Pushes for Less Regulation, Faster BEAD Deployment*, Broadband Breakfast, January 31, 2025, available [here](#).

⁴ NTIA has attempted to identify each individual section of the NOFO from which references to non-statutory requirements are eliminated. However, to the extent such identification is impossible or impractical within the foregoing guidance, NTIA will provide additional technical assistance further clarifying individual references to eliminated requirements.

As described below, Eligible Entities shall eliminate the following non-statutory requirements from BEAD application scoring, subgrantee agreements, and subgrantee reporting requirements. Eligible Entities are hereby prohibited from imposing any of the obligations removed by this Policy Notice on subgrantees as part of the BEAD Program. Where state law conflicts with the requirements of this Policy Notice, Eligible Entities may seek a waiver of that requirement from the Assistant Secretary.

1. Labor, Employment, and Workforce Development Requirements

NTIA hereby eliminates the non-statutory requirements in the NOFO related to labor, employment, and workforce development. These central planning and diversity, equity, and inclusion (DEI) edicts disadvantage both workers and providers, drive up costs, and undermine broadband buildout, especially in the rural communities the Program is intended to help.⁵ Specifically, NTIA hereby eliminates the following sections of the NOFO: “Fair Labor Practices and Highly Skilled Workforce”; “Advancing Equitable Workforce Development and Job Quality Objectives”; and “Civil Rights and Nondiscrimination Law Compliance.”⁶ The related Initial Proposal and Final Proposal requirements⁷ and the corresponding reporting requirements are also eliminated.⁸ The “Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms” section is also eliminated.⁹

Eligible Entities shall satisfy the statutory requirement to “give priority to projects based on . . . [a] demonstrated record of and plans to be in compliance with Federal labor and employment laws”¹⁰ by requiring a subgrant applicant to certify compliance with such laws to the Eligible Entity.¹¹

2. Climate Change Requirements

NTIA hereby eliminates the requirements in the NOFO related to climate change, which prioritized the prior Administration’s radical environmental social agenda at the expense of swift and efficient broadband deployment. Specifically, NTIA hereby eliminates the “Climate

⁵ Johnny Kamps, *“State and federal policies may stymie BEAD participation,”* The Center Square, May 19, 2021, available [here](#); Doug Dawson, *Another Red Flag – the BEAD Labor Requirements*, POTs and PANs (July 18, 2023), available [here](#).

⁶ NOFO, Section IV.C.1.e-g, pgs. 56-62.

⁷ NOFO, Section IV.B.5.b.11-13, pg. 32, and NOFO, Section IV.B.9.b.11.b-c, pg. 48.

⁸ NOFO, Section VII.E.2.9,12, pgs. 90-92.

⁹ NOFO, Section VII.D.7, pgs. 88-89.

¹⁰ 47 U.S.C. §1702(h)(1)(A)(iv)(IV).

¹¹ To the extent state laws impose additional labor and employment obligations, Eligible Entities must seek a waiver of this provision from NTIA, as necessary to comply with state law.

Resilience” section of the NOFO¹² and the related Initial Proposal and Final Proposal requirements.¹³

Subgrantees shall satisfy the statutory requirement to incorporate best practices defined by NTIA for ensuring reliability and resilience of broadband infrastructure¹⁴ by establishing 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.¹⁵

3. Open Access/Net Neutrality

NTIA hereby eliminates the non-statutory requirements in the NOFO related to open access and net neutrality. Specifically, NTIA eliminates the “Consumer Protections” section of the NOFO¹⁶ that required Eligible Entities to “ensure that each prospective subgrantee does not impose data usage caps on any plans offered over a Funded Network or impose unjust or unreasonable network management practices.” NTIA further eliminates the “Interconnection Requirements and Wholesale Access” section of the NOFO.¹⁷

NTIA finds that these NOFO provisions were superfluous to the goals of the BEAD Program, discouraged provider participation, and, as a result, were ultimately counterproductive for Eligible Entities undertaking the complex and difficult mission of connecting all of their constituents to broadband. Although subgrantees must still satisfy the statutory 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,¹⁸ NTIA eliminates the “Conduit Access Points” section of the NOFO to the extent it imposes additional obligations beyond those in the statute.¹⁹

4. Local Coordination and Stakeholder Engagement

NTIA hereby eliminates the non-statutory requirements in the NOFO related to local coordination and stakeholder engagement, including burdensome obligations to consult with representatives of various demographic and identity-based interest groups. These provisions only served to delay plan submissions and contribute to the current lack of broadband deployment in

¹² NOFO, Section IV.C.1.h, pgs. 62-64.

¹³ NOFO, Section IV.B.5.b.15, pg. 32, and NOFO, Section IV.B.9.b.11.e, pg. 48.

¹⁴ 47 U.S.C. §1702(g)(1)(C).

¹⁵ See, e.g., National Institute of Standards and Technology Framework for Improving Critical Infrastructure Cybersecurity, *Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations*, NIST 800-161 Rev.1 and *Key Practices in Cyber Supply Chain Risk Management: Observations from Industry*, NIST IR 8276.

¹⁶ NOFO, Sec. IV.C.2.c.ii, pg. 68.

¹⁷ NOFO, Sec. IV.C.2.c.v, pg. 69.

¹⁸ 47 U.S.C. §1702(h)(4)(D).

¹⁹ NOFO, Sec. IV.C.2.b.ii, pg. 66.

the BEAD Program. Specifically, NTIA eliminates the “Local Coordination” and “Public Notice” sections of the NOFO²⁰ and the related Initial Proposal and Final Proposal content requirements²¹ that dramatically expand on the statutory local coordination requirements.

IJA statutorily requires Eligible Entities to adopt local coordination requirements established by NTIA. NTIA concludes that an Eligible Entity shall satisfy this requirement by certifying that it observed the Final Proposal public comment requirements and received plans submitted by political subdivisions up until submission of the Final Proposal to NTIA.

5. Non-Traditional Broadband Providers

NTIA hereby eliminates requirements in the NOFO that favored non-traditional broadband providers (such as municipalities or political subdivisions) by forcing Eligible Entities to justify awards to traditional providers when a competing proposal from a non-traditional provider was submitted. This illogical requirement introduced a bias that risked redirecting scarce funds to less capable providers.²² Specifically, NTIA eliminates the “Consider All Provider Types” section of the NOFO²³ and the related Initial Proposal and Final Proposal requirements.²⁴

Eligible Entities must still adhere to the statutory requirement regarding the non-exclusion of various entities from eligibility for BEAD subgrants.²⁵

6. Middle Class Affordability Plan

NTIA hereby eliminates the NOFO requirement for Eligible Entities to develop, implement, and provide updates on a middle-class affordability plan.²⁶ NTIA finds that this non-statutory provision was confusing, arbitrary, impossible to operationalize, and deterred provider participation in the program.

7. Low-Cost Service Option

NTIA hereby eliminates the non-statutory requirements in the NOFO related to the BEAD low-cost broadband service option (LCSO). Specifically, NTIA hereby eliminates the “Affordability

²⁰ Section IV.C.1.c, pgs. 51-56, and NOFO Section IV.C.2.c.iv, pgs. 68-69.

²¹ NOFO, Section IV.B.5.b.4, pg. 31, and NOFO, Section IV.B.9.b.5, pg. 47.

²² Andrew Long, *New Study Once Again Dispels Municipal Broadband Viability: And Affirms the Wisdom of State Bans*, Free State Foundation, August 18, 2021, available [here](#) (noting “that most municipal broadband projects can’t even cover their costs.”)

²³ BEAD Section IV.C.1.a, pg. 50-51.

²⁴ NOFO, Section IV.B.5.b.18, pg. 32, and NOFO, Section IV.B.9.b.10, pg. 48.

²⁵ 47 USC §1702(h)(1)(A)(iii).

²⁶ This notice eliminates the NOFO section titled Affordability and Low-Cost Plans, which includes the requirements for a middle-class affordability plan.

and Low-Cost Plans” section of the NOFO.²⁷ and the related Initial Proposal and Final Proposal requirements to the extent they are inconsistent with this Policy Notice.²⁸

IJA requires BEAD subgrantees to “offer not less than 1 low-cost broadband service option for eligible subscribers.”²⁹ IJA also clearly prohibits NTIA from regulating the rates charged for broadband service.³⁰ NTIA finds that by offering a “model” low-cost service option with specific dollar amounts and requiring Eligible Entities to set a specific rate in order to be approved by NTIA, the Biden Administration engaged in improper rate regulation in the NOFO. Moreover, some Eligible Entities imposed unreasonable rates consistent with the parameters outlined in the NOFO. NTIA finds that this raised the cost of participating in BEAD and prevented some providers from pursuing BEAD subgrants entirely.³¹

BEAD subgrantees must still comply with the statutory provision to offer at least one LCSO,³² but NTIA hereby prohibits Eligible Entities from explicitly or implicitly setting the LCSO rate a subgrantee must offer. To be clear, NTIA will only approve Final Proposals that include LCSOs proposed by the subgrantees themselves. Finally, NTIA also hereby modifies the eligible subscriber definition (below) to align it with the Federal Communications Commission’s (FCC) Lifeline Program and other Federal assistance programs.

a. LCSO Service Requirements

Consistent with IJA, Eligible Entities shall require potential BEAD subgrantees to propose an LCSO as part of their applications that meets certain speed and performance criteria. As required by IJA and the NOFO, the LCSO must offer speeds of at least 100/20 Mbps and latency performance of no more than 100 milliseconds. Applicants that already offer a low-cost plan that meets these service requirements may satisfy the LCSO requirement by proposing to offer their existing low-cost plan to eligible subscribers.

b. Eligible Subscriber Definition

IJA directs NTIA to define “eligible subscriber” for the BEAD low-cost broadband service option. The NOFO adopted the eligibility requirements of the FCC’s Affordable Connectivity Plan which is no longer operational. Accordingly, NTIA hereby redefines “eligible subscriber” to match the eligibility criteria for the FCC’s Lifeline Program. This eligibility change aligns the BEAD LCSO requirement with an existing communications

²⁷ NOFO, Section IV.C.2.c.i, pg. 66-68.

²⁸ NOFO, Section IV.B.5.b.16, pg. 32, and NOFO, Section IV.B.9.b.11.d, pg.48.

²⁹ 47 U.S.C. §1702(h)(4)(B).

³⁰ *Id.* at §1702(h)(5)(D). “Nothing in this subchapter may be construed to authorize the Assistant Secretary or [NTIA] to regulate the rates charged for broadband service.”

³¹ Ana Radelat, *Internet for All Plans in Minnesota in Trouble as Broadband Providers Balk at Onerous Regulations*, MINNPOST (June 24, 2024), available [here](#).

³² Subgrantees must also still comply with the statutory and NOFO requirements pertaining to service level.

affordability program as well as other Federal benefit qualifications for low-income Americans. The definition of an Eligible Subscriber for the LCSO stated in the NOFO is hereby stricken and is replaced with the following:

Eligible Subscriber—The term “Eligible Subscriber” means any household seeking to subscribe to broadband internet access service that is eligible for the FCC’s Lifeline Program.³³

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.

3. Technology Neutrality

To guarantee that American taxpayers obtain the greatest return on their broadband investment – the Benefit of the Bargain – NTIA finds that the full force of the competitive marketplace must be utilized. Therefore, all broadband technologies that meet the performance requirements of IIA and the NOFO must be eligible to participate in the BEAD Program. Accordingly, NTIA rejects the Biden Administration’s imposition of technology preferences on Eligible Entities and instead adopts a technology neutral approach for the BEAD subgrantee selection process.

The NOFO limited priority broadband projects to those using end-to-end fiber. In doing so, the NOFO relegated other capable technologies, including terrestrial wireless and low Earth orbit (LEO) satellite services, to a third-tier status, limiting the ability of these technologies to fully participate in the NOFO subgrantee selection process and denying the taxpayer the Benefit of the Bargain via increased competition. None of these technology limitations are in statute, and they undermine the ability of Eligible Entities to select not only the most cost-effective technologies, but also those that are much quicker to deploy, and which may be better suited to a given Eligible Entity’s particular circumstances. Accordingly, NTIA hereby eliminates the “Fiber Preference” section of the NOFO³⁴ and permits Eligible Entities to select from all qualifying technologies.

3.1 Priority Broadband Projects

IIA requires Eligible Entities to prioritize funding for “priority broadband projects.” The statute 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;³⁵ and
- (ii) ensure that the network built by the project can easily scale speeds over time to –

³³ Lifeline eligibility criteria are defined in 47 CFR §54.409.

³⁴ NOFO, Section IV.B.7.b.2.i-ii.

³⁵ NTIA previously determined that broadband services must meet the statutory minimum speeds of 100/20 Mbps and latency less than or equal to 100 milliseconds (consistent with the FCC).

- a. meet the evolving connectivity needs of households and businesses; and
- b. support the deployment of 5G, successor wireless technologies, and other advanced services.³⁶

The NOFO, however, limited this definition to one technology: end-to-end fiber.³⁷ The definition of a Priority Broadband Project as stated in the NOFO is hereby stricken and is replaced with the following:

Priority Broadband Project—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.

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.

Eligible Entities may not categorically exclude any given technology and may only reject treatment of an application as a Priority Broadband Project if the project could not meet the statutory definition for a specific project area. As discussed in Section 3.4 below, NTIA reserves the right to reverse an Eligible Entity’s determination that a project does or does not meet the standard for a Priority Broadband Project if such determination is unreasonable.

As required by IIJA, Eligible Entities shall give priority to proposals that meet the definition of a Priority Broadband Project. If an Eligible Entity determines that no proposal meets the definition of a Priority Broadband Project, then it may select a non-priority broadband project that meets the speed and latency requirements of the statute and NOFO.³⁸ 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. The NOFO’s additional distinctions between fiber, other reliable broadband services, and alternative technologies are hereby eliminated.

³⁶ 47 U.S.C. §1702(a)(2)(I).

³⁷ NOFO, Section I.C(r), pg. 14.

³⁸ In other words, a “non-priority” proposal would offer service at or above 100/20 Mbps and latency less than or equal to 100 milliseconds, but could not necessarily meet the statutory scalability requirements in 47 U.S.C. §1702(a)(2)(I)(ii).

Scoring for both Priority Broadband Projects and non-Priority Broadband Projects will be conducted pursuant to the scoring rubric outlined below.

3.2 Technologies Eligible for Participation

The United States is topographically diverse and the most effective broadband technology for one part of the country may not be the best fit for another. Therefore, NTIA eliminates the NOFO's rigid three-tier structure for prioritizing technology. 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 so long as the technologies employed in the project proposal meet the technical performance requirements in the NOFO, as redefined by this Policy Notice, and the statute.³⁹

3.3 The Benefit of the Bargain Round (Subgrantee Selection)

It is critical that the subgrantee selection process reflect the technology neutral approach Congress outlined in IIJA and this Policy Notice implements. At the same time, NTIA recognizes that given the Biden Administration's misdirection, some Eligible Entities have completed or are in the process of completing their subgrantee selection. As such, NTIA is requiring Eligible Entities to conduct at least one additional subgrantee selection round for every BEAD-eligible location (the "Benefit of the Bargain Round"). The Benefit of the Bargain Round must permit all applicants – regardless of technology employed or prior participation in the program – to compete on a level playing field undistorted by the non-statutory regulatory burdens eliminated above. All subgrantee selection conducted after the release of this Policy Notice must comply with the terms of this Policy Notice.

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. Eligible Entities that have already completed subgrantee selection must conduct at least one Benefit of the Bargain round. Eligible Entities have 90 days to comply with the obligations outlined within this Policy Notice and submit a Final Proposal that reflects the results of the Benefit of the Bargain round. This deadline replaces the deadline extensions previously granted in the Programmatic Waiver of the Final Proposal Deadline Requirements.⁴⁰ NTIA will complete its review of each Final Proposal within 90 days of submission.

To the extent an Eligible Entity has a prequalification process, it must be reopened to all interested applicants, although the Eligible Entity may make prequalification submissions part of the application package. 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. Eligible Entities, however, must still ensure

³⁹ Appendix A contains further guidance regarding the technical performance requirements unlicensed fixed wireless (ULFW) services must meet to be eligible for BEAD subgrants.

⁴⁰ See BEAD Programmatic Waiver of the Final Proposal Deadline Requirements (Apr. 22, 2025), available [here](#).

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

Where an applicant elects to stand on an existing subgrantee application received prior to the publication of this Policy Notice, that application shall be rescored under the rubric detailed below and may be awarded during the Benefit of the Bargain round, but no BEAD subgrantee will be permitted to recover costs to comply with the regulatory burdens eliminated in this Policy Notice. Existing applicants may also choose to submit a new application that eliminates the cost of these regulatory burdens in anticipation of competition from additional applicants. Eligible Entities must exclude all non-statutory regulatory burdens as identified above from the application and scoring processes for subgrantee selection. 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 (or would otherwise make the project economically unviable for the technology being used).⁴¹

As required by IIJA, 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.⁴² For purposes of this requirement, a standard installation is the initiation by a provider of fixed broadband internet access service within 10 business days of a request with no charges or delays attributable to the extension of the network of the provider. BEAD subgrantees may charge 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.

3.4 Scoring Rubrics

The goal of restructuring the BEAD Program is to ensure that the American taxpayers receive the greatest benefit from their investment in broadband infrastructure while also providing Eligible Entities with the flexibility to meet the needs of their unique circumstances. Instead of establishing straightforward selection criteria focused on the efficient deployment of broadband, the Biden Administration's guidelines to Eligible Entities were scattered and preoccupied with extraneous social policy goals. Thus, NTIA hereby revises the scoring criteria previously outlined in the NOFO to focus on minimizing the cost of deployment under the BEAD Program.

As Eligible Entities conduct further rounds of subgrantee selection to comply with this Notice, they must prioritize Priority Broadband Projects over non-Priority Broadband Projects. If an Eligible Entity determines that selecting a Priority Broadband Project would incur excessive costs, it shall select a lower cost non-Priority Broadband Project.

NTIA declines to adopt a national cost threshold over which a project would be deemed excessive. However, NTIA hereby reserves the right to reject any proposed deployment project

⁴¹ Eligible Entities must solicit bids from other potential applicants for any such eliminated BSL, or applicant may propose a multi-provider solution.

⁴² 47 U.S.C. §1702(h)(4)(C).

or specific BSL connection for which costs to deploy are excessive, as determined by NTIA based on the cost characteristics of the area to be served. The Biden Administration pursued an extreme technology bias and instructed Eligible Entities to set their Extremely High Cost Per Location Threshold “as high as possible.”⁴³ This guidance led to excessive project area costs: Nevada’s Extremely High Cost Per Location Threshold set at \$200,000, for example, resulted in a Final Proposal that included 24 project areas with a per-BSL cost of \$100,000 or more. This is an unjust and unfair expenditure of taxpayer dollars that this Administration simply will not let stand. Eligible Entities are strongly encouraged to exercise judicious cost oversight to avoid delay or denial in Final Proposal processing.

To ensure that taxpayer dollars are protected, NTIA reserves the right to reject an Eligible Entity’s selection of a project for a subgrant if such project would impose unreasonable costs on the BEAD Program. As discussed in Section 3.1 above, NTIA also reserves the right to overturn an Eligible Entity’s determination whether a project meets the definition of a Priority Broadband Project.

Eligible Entities shall score competing applications using the following criteria:

Primary Criteria. In deciding among competing applications covering the same general project areas, Eligible Entities must choose the option with the lowest cost based on minimal BEAD Program outlay.

Minimal BEAD Program Outlay. The Eligible Entity must select the combination of project proposals with the lowest overall cost to the Program. This may involve selecting a proposal that is not the lowest-cost option for a given set of BSLs but is part of the combination of selected projects with the lowest overall cost to the Program.

When comparing competing proposals, Eligible Entities shall 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).

Secondary Criteria. If an application to serve the same general project area proposes a project cost within 15% of the lowest-cost proposal received for that same general project area on a per BSL basis, the Eligible Entity must evaluate such competing applications based on the following three criteria. The relative weighting of these three criteria shall be at the discretion of the Eligible Entity:

Speed to Deployment. The prospective subgrantee’s binding commitment to provision service by a date certain that is earlier than four years after the date on which the subgrantee will receive the subgrant from the Eligible Entity subject to contractual penalties to the Eligible Entity. Greater consideration can be awarded to prospective subgrantees promising an earlier service provision date.

⁴³ NOFO, Section I.C.(k), ft. nt. 6, pg. 13.

Speed of Network and Other Technical Capabilities. Eligible Entities may weigh the speed, latency, and other technical capabilities of the technologies proposed by prospective subgrantees.

Preliminary/Provisional Subgrantees. For locations where Eligible Entities have already identified preliminary or provisionally selected subgrantees, Eligible Entities may give additional weight to those applications in the Benefit of the Bargain Round.

As required by IJA, Eligible Entities must still ensure that subgrantees have a demonstrated record of, and plans to continue compliance with, Federal labor and employment laws. A subgrantee will satisfy this requirement through self-certification of compliance with Federal labor and employment laws. Fair labor practices shall no longer be considered within the scoring criteria. Likewise, the other secondary criteria identified in the NOFO (affordability, equitable workforce development and job quality, open access, local and tribal coordination), as well as any additional scoring criteria imposed by the Eligible Entity, shall no longer be considered as award selection criteria.

4. Optimizing BEAD Locations

Given the significant work and time already expended and to ensure the BEAD Program begins connecting Americans as soon as possible, Eligible Entities are not required to re-run their challenge process. NTIA-approved lists of BEAD eligible locations will only be altered in accordance with this section. To ensure that the lists of BEAD eligible locations are accurate and to prevent overbuilding of privately funded networks and Federal, state, or locally funded locations by BEAD, Eligible Entities must implement the following measures:

- Eligible Entities must investigate and account for locations that do not require BEAD funding using the reason code process as detailed in the Final Proposal Guidance.⁴⁴
- Eligible Entities must modify BEAD-eligible location lists to include locations no longer served due to a default or change in service area on a Federal enforceable commitment where the Federal entity has notified NTIA and the Eligible Entity of the default by the release of this Policy Notice. To facilitate the process, NTIA will send each Eligible Entity, if applicable, a list of defaulted or newly eligible locations that qualify for BEAD within fourteen (14) calendar days of the issuance of this Policy Notice. Eligible Entities must: (1) determine that these locations are not served by some other means (e.g., state enforceable commitment); (2) certify that the locations are unserved or underserved; and

⁴⁴ Specifically, Eligible Entities must remove locations that have been removed from the latest version of the FCC Fabric (reason code 3), locations already served by an enforceable commitment (reason code 4), and locations already served by non-subsidized service (reason code 5) wherever possible and account for them in the Final Proposal. NTIA will validate that these reason codes have been exercised when reviewing Final Proposals. Furthermore, Eligible Entities must certify in the Final Proposal that none of the BEAD funded BSLs should be classified under reason code 1 (should not have a broadband connection) or reason code 2 (do not need mass-market broadband service due to the nature of use). Eligible Entities must utilize reason codes 1, 2, and 3 for the entire period of performance, in accordance with the Final Proposal Guidance.

(3) incorporate these locations into their BEAD location list prior to accepting applications in subgrantee selection. Eligible Entities with a need to incorporate these locations must update their post challenge locations list to reflect the new BEAD eligible locations (i.e., updated BSL classifications) in their submission to NTIA detailing implementation of the Policy Notice, as detailed in Section 8 below.

- Because unlicensed fixed wireless providers (ULFW) providers are now permitted to compete for BEAD subgrants on a level playing field with all other applications, Eligible Entities must account for BSLs with access to existing ULFW networks to prevent overbuilding. Thus, Eligible Entities must take the following steps to ensure that locations already served by an ULFW service that meets the technical specifications within Appendix A of this Policy Notice are not included in awards for BEAD deployment projects. Before implementing the Benefit of the Bargain round, Eligible Entities must review the FCC’s National Broadband Map to determine whether such an ULFW provider (technology code 70) currently offers service to any BEAD-eligible BSLs in its jurisdiction. If so, the Eligible Entity must notify the ULFW provider (public posting is sufficient notice) that it has seven calendar days to respond that the ULFW provider intends to submit evidence that BEAD funding is not required for the locations it serves.

Upon receiving the response, the Eligible Entity shall allow the provider seven (7) calendar days to submit documentation supporting the claim that the existing ULFW services meet the same technical and service standards required for a ULFW application for a BEAD subgrant (see Appendix A of this Notice) and the provider is reasonably capable of delivering the service for at least four years after the date of Final Proposal submission.⁴⁵ If a ULFW service provider demonstrates that it meets the requirements specified by this Policy Notice, the served locations will be ineligible for BEAD Program funding. If the provider does not respond or fails to meet the requirements specified by this Policy Notice herein, the locations in question will remain BEAD eligible.

- Eligible Entities must revise their list of eligible Community Anchor Institutions (CAIs) to ensure their designations conform with the statutory definition of a CAI as established by IIJA.⁴⁶ NTIA hereby revokes the more expansive definition adopted by the NOFO.⁴⁷ NTIA will closely review all CAI submissions and will narrowly interpret the term “community support organization” as used in the statute. NTIA reserves the right to reject any CAI designation.

⁴⁵ The Eligible Entity may request additional evidence from the ULFW service provider and receive information from other sources.

⁴⁶ 47 U.S.C. §1702(a)(2)(E).

⁴⁷ NOFO, Section I.C.(f), pgs. 11-12.

5. Non-Deployment Funding

Funding for allowable non-deployment purposes is under review and NTIA will issue updated guidance in the future. As of the date of this Policy Notice, NTIA rescinds approval of all non-deployment activities approved in Initial Proposals. NTIA will not reimburse Eligible Entities for any new costs associated with previously approved non-deployment activities incurred after the date of this Policy Notice. An Eligible Entity should consult with the NIST Grants Office and NTIA if the Eligible Entity believes that it is entitled to reimbursement for non-deployment activities or costs that were incurred prior to the publication of this Policy Notice. Final Proposals will only require detail on the use of BEAD funds for deployment projects.

6. Permitting

To support NTIA's goal of issuing National Environmental Policy Act (NEPA) approvals within two weeks for an estimated 90 percent of BEAD projects and eliminate approximately 3-6 months of environmental processing per project, all Eligible Entities are hereby required to use the Environmental Screening and Permitting Tracking Tool (ESAPTT) within the NTIA Grants Portal. ESAPTT will help Eligible Entities serve as joint lead agencies for NEPA reviews by identifying applicable categorical exclusions and enabling paperless transmission of environmental documents and generation of draft and final NEPA documents. NTIA will generate ESAPTT project records from BEAD subgrant award data, which must identify any awards containing multiple NEPA project areas. Eligible Entities are further encouraged to use ESAPTT's permitting tracking capacity to evaluate and track subrecipient NEPA milestone schedules and escalate Federal right-of-way permitting issues to NTIA for interagency resolution.

7. Alignment with Prior Guidance

The following Policy Notices addressing "Alternative Technologies" and BEAD subgrantee selection are now obsolete and are hereby rescinded:

- Broadband Equity, Access, and Deployment (BEAD) Program: Selecting the Most Robust, Affordable, Scalable Technology, released June 26, 2024; and
- Broadband Equity, Access, and Deployment (BEAD) Program: Alternative Broadband Technology Policy Notice, released December 12, 2024.

Certain portions of those Policy Notices addressed unique issues related to ULFW and LEO projects. These ULFW and LEO issues are now addressed in this Policy Notice as follows: (1) Deduplication of unlicensed fixed wireless services is addressed in Section 4 above, and (2) Procedures for LEO capacity subgrants are addressed in Appendix B.

8. Modification of Initial and Final Proposals

As of the date of this Policy Notice, any new costs incurred by an Eligible Entity to implement its Initial Proposal must comply with the terms of the Notice. Any costs incurred by an Eligible Entity after this Notice is published that do not comply with the terms of this Notice may be disallowed.

Further, NTIA hereby rescinds all Final Proposal approvals that occurred prior to the publication of this Notice, as those Final Proposals no longer effectuate the goals of the Program or the agency priorities that are detailed in this Notice.⁴⁸ Any Eligible Entity affected by this change must follow the same process as all other Eligible Entities, described in the next paragraph, to incorporate the terms of this Notice into its Initial Proposal.

To comply with this Policy Notice, the Authorized Organization Representative for each Eligible Entity must submit a letter to NTIA within 30 calendar days requesting an Initial Proposal correction to incorporate the terms of the Policy Notice into its Initial Proposal. A template of this letter is included in Appendix D below. No other modifications to Initial Proposals will be considered at this time. The submission must include the list of newly added locations described in Section 4 above, if applicable. An Eligible Entity may also submit an Initial Proposal Funding Request budget modification in addition to this letter, should it need access to additional BEAD funds or need to reallocate BEAD funding across cost categories to execute the actions required by this Policy Notice. An Eligible Entity may execute its modified subgrantee selection process once NTIA approves the Initial Proposal correction. Budget modifications will require both NTIA and NIST approval.

⁴⁸ NTIA executes these actions based on the authority in 2 CFR §200.340(a)(2), which is incorporated into each BEAD award.

Appendix A: Unlicensed Fixed Wireless Service Requirements

NTIA finds that concerns regarding the reliability of ULFW services could have been easily mitigated by implementing specialized technical requirements rather than by prohibiting their inclusion entirely in the BEAD Program. To ensure technology neutrality, increase competition, and drive down costs for taxpayers, NTIA determines that ULFW technology should be permitted to participate in the BEAD application process so long as it meets the technical criteria specified herein. Providers utilizing ULFW services must demonstrate that they have taken the steps necessary to resolve potential interference and capacity constraints associated with such technology. Specifically, ULFW applicants must demonstrate they have addressed the problems of interference from other Part 15 users⁴⁹ competing for the same spectrum and the difficulty of evaluating ULFW network capability. ULFW providers may adopt the following mitigation strategies to meet this burden.

Eligible Entities shall determine whether ULFW providers have presented sufficient evidence to address these concerns and are therefore qualified to apply for BEAD funds. This determination is separate from deciding whether a project application employing ULFW is a priority broadband project.

The following are examples of mitigation strategies that unlicensed fixed wireless providers may adopt to address the technical issues associated with ULFW deployments:

Mitigating Potential Interference:

- Beam forming and/or beam nulling antenna arrays at both base station and subscriber radios
- Interference mitigation (in addition to beam forming/nulling) technologies
- Advanced non-line-of-sight capabilities or design considerations
- Reserved base station capacity to account for periods of higher interference
- Conservative link budgets to account for potential interference/congestion losses
- Adherence with network equipment manufacturer best practices or guidance regarding items such as minimum signal strength necessary to meet speed and latency requirements

Evaluating Network Capability:

- To ensure that the ULFW provider will have sufficient capacity to meet the statutory speed requirement of 100 Mbps download and 20 Mbps upload, the network design for ULFW projects must demonstrate the ability to provide at least 5 Mbps (100Mbps downstream service - to be scaled for higher speed commitments) of simultaneous capacity to each BSL in the project area
- Reserved base station capacity to account for periods of higher interference
- Adherence with network equipment manufacturer best practices or guidance regarding items such as:
 - Capacity/loading of base station radios with respect to number of, and provisioned bandwidth of, subscribers

⁴⁹ 47 CFR Part 15 (Radio Frequency Devices).

- Minimum signal strength necessary to meet speed and latency requirements
- Backhaul requirements for base station deployments

Appendix B: Low Earth Orbit Capacity Subgrants

As noted in Section 7 above, the legal and regulatory framework for Federal grants that has historically applied to broadband deployment funding programs does not capture the differences between LEO deployments and other broadband technologies. For example, when funding traditional broadband service, the Federal government typically takes an interest in the physical plant to ensure performance. With LEO service, however, there is no defined network dedicated to fixed locations in which the Federal government could take an interest to ensure performance.

To address this issue, NTIA requires that Eligible Entities awarding BEAD subgrants to LEO providers employ “LEO Capacity Subgrants.” Pursuant to a LEO Capacity Subgrant, an Eligible Entity shall reserve sufficient capacity from the LEO provider to deliver broadband service that meets the BEAD performance and technical requirements to each BSL in the project area and shall include the conditions set forth below.⁵⁰

Conditions of LEO Capacity Subgrants

First, as required by 47 U.S.C. § 1702(h)(4)(C), like all other subgrantees, recipients of LEO Capacity Subgrants must begin providing broadband service to each customer that desires broadband service not later than four years from the date of the subgrant.⁵¹ 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.⁵²

Second, Eligible Entities shall require a period of performance⁵³ for LEO Capacity Subgrants that concludes ten years from the date upon which the subgrantee certifies to the Eligible Entity that broadband is available to every location covered by the project.⁵⁴ Recipients of LEO Capacity Subgrants must continue to offer access to broadband service to each BSL served by the project throughout the period of performance.⁵⁵ In other words, if a customer receiving

⁵⁰ These conditions apply even if only a portion of the BEAD funds under the subgrant goes to reimburse a subgrantee for the reservation of capacity on LEO network to deliver last-mile broadband service.

⁵¹ 47 U.S.C. §1702(h)(4)(C); *see also* NOFO, Section IV.C.2.b.i, pg. 65.

⁵² When evaluating whether to approve Final Proposals, NTIA will use the same standard of availability used in the Challenge Process Policy Notice, which aligns with the FCC’s National Broadband Map standards. *See* NTIA, Policy Notice: BEAD Challenge Process at 10 (2023), [BEAD Challenge Process Policy Notice \(doc.gov\)](#).

⁵³ To reduce the administrative burden, Eligible Entities may close out all other subgrants while LEO Capacity Subgrants remain open. NTIA will extend the period of performance of the Eligible Entity’s grant if needed to allow for this period of performance.

⁵⁴ For all other BEAD deployment subgrants, NTIA is applying a ten-year Federal interest period. *See* NTIA, Policy Notice: Tailoring the Application of the *Uniform Guidance* to the BEAD Program at 3 (2023), [BEAD Policy Notice: Uniform Guidance Exceptions, Adjustments, Clarifications \(doc.gov\)](#) (“Uniform Guidance Policy Notice”).

⁵⁵ *See* NOFO, Section IV.C.2.b. at 68 (“Operators of Funded Networks shall provide access to broadband service to each customer served by the project that desires broadband service on terms and conditions that are reasonable and non-discriminatory.”).

service at a BSL moves, the LEO service provider must continue to offer service to the BSL, but not necessarily the previous subscriber, under the terms of the subgrant if subsequent occupants request service.

Because of the nature of LEO service, Eligible Entities cannot identify a portion of the LEO network that is dedicated to certain locations in their jurisdiction. Therefore, NTIA will not take a Federal interest in equipment or property acquired or improved with a LEO Capacity Subgrant. Additionally, the consumer and taxpayer protections set forth in the NOFO apply to the recipients of such subgrants for the duration of this ten-year Federal interest period.⁵⁶ Extending the period of performance for LEO Capacity Subgrants⁵⁷ to ten years will help NTIA and Eligible Entities ensure that the consumer and taxpayer protections that apply to all other last-mile deployment projects will apply to LEO Capacity Subgrants for a similar duration.⁵⁸

Third, Eligible Entities may reimburse recipients of LEO Capacity Subgrants in equal installments throughout the period of performance for each location where capacity is reserved. Alternatively, reimbursement may be based on subscriber milestones or another metric that creates an incentive for recipients of LEO Capacity Subgrants to enroll subscribers in BEAD-funded locations. Eligible Entities may advance up to 50% of the total cost of the subgrant: (1) at the time the subgrantee certifies the availability of service throughout the project area; (2) upon the subgrantee meeting subscription milestones established by the Eligible Entity (e.g., 50% of the locations in the project area subscribing to the subgrantee's qualifying broadband service); or (3) a combination thereof. If the Eligible Entity elects to advance a portion of the subgrant, the remaining portion shall be distributed in equal installments across the remaining period of performance. Eligible Entities may provide payment in yearly, semi-annual, or quarterly installments.⁵⁹

Fourth, the Letter of Credit requirement must be administered in a way that incentivizes providers to reach out to potential subscribers to encourage adoption. This is because LEO subgrantees will receive funding for solely reserving capacity rather than constructing a physical network, and as a result, may have less incentive to pursue subscribers. Consistent with this reimbursement model, the LEO provider may reduce its Letter of Credit or performance bond by 50% at the point of certification that service is available to each location in the project area. The Letter of Credit can be reduced by an additional 25% of the original amount after the subscription rate reaches at least 25% of all locations in the project area and may be closed out

⁵⁶ See NOFO at 64-71.

⁵⁷ Subgrants solely for LEO capacity do not acquire or improve any real property and NTIA will not take a Federal interest in the LEO network capacity in LEO Capacity Subgrants.

⁵⁸ See Uniform Guidance Policy Notice at 3.

⁵⁹ For example, if the cost of reserving capacity for the extended period of performance is \$100 per location and there are 100 locations, the total funding provided would be \$10,000 and an Eligible Entity could provide a reimbursement of \$1,000 per year, \$500 semi-annually, or \$250 quarterly. The numbers used are for illustrative purposes only and do not correspond to actual costs of LEO Capacity Subgrants.

once the subscription rate reaches 50 percent.⁶⁰ Regardless of the subscription rate, the Letter of Credit may be terminated four years after the LEO Capacity Subgrantee certifies that it can initiate broadband service within 10 business days of a request to any covered BSL in the project area.

Additionally, the NOFO requires the inclusion of clawback provisions and robust subgrantee monitoring practices.⁶¹ As is the case for all other deployment projects, Eligible Entities must distribute funding for LEO Capacity Subgrants on a reimbursable basis (which allows the Eligible Entity to withhold funds if the subgrantee fails to take required actions under the terms of the subgrant).⁶²

In light of the advantages conferred by the unique structure of the LEO Capacity Subgrant to the provider and the higher costs of consumer premises equipment (CPE) essential for delivery of broadband service via LEO satellite, LEO Capacity Subgrantees must provide all necessary CPE at no cost as part of the standard installation for each new subscriber (i.e. for each new resident or group of residents) at the BEAD-funded location throughout the period of performance.⁶³ If the same subscriber requests additional CPE after installation, the LEO Capacity Subgrantee may charge customary rates unless the request is made due to equipment malfunction or damage caused by a weather event.

As explained in the now-revoked Alternative Broadband Technology Policy Notice, determining the financial capacity of LEO providers presents a unique challenge for Eligible Entities as they determine whether applicants meet the subgrantee qualifications described in the NOFO, as modified by this Policy Notice. To reduce the burden on Eligible Entities, NTIA encourages LEO providers to submit audited financial statements to NTIA demonstrating their financial capacity to undertake the commitments of a subgrantee in all areas in which the provider seeks to serve. NTIA, in turn, will work with the provider to develop a financial certification letter documenting the financial capability of the provider. This letter can be relied upon by Eligible Entities in satisfying their obligation to ensure the financial capability of the subgrantee. Eligible Entities may accept this financial certification letter as a part of their qualification process.

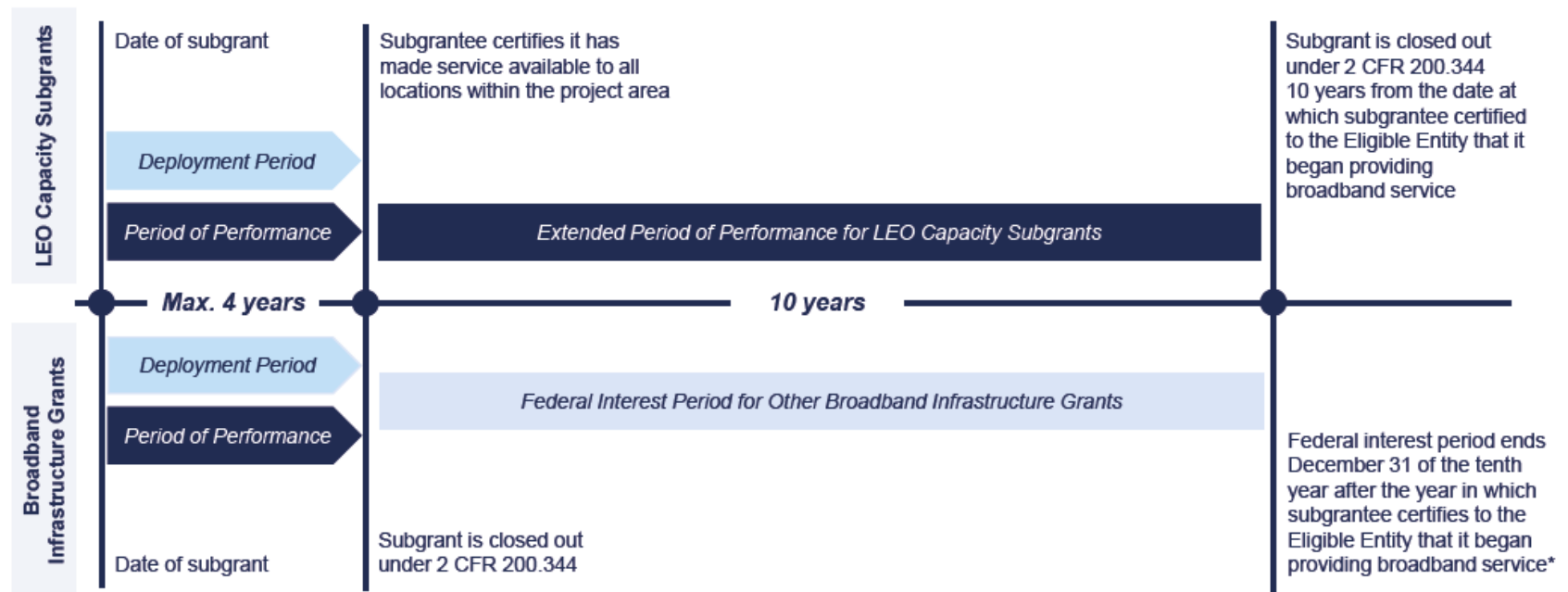
⁶⁰ To further illustrate the Letter of Credit requirement using this example, the original Letter of Credit would have been valued at \$2,500. Upon certification of service availability, the Letter of Credit could be reduced to \$1,250. After achieving a 25% “take rate” in the project area, the Letter of Credit could be further reduced to \$625 and eliminated after reaching a 50% “take rate.” The reduction in the Letter of Credit obligations continues to be allowable even if the subscription rate later drops.

⁶¹ See NOFO at 51.

⁶² See *id.*

⁶³ The LEO Capacity Subgrantee obligation is limited to no more than three (3) CPE during the period of performance.

Appendix C: Period of Performance for LEO Capacity Subgrants and Federal Interest Period for Broadband Infrastructure Grants



*See Tailoring the Application of the Uniform Guidance to the BEAD Program Policy Notice at 9: "The Federal interest in all real property or equipment acquired or improved as part of a subgrant for which the major purpose is a broadband infrastructure project will continue for 10 years after the year in which the subgrant for a project has been closed out in accordance with 2 CFR 200.344. For example, for all subgrants closed out in 2027, regardless of the month, the Federal Interest Period will last until December 31, 2037."

Appendix D: Initial Proposal Correction Template

[AOR Name]

[AOR Title]

[AOR Organization]

[AOR Address]

Courtney Dozier

Acting Director

Broadband Equity, Access, and Deployment Program

National Telecommunications and Information Administration

Re: June 6, 2025 BEAD Restructuring Policy Notice

Dear Mrs. Dozier,

[Insert name of EE] submits this letter to request an Initial Proposal (IP) correction pursuant to the June 06, 2025, BEAD Restructuring Policy Notice. This letter requests incorporation of the terms of the Notice into our IP. [Insert name of EE] confirms that it must modify its previously-approved subgrantee selection process to conform to the terms of the Notice. It will also take all other actions needed to conform the implementation of its BEAD award to the requirements contained in the Notice. [Insert name of EE] [will/will not] submit a budget modification to accompany this IP correction request.

Sincerely,

[AOR Name]

[Date]