



Montana Broadband Communications Advisory Commission Meeting

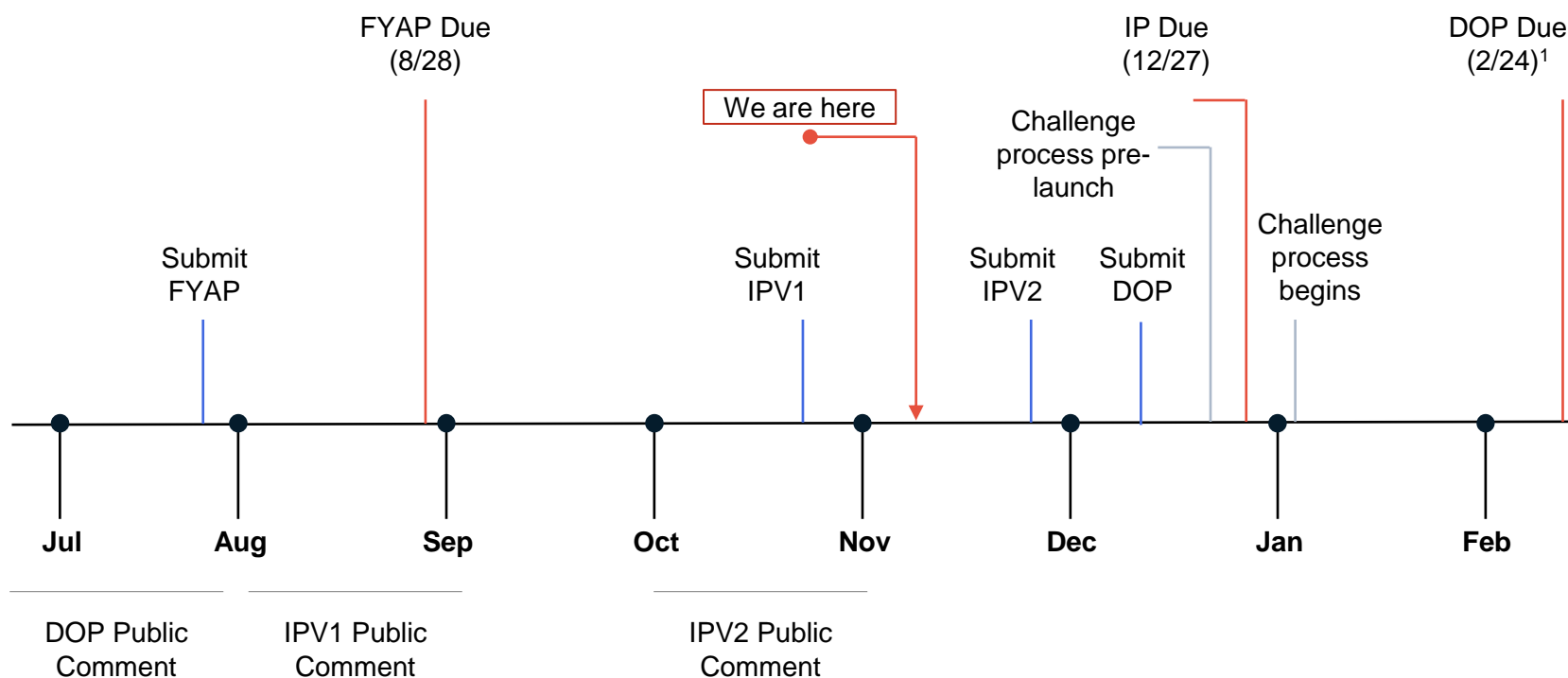
November 7, 2023



BEAD timeline and draft agendas

As of 26 October 2023

Timeline of key BEAD milestones



FYAP: BEAD Five-Year Action Plan **IPV1:** BEAD Initial Proposal Volume 1 **DOP:** Digital Opportunity Plan **IPV2:** BEAD Initial Proposal Volume 2

Focus for today

Draft Upcoming CAC Agendas

November 7th
 IPV2 Approval

- Subgrantee process: scoring rubric
- Workforce readiness
- Low-cost service option
- Middle class affordability

December 6th
 Path forward for BEAD and Digital Opportunity

1 The MBO has applied for a no-cost extension on the DOP until 24 February 2024, which has received verbal approval



Agenda for November Commission Meeting

As of 26 October 2023

Agenda Item	Facilitator	Time
Open Meeting <ul style="list-style-type: none"> a. Call to order and notice of audio / video recording b. Roll call and proxies 	Commission Chair	15 minutes
IJA: Initial Proposal Volume 2 Approach <ul style="list-style-type: none"> a. Deployment subgrantee process: scoring rubric b. Workforce readiness c. Low-cost service option d. Middle class affordability 	Misty Ann Giles, Director of DOA	1.5 hours
Public comment	Commission Chair	45 minutes
Motions	Commission Chair	15 minutes
Next Steps / Timelines	Misty Ann Giles, Director of DOA	15 minutes



The Initial Proposal includes 20 requirements

As of 26 October 2023

Initial Proposal Volume 1 (Challenge Process)	BEAD NOFO Requirement
1.1 Federal funding	3
1.2 Eligible broadband serviceable locations	5
1.3 Community anchor institutions	6
1.4 Challenge process	7

Public Comment Period	Date
1.5 Volume I	Complete
2.17 Volume II	9/28-10/28

Source: BEAD Initial Proposal Guidelines

DOCUMENT INTENDED TO PROVIDE INSIGHT BASED ON CURRENTLY AVAILABLE INFORMATION FOR CONSIDERATION AND NOT PRESCRIBE SPECIFIC ACTION

IP guidance element Details follow

Initial Proposal Volume 2 (Grant Program)	BEAD NOFO Requirement
2.1 Objectives	1
2.2 Existing efforts	2
2.3 Stakeholder engagement	4
2.4 Deployment subgrantee process	8
2.5 Non-deployment subgrantee process	9
2.6 Direct implementation	10
2.7 Labor standards	11
2.8 Workforce readiness	12
2.9 Minority- and women-owned enterprises	13
2.10 Cost and barriers reduction	14
2.11 Climate Assessment	15
2.12 Low-cost service option	16
2.13 Middle class affordability	20
2.14 20% funding allocation	17
2.15 Existing laws and requirements	18
2.16 Certification	19



Agenda

2.4: Subgrantee process: scoring rubric

2.8: Workforce readiness

2.12: Low-cost service option

2.13: Middle class affordability



2.4: Based on input during the last CAC, MBO has updated the priority projects scoring rubric

As of 26 October 2023

	Maximum Points Possible
Primary criteria (must be \geq 75%)	
Minimal BEAD program outlay: Per project BEAD grant request	40
Affordability: Lowest price for 1/1 Gbps service commitment	20
Fair labor practices: Past compliance with fair labor practices and future commitment to prevailing wages	15
Secondary criteria	
Speed to deployment (<4 years)	1
Additional prioritization factors	
Whether the proposed project area serves unserved or underserved areas, with unserved areas receiving greater weight	15
Broadband service providers who have broadband service infrastructure already deployed in the project area	4
The length of time the provider has been providing broadband service in the state	3
High-cost areas must be considered for services to the extent terrestrial service is economically viable	1
The number of households, businesses, farms, ranches, and community anchor institutions served	1
Total score	100

1. The term "Priority Broadband Project" means a project that will provision service via end-to-end fiber-optic facilities to each end user premises. [BEAD NOFO](#), p. 14.; Source: [BEAD Initial Proposal Guidance](#)



2.4: Priority deployment projects weighting metrics based on revised scoring rubric

As of 26 October 2023

Criteria Type	Description	Scoring approach	Scoring calculation
Primary Criteria	Minimal BEAD program outlay: Per project BEAD grant request	Projects that cost less relative to a reference funding benchmark will receive a higher allocation of points	$40 - (20 * (\text{Grant request} / \text{Reference benchmark}))$
	Affordability: Lowest price for 1/1 Gbps service commitment	Applicants that offer the same prices for 1/1 Gbps plans to all locations will receive a higher allocation of points	Offer lowest 1/1 Gbps rate to BEAD project areas, or commit to offering the same rates to all locations (if a new entrant) = 20 points
	Fair labor practices: Past compliance & future commitment to prevailing wages	Applicants who illustrate past compliance and commit to offer prevailing wages will receive a higher allocation of points	Past compliance = 10 points; Offer prevailing wages for BEAD workforce = 5 points
Secondary Criteria	Speed to deployment	Projects that commit to completion on a quicker timeline receive a higher allocation of points	Commit to deploy in <4 years = 1 point
Additional Criteria	Unserved areas	Projects that reach more unserved locations relative to all broadband serviceable locations receive a higher allocation of points	1 point for each ~6.7% of unserved BSLs up to maximum of 15 points
	Existing infrastructure	Applicants who can leverage existing and/or adjacent infrastructure will receive a higher allocation of points	Infrastructure within 1 mile = 4 points Infrastructure within 10 miles = 2 points
	Length of service in Montana	Applicants who have a longer history of service in the state will receive a higher allocation of points	1 point for every 10 years of service up to maximum of 3 points
	High-cost areas	Applicants who include high-cost CBGs in their applications will receive a higher allocation of points	1 point if including any high-cost CBGs
	Number of locations served	Projects that serve a higher number of BSLs will receive a higher allocation of points	1 point if greater than average # served



2.4: Based on input during the last CAC, MBO has updated the non-priority projects scoring rubric

As of 26 October 2023

	Maximum Points Possible
Primary criteria (must be \geq 75%)	
Minimal BEAD program outlay: Per project BEAD grant request	40
Affordability: Lowest price for 100/20 Mbps service commitment	20
Fair labor practices: Past compliance and future commitment to prevailing wages	15
Secondary criteria	
Speed to deployment (<4 years)	1
Speed of network and other technical capabilities	1
Additional prioritization factors	
Whether the proposed project area serves unserved or underserved areas, with unserved areas receiving greater weight	15
Broadband service providers who have broadband service infrastructure already deployed in the project area	3
The length of time the provider has been providing broadband service in the state	3
High-cost areas must be considered for services to the extent terrestrial service is economically viable	1
The number of households, businesses, farms, ranches, and community anchor institutions served	1
Total score	100



2.4: Non-priority deployment projects weighting metrics based on revised scoring rubric

As of 26 October 2023


Criteria Type	Description	Scoring approach	Calculation
Primary Criteria	Minimal BEAD program outlay: Per project BEAD grant request	Projects that cost less relative to a reference funding benchmark will receive a higher allocation of points	$40 - (20 * (\text{Grant request} / \text{Reference benchmark}))$
	Affordability: Lowest price for 100/20 Mbps service commitment	Applicants that offer the same prices for 100/20 Mbps plans to all locations will receive a higher allocation of points	Offer existing 100/20 Mbps rate to BEAD project areas; or commit to offering the same rates to all locations (if a new entrant) = 20 points
	Fair labor practices: Past compliance & future commitment to prevailing wages	Applicants who illustrate past compliance and commit to offer prevailing wages will receive a higher allocation of points	Past compliance = 10 points; Offer prevailing wages for BEAD workforce = 5 points
Secondary Criteria	Speed to deployment	Projects that commit to completion on a quicker timeline receive a higher allocation of points	Commit to deploy in <4 years = 1 point
	Technology and speed capabilities	Projects that commit to delivering higher speeds and latency will receive a higher allocation of points	1 point if able to provide 250 Mbps/50 Mbps
Additional Criteria	Unserved areas	Projects that reach more unserved locations relative to all broadband serviceable locations receive a higher allocation of points	1 point for each ~6.7% of unserved BSLs up to maximum of 15 points
	Existing infrastructure	Applicants who can leverage existing and/or adjacent infrastructure will receive a higher allocation of points	Infrastructure within 1 mile = 3 points Infrastructure within 10 miles = 2 points
	Length of service in Montana	Applicants who have a longer history of service in the state will receive a higher allocation of points	1 point for every 10 years of service up to maximum of 3 points
	High-cost areas	Applicants who include high-cost CBGs in their applications will receive a higher allocation of points	1 point if including any high-cost CBGs
	Number of locations served	Projects that serve a higher number of BSLs will receive a higher allocation of points	1 point if greater than average # served



2.4: MBO has updated the scoring rubric to provide more detail on its scoring approach

As of 26 October 2023

Subgrantee selection rubric template sample¹

 Subgrantee Selection Rubric - Priority Projects					
Total Category Weight	Primary Criteria <i>(Required for All Subgrantee Selection)</i>	Weight	Determination	Score	Explanation
75%	BEAD grant request: Applicant to provide the list of CBGs and the BEAD grant funding request for each project area they are applying for. If an applicant chooses to apply for multiple project areas, a separate list of CBGs and BEAD grant funding request should be provided for each project area. Each project area will be scored and evaluated separately.	40%	40 - (20 * (grant request amount / reference benchmark))	Example: The grant request amount for an application is \$50 and the reference funding benchmark for that project area is \$100. Score: 30 points	Example: Assume the reference funding benchmark for a particular project area is \$100. If the grant request amount is \$50, then the applicant would receive 30 points for this criteria per the scoring formula: $40 - (20 * (50/100)) = 30$
	Price per Gigabit service commitment: Applicant to provide evidence of the rate for which it offers 11Gbps service to its existing customers and commit to offering the same rate to new customers in BEAD project areas. Applicants that do not currently offer 11Gbps may make a forward-looking commitment to offer the same rate across all locations.	20%	Commitment to providing 11Gbps service to the customers in BEAD project areas at the same rate offered in existing markets, or , for applicants that do not yet offer 11Gbps, a forward-looking commitment to offer the same rate in all locations = 20 points	Example: An applicant currently provides 11Gbps to existing consumers for \$100. The applicant commits to offering 11Gbps service in its BEAD project area for \$100. Score: 20 points	Example: If the applicant commits to offering 11Gbps service to new consumers in a BEAD project area at the same rate it currently offers 11Gbps in an existing market, then the applicant earns 20 points for this criterion.
	Compliance with federal fair labor laws: Applicant to provide details of their past compliance with federal fair labor laws, according to the requirements outlined in Montana's BEAD Initial Proposal Volume II (Section 2.7.1). Applicant may also commit to offering prevailing wages for BEAD projects.	15%	0 violations of federal fair labor laws = 10 points 1 violation of federal fair labor laws = 5 points >1 violation of federal fair labor laws = 0 points Future commitment to offering prevailing wages for BEAD project workforce = 5 additional points	Example: An applicant has one past federal fair labor law violation and commits to offering prevailing wages for BEAD projects. Score: 10 points	Example: If an applicant has only 1 past violation of federal fair labor laws and commits to offering prevailing wages for its BEAD workforce, then the applicant would receive 10 points as per the tiered scoring rubric and formula for this criteria: $5 + 5 = 10$

Scoring rubric

The MBO's rubric lays out the scoring criteria for priority and non-priority projects. For each, it indicates:

- Weight (%)
- Determination (i.e., equation used for calculation)
- Score (i.e., points earned for example scenario)
- Explanation (i.e., example scenario and calculation)

1. Rubric provided by NTIA as a component of the BEAD Initial Proposal Guidance



Agenda

2.4: Subgrantee process: scoring rubric

2.8: Workforce readiness

2.12: Low-cost service option

2.13: Middle class affordability



2.8: IPV2 workforce readiness guidance from NTIA includes requirements for the State and its subgrantees

As of 26 October 2023

Requirement

Elements

Section 2.8.1

How the **State** will develop a skilled, diverse workforce

- How it will ensure that subgrantees support the development and use of a **highly skilled workforce**
- How it will develop and promote **sector-based partnerships** to provide training and support to workers
- How it will create **on-ramps** to jobs, **maintain job quality**, and **include workers' voices** in the planning and implementation process
- How it will make job opportunities available to a **diverse pool of workers**

Section 2.8.2

How **subgrantees** will demonstrate that their workforce is skilled and credentialed

- How they will ensure the use of a **skilled workforce**
- How they will ensure that all workers are **appropriately credentialed**
- Whether the workforce is **directly employed or subcontracted**
- If the workforce is **unionized**. If it is not, the subgrantees must also provide:
 - **Job titles** and **workforce size**
 - The **safety training, certification, licensure, and trainings** will be required for each job title to ensure the work is done at a high standard



2.8: The MBO plans to pursue a multi-pronged approach to support workforce readiness

As of 26 October 2023

The MBO plans to pursue the following activities to ensure workforce readiness

Outreach

- Create a **centralized online hub for workers and employers** to find and utilize resources
- Engage in targeted outreach to **raise awareness of broadband employment opportunities** (e.g., partner with and support organizations that conduct job fairs)

Collaboration with flagship programs

- **Encourage providers to work with flagship programs**, like Accelerate Montana (AMT) and the Montana Registered Apprenticeship Program (MRAP), to develop tailored broadband training programs to support workforce growth
- Coordinate with MRAP, AMT, and others to **develop on-ramps and opportunities to broadband jobs** (e.g., encourage flagship programs to partner with labor and worker organizations)
- Encourage providers to **hire workers who complete relevant training programs** (e.g., AMT and MRAP) as well as **people from underrepresented populations**

Incentivize prevailing wages

- The MBO understands the importance of ensuring an available and **highly skilled workforce** for broadband deployment, but also recognizes the **high cost** associated with deploying broadband
- Given the above, the MBO will **not require but will incentivize** subgrantees by **awarding 5 points** (part of the required fair labor scoring criteria) to those that **commit to offering Montana prevailing wages**



Agenda

2.4: Subgrantee process: scoring rubric

2.8: Workforce readiness

2.12: Low-cost service option

2.13: Middle class affordability



2.12: Low-cost plan details and purpose as per NTIA BEAD Initial Proposal Guidance

As of 26 October 2023

Issue	NTIA Initial Proposal Guidance
NTIA low-cost plan requirement	<ul style="list-style-type: none"> • “The Infrastructure Act requires that each subgrantee receiving BEAD funding to deploy network infrastructure offer at least one low-cost broadband service option.”
NTIA low-cost plan purpose	<ul style="list-style-type: none"> • The purpose is to “ensure that all residents ... will have access to affordable broadband service options.”
ACP participation	<ul style="list-style-type: none"> • “Eligible Entities must ensure that services offered over BEAD Funded Networks allow subscribers in the service area to use the FCC’s ACP.” • States are required to “certify that all subgrantees will be required to participate in the ACP or any successor programs,” and indicates a preference—but not a requirement—for low-cost plans that allow the application of the ACP subsidy.



2.12: MBO has revised the low-cost plan approach based on input from the last CAC and public comments

As of 26 October 2023

Low-cost plan details

Price	<ul style="list-style-type: none"> • Not to exceed the median price in the Western US over the past 3 years per the FCC broadband rate survey¹ (benchmark to be published annually by the MBO) • Based on data over the past 3 years, the maximum rate for 2024 would be \$70 • Note that this price is exclusive of ACP, so the cost would be \$40 with ACP (\$0 on tribal lands)
Eligibility	<ul style="list-style-type: none"> • The same eligibility criteria as the Affordable Connectivity Program
Speed	<ul style="list-style-type: none"> • $\geq 100/20$ Mbps • No data caps, surcharges, or usage-based throttling, Standard usage policies • Exception if provider demonstrates individual service at 100/20 would cost more or technology is not capable of offering speed or other requirements
Latency	<ul style="list-style-type: none"> • ≤ 100 ms
Plan Changes	<ul style="list-style-type: none"> • If a subgrantee later offers another low-cost plan, there would be no charge for an Eligible Subscriber to move to the new low-cost plan
ACP Participation	<ul style="list-style-type: none"> • All subgrantees participate in the ACP • Eligible subscribers can apply the ACP benefit to the plan price

1. See page that follows for details. FCC broadband rate survey: <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources>



2.12: Data shows average and median cost of 100/20 Mbps plans are ~\$70 in Montana & Western U.S.

As of 26 October 2023

Price of ~100/20 Mbps¹ internet plans reported in the FCC broadband rate survey²

Geographic Area	Average plan price (\$/month)	Median plan price (\$/month)	Number of plans reported
United States	\$66.63	\$65.00	1,222
Western U.S. ³	\$69.43	\$69.95	183
Montana	\$70.00	\$70.00	2

Key takeaways

- **Across relevant geographic areas sampled, both average and median plan prices were ~\$70/month for plans reported to the FCC broadband rate survey with speeds between 100/10 - 100/20 Mbps over the past 3 years**
- Based on Option A for the low-cost plan, the MBO would likely use **\$70 as the benchmark plan price for 2024**

1. The plans reported download speeds of 100 Mbps and upload speeds from 10-20 Mbps

2. FCC broadband rate survey: <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources>

3. "Western US" includes the following states: Arizona, New Mexico, Utah, Wyoming, Colorado, Idaho, Montana, Nevada, California, Oregon, Washington



Agenda

2.4: Subgrantee process: scoring rubric

2.8: Workforce readiness

2.12: Low-cost service option

2.13: Middle class affordability



2.13: Middle class affordability plan requirements as per NTIA BEAD Initial Proposal Guidance

As of 26 October 2023

Initial Proposal and BEAD NOFO instructions

- Describe a middle-class affordability plan that details **how high-quality broadband services will be made available to all middle-class families** in the BEAD-funded network's service area **at reasonable prices**
- The NOFO notes that **some states might assign especially high weights to selection criteria** relating to affordability and/or open access in selecting BEAD subgrantees
- Eligible Entities will be required to ensure that services offered over Funded Networks allow subscribers in the service area to **utilize the ACP**

NTIA example plan elements

- Require providers to offer low-cost, high-speed plans to all middle-class households
- Providing consumer subsidies if surplus funds are available
- Using regulatory authority to promote structural competition (e.g., eliminating barriers to entry, opening access to multi-dwelling units, or promoting alternative technologies)
- Promoting consumer pricing benchmarks and / or establishing a system of continued monitoring and public reporting to allow customers to determine whether rates are reasonable



2.13: MBO's proposed middle class affordability approach

As of 26 October 2023

Summary of MBO's affordability analysis and proposed approach

Fact base¹

According to the MBO's analysis, **broadband is affordable** for most Montanans:

- Most Montanans have access to a **100/20 Mbps broadband plan for ≤ \$100/month²**
- FCC's guidance indicates that **2% of a household's monthly income** could be used as a "yardstick" for **measuring general affordability** of internet plans³
- **A \$100/month plan is <2% of average household income for 50 out of 56 Montana counties⁴**

Proposed approach

Given the above, to **ensure continued affordability** under BEAD the MBO plans to **assign especially high weights to affordability** (i.e., the **second highest scoring criteria at 20% of total points**)

- Subgrantee applicants who are **existing broadband service providers** can receive the **full 20 points** if they **commit to offering the lowest price for 1/1 Gbps service (100/20 Mbps for non-priority projects)** that they currently offer to all BEAD-funded locations
- Subgrantee applicants who are **new entrants to the broadband market** can receive the **full 20 points** if they **commit to offering the same price for 1/1 Gbps service (100/20 Mbps for non-priority projects)** to all BEAD-funded locations

1. See pages that follow for details

2. BSL Data was obtained from the FCC National Broadband Map; provider data was obtained from Internet search and direct inquiries. Does not include pricing for providers without readily available plan / pricing information

3. [Third Report and Order, Further Report and Order, and Order On Reconsideration](#), Federal Communications Commission, FCC 16-38

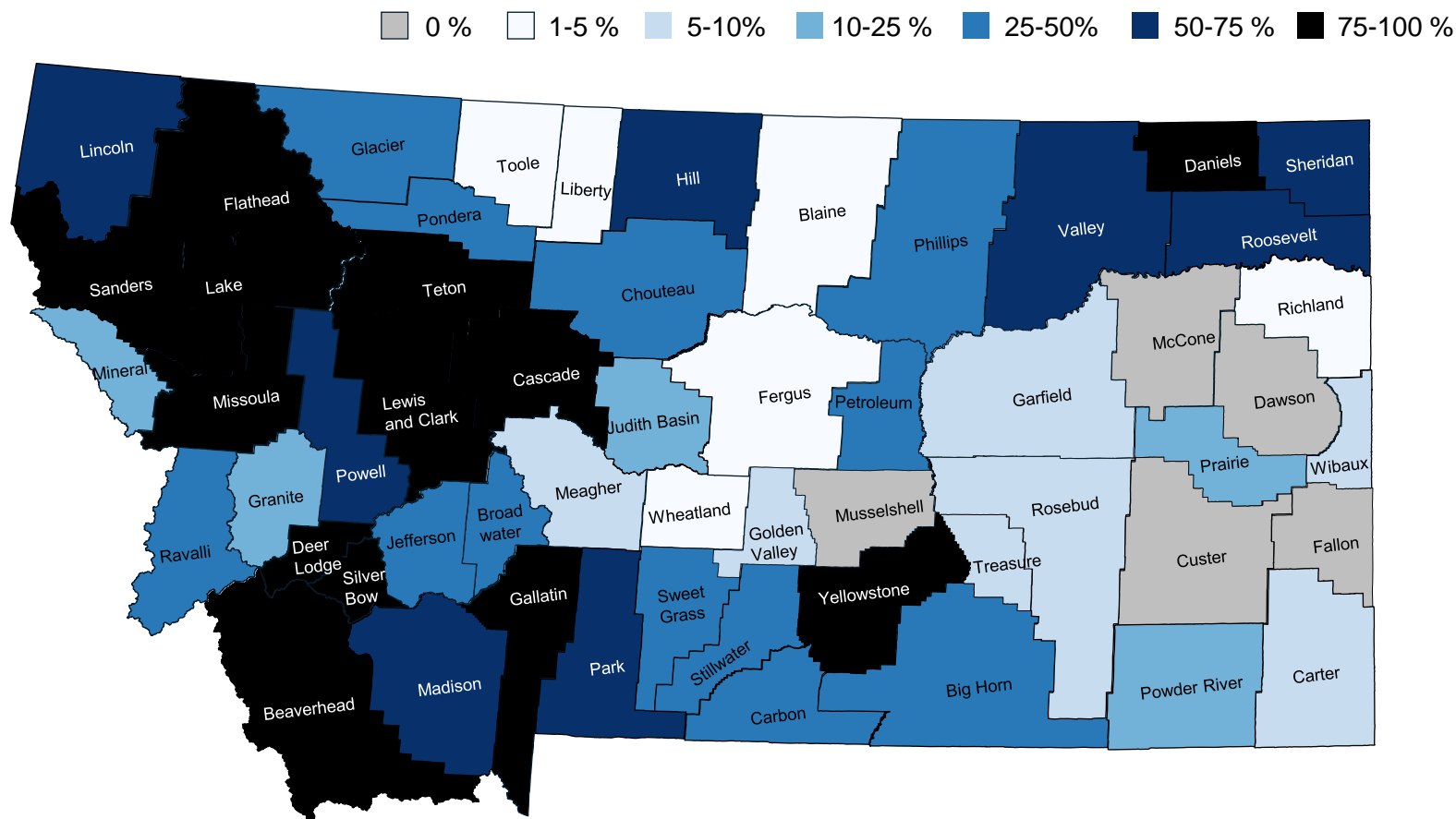
4. [American Community Survey](#), U.S. Census



2.13: Most Montanans may have access to a 100/20 Mbps internet plan for \$100/month or less

As of 26 October 2023

% of BSLs that may have access to 100/20 Mbps for ≤ \$100/month¹



Takeaways

- ~326,400 BSLs (84.9% of served locations in Montana) may have access to an internet plan with at least 100/20 Mbps speeds at \$100/month or less
- In 38% of counties, more than 50% of BSLs may have access to such a plan, including most of western and northeastern Montana

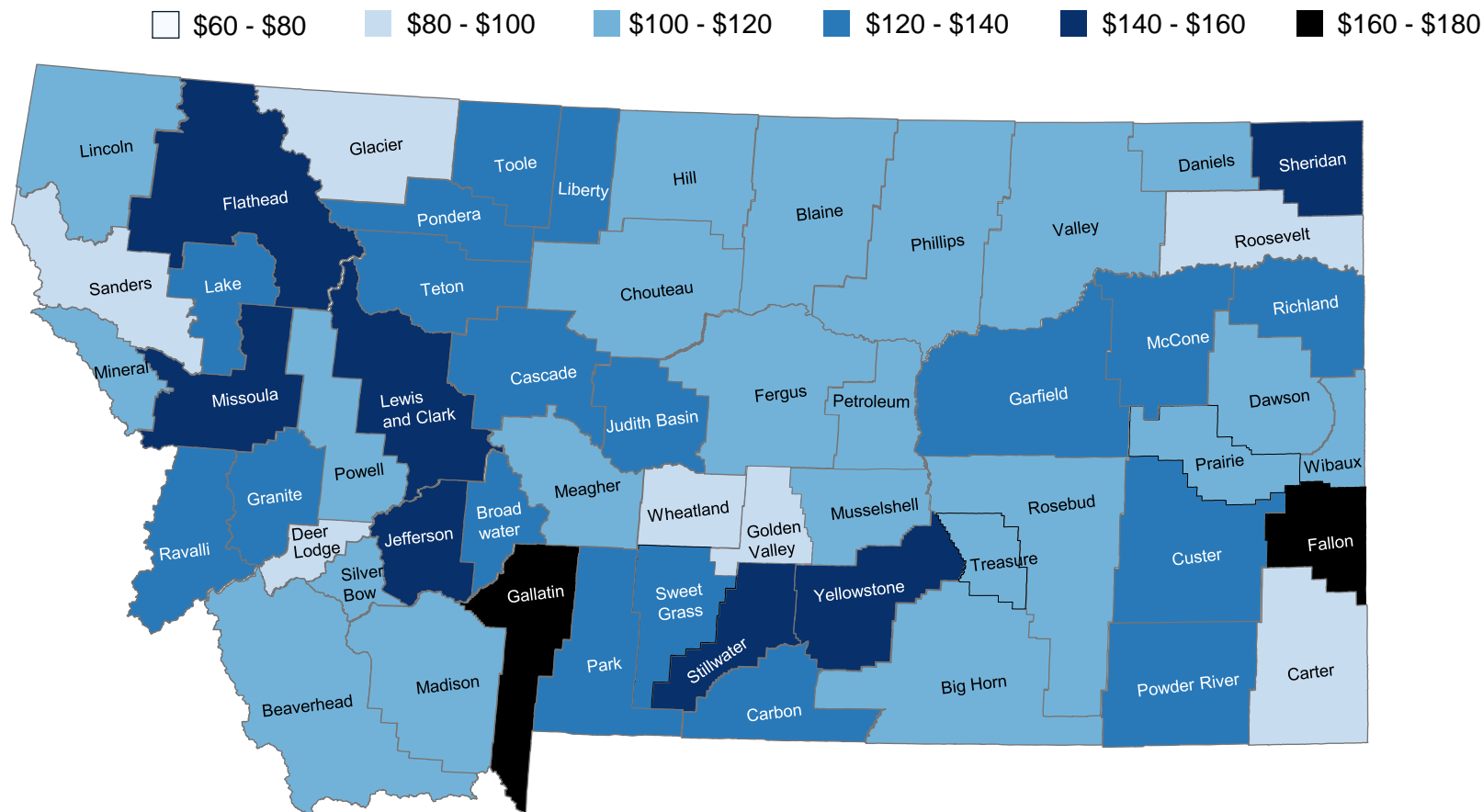
1. BSL Data was obtained from the FCC National Broadband Map; provider data was obtained from Internet search and direct inquiries. Does not include pricing for providers without readily available plan / pricing information



2.13: Cost of an internet plan based on 2% of average household income by county

As of 26 October 2023

Cost of an internet plan based on 2% of average household income by county¹



Key takeaways

- 2% of average household income by county is **> \$100/month** for **50 out of Montana's 56 counties**
- The **average cost of an internet plan** that represents 2% of average household income by county is **\$121/month²**

1. According to the Broadband Commission for Sustainable Development, internet that costs more than 2% of monthly income may be unaffordable for some
 Source: American Community Survey, U.S. Census, [https://data.census.gov/table?q=040XX00US30\\$0500000&tid=ACSST5Y2021.S1901](https://data.census.gov/table?q=040XX00US30$0500000&tid=ACSST5Y2021.S1901)
 2. According to the Broadband Commission for Sustainable Development, internet that costs more than 2% of monthly income may be unaffordable for some