



Montana Broadband Communications Advisory Commission Meeting

October 11, 2023

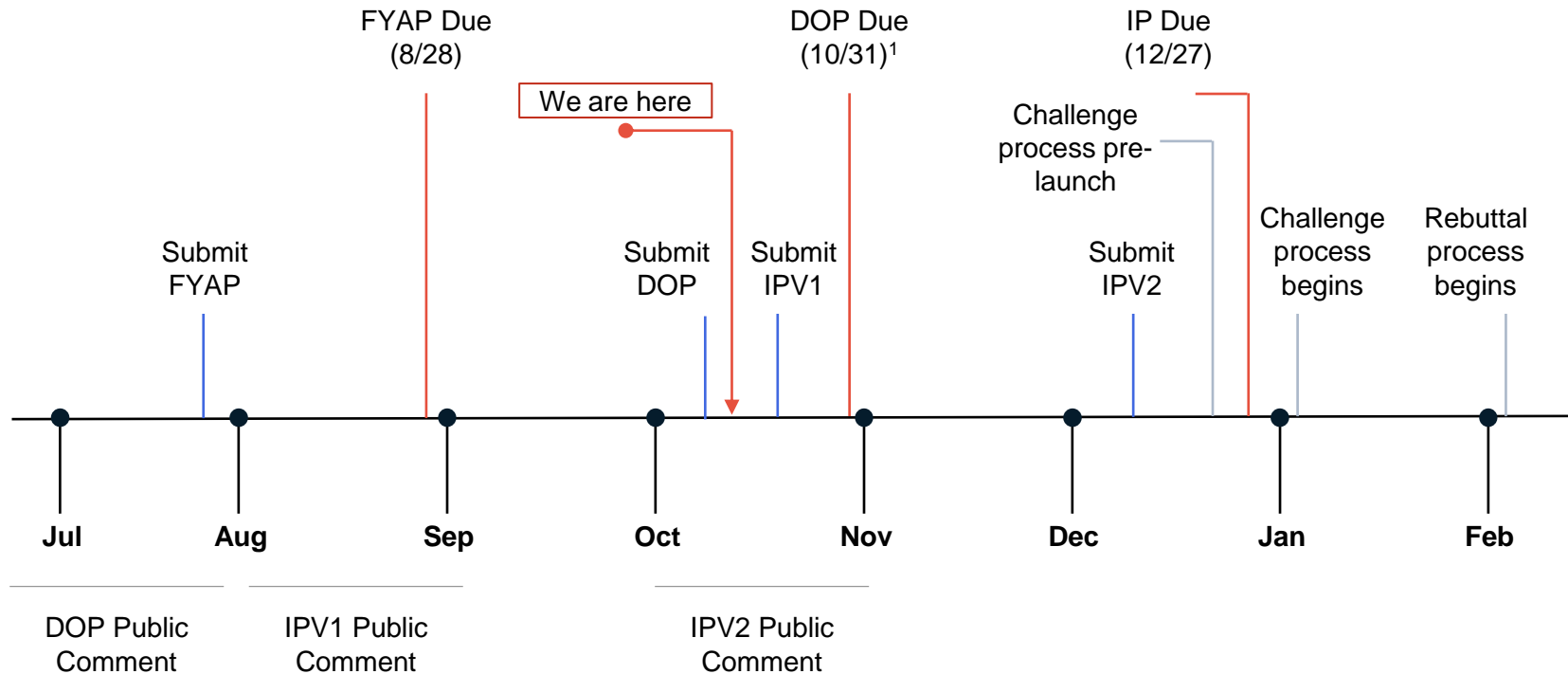


BEAD timeline and draft agendas

As of 27 September 2023

Focus for today

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

Draft Upcoming CAC Agendas

October 11th

IPV2:

- Subgrantee process
- Workforce readiness
- Minority-owned / women-owned enterprises
- Cost and barriers reduction
- Low-cost service option
- Middle class affordability
- 20% funding allocation
- Public comment period

November 7th

IPV2 Approval

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 is pending approval by NTIA



The Initial Proposal includes 20 requirements

As of 27 September 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
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Agenda

2.4: Deployment subgrantee process

2.8: Workforce readiness

2.9: Minority- and women-owned enterprises

2.10: Cost and barriers reduction

2.12 Low-cost service option

2.13: Middle class affordability

2.14: 20% funding allocation



2.4: Project area design principles and preliminary approach

As of 27 September 2023

MBO's Project Area guiding principles

Achieve BEAD goal of reaching all unserved and underserved

The MBO seeks to design an approach to project areas that will increase probability of achieving the BEAD and State goal to serve all un- and underserved

Ensure objectivity during subgrantee process

The MBO seeks to design an approach to project areas that will:

- Promote a fair & competitive bidding process
- Ensure impartiality to providers
- Support an objective selection of awardees

Minimize deconfliction given the compressed timeline

The MBO seeks to design an approach to project areas that will enable like to like comparison of overlapping project areas and facilitate a straightforward deconfliction process

Planned approach

To achieve these core principles, the MBO plans **to allow providers to define project areas** using existing geographic units

Geographic units

The MBO plans to designate CBGs as the geographic units of project areas

As pertinent and logical, the State may break some of the CBGs up into one or more smaller areas in a way that accounts for the distribution of un- and underserved BSLs

Project area design

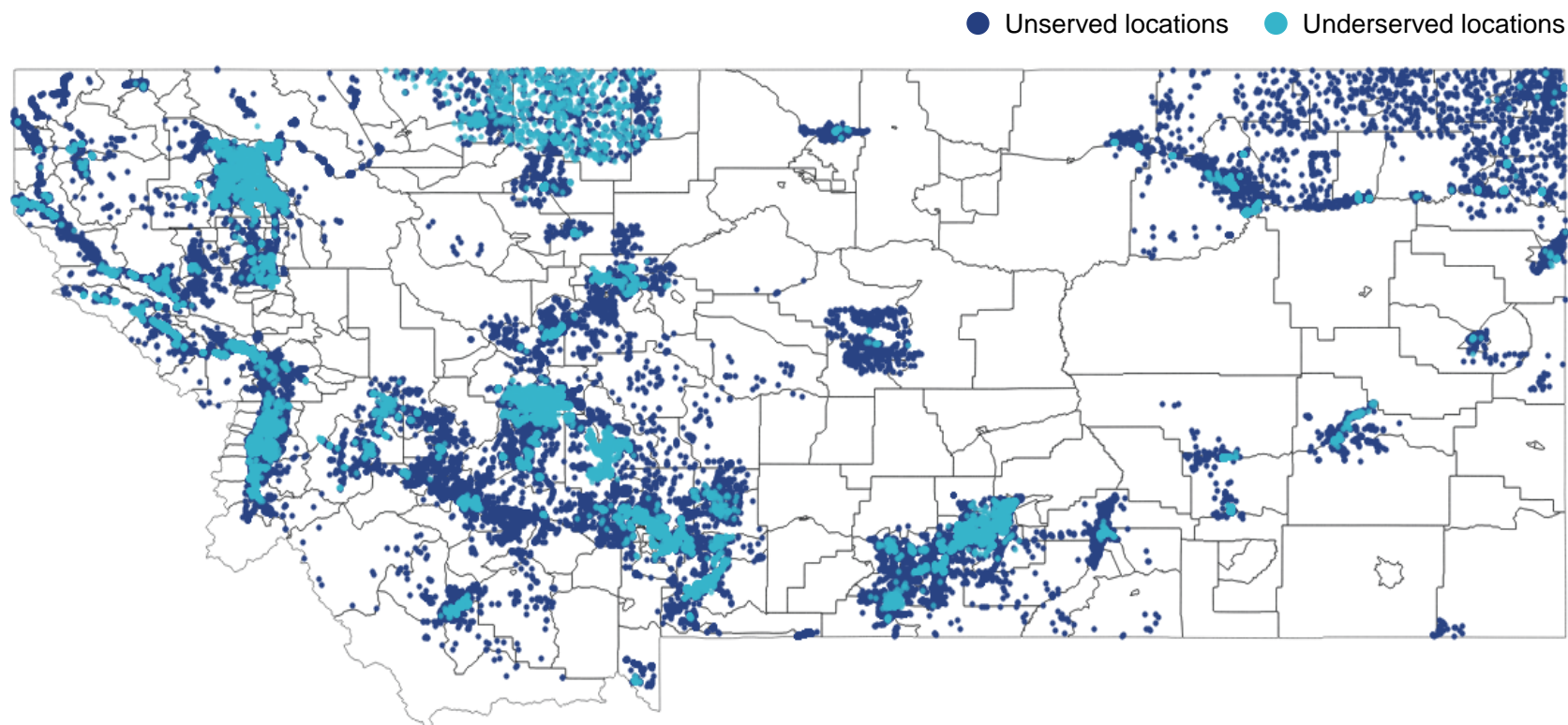
Providers would use CBGs to build their desired project areas



2.4: Un- and underserved locations in Montana Census Block Groups (CBGs)

As of 27 September 2023

Map of Montana's unserved and underserved BSLs across CBGs



Montana has **96,662** un- and underserved locations in **532** CBGs¹

¹ Current number of un- and underserved locations assumes locations with an enforceable commitment to broadband are counted as served; 2010 census data indicates that MT has 842 CBGs
Source: [FCC BDC](#). National Broadband Map



2.4: Preliminary priority deployment projects scoring rubric

As of 27 September 2023

	Max. 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	10
Lowest price for 100/20 Mbps service commitment	10
Fair labor practices	15
Secondary criteria	
Speed to deployment (<4 years)	4
Additional prioritization factors	
Whether the proposed project area serves unserved or underserved areas, with unserved areas receiving greater weight	10
Broadband service providers who have broadband service infrastructure already deployed in the project area	5
High-cost areas must be considered for services to the extent terrestrial service is economically viable	4
The length of time the provider has been providing broadband service in the state	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: Preliminary weighting metrics within a given scoring criteria for priority projects

As of 27 September 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	Plan prices that are lower relative to the FCC broadband rate survey benchmark price receive a higher allocation of points	Tiered points relative to benchmark price (e.g., $\geq \$160 = 0$ points; $< \$70 = 10$ points)
	Affordability: Lowest price for 100/20 Mbps service commitment	Plan prices that are lower relative to the FCC broadband rate survey benchmark price receive a higher allocation of points	Tiered points relative to benchmark price (e.g., $> \$65 = 0$ points; $< \$45 = 10$ points)
	Fair labor practices	Applicants who illustrate past compliance and commit to future compliance will receive a higher allocation of points	Past compliance = 10 points Commit to future compliance = 5 points
Secondary Criteria	Speed to deployment	Projects that commit to completion on a quicker timeline receive a higher allocation of points	4 - # of years to deployment
Additional Criteria	Whether the proposed project area serves unserved or underserved areas	Projects that reach more unserved locations relative to all un- and underserved locations receive a higher allocation of points	1 point for each 10% of unserved locations
	Provider ability to leverage infrastructure	Applicants who can leverage existing and/or adjacent infrastructure will receive a higher allocation of points	Tiered points based on proximity to existing infrastructure (e.g., 1 mile = 5 points)
	High-cost project	Applicants who include a higher percentage of high-cost CBGs in their applications get more points	4 points for top quartile, 3 for 2 nd quartile, etc.
	Length of service in state	Applicants who have a longer history of service in the state will receive a higher allocation of points	1 point if greater than 10 years of service
	Relative number of BSLs 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: Preliminary non-priority deployment projects scoring rubric

As of 27 September 2023

	Max. Points Possible
Primary criteria (must ≥ 75%)	
Minimal BEAD program outlay: Per project BEAD grant request	40
Affordability	
Lowest price for 100/20 Mbps service commitment	20
Fair labor practices	15
Secondary criteria	
Speed to deployment (<4 years)	4
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	10
High-cost areas must be considered for services to the extent terrestrial service is economically viable	4
Broadband service providers who have broadband service infrastructure already deployed in the project area	4
The number of households, businesses, farms, ranches, and community anchor institutions served	1
The length of time the provider has been providing broadband service in the state	1
Total score	100



2.4: Preliminary weighting metrics within a given scoring criteria for non-priority projects

As of 27 September 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	Plan prices that are lower relative to the FCC broadband rate survey benchmark price receive a higher allocation of points	Tiered points relative to benchmark price (e.g., > \$65 = 0 points; < \$45 = 20 points)
	Fair labor practices	Applicants who illustrate past compliance and commit to future compliance will receive a higher allocation of points	Past compliance = 10 points Commit to future compliance = 5 points
Secondary Criteria	Speed to deployment	Projects that commit to completion on a quicker timeline receive a higher allocation of points	4 - # of years to deployment
	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	Whether the proposed project area serves unserved or underserved areas	Projects that reach more unserved locations relative to all un- and underserved locations receive a higher allocation of points	1 point for each 10% of unserved locations
	Provider ability to leverage infrastructure	Applicants who can leverage existing and/or adjacent infrastructure will receive a higher allocation of points	Tiered points based on proximity to existing infrastructure (e.g., 1 mile = 4 points)
	High-cost project	Applicants who include a higher percentage of high-cost CBGs in their applications get more points	4 points for top quartile, 3 for 2 nd quartile, etc.
	Length of service in state	Applicants who have a longer history of service in the state will receive a higher allocation of points	1 point if greater than 10 years of service
	Relative number of BSLs 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 posted a supporting rubric to provide more detail on its scoring approach

As of 27 September 2023

Subgrantee selection rubric template sample¹

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)

Subgrantee Selection Rubric - Example Template To use this rubric template, Eligible Entities should customize all text in gray					
Total Category Weight	Primary Criteria (Required for All Subgrantee Selection)	Weight	Determination	Score	Explanation
<i>Enter weight for primary and secondary criteria. Note - primary criteria must be at least 75%.</i>	<i>States may add or adjust questions based on the three primary criteria listed on page 43 of the BEAD NDFFC Method to weigh, record answers, and score are up to the discretion of the state.</i>	<i>Selected weight should be consistent across all subgrantee selection rubrics.</i>	<i>Determinations should be consistent across all rubrics and map directly to a provided score. NTIA recommends adding answers as dropdowns.</i>	<i>NTIA recommends having score automatically populate, based on answer drop downs.</i>	<i>Each rubric should substantiate why an applicant received their answer/score.</i>
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%	$40 - (20 * (\text{grant request amount} / \text{reference benchmark}))$	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: $40 - (20 * (\frac{50}{100})) = 30$
	Price per Gigabit service commitment: Applicant to provide the price of a 1/1 Gbps broadband plan that will be offered to all BSLs within the applicant's project area. The price must remain valid for the life of the BEAD assets (20 years) with appropriate increases for annual inflation not to exceed the annual average increase in the Consumer Price Index	10%	≥ \$160 = 0 points \$150 - \$159.99 = 1 point \$140 - \$149.99 = 2 points \$130 - \$139.99 = 3 points \$120 - \$129.99 = 4 points \$110 - \$119.99 = 5 points \$100 - \$109.99 = 6 points \$90 - \$99.99 = 7 points \$80 - \$89.99 = 8 points \$70 - \$79.99 = 9 points < \$70 = 10 points	Example: An applicant's 1/1 Gbps plan pricing is \$110 Score: 5 points	Example: If the gigabit symmetrical plan pricing for a particular project area is \$110, then the applicant would receive 5 points according to the tiered scoring rubric for this criteria.
	Price per 100/20 Mbps service commitment: Applicant to provide the price of a 100/20 Mbps broadband plan that will be offered to all BSLs within the applicant's project area. The price must remain valid for the life of the BEAD assets (20 years) with appropriate increases for annual inflation not to exceed the annual average increase in the Consumer Price Index. The 100/20 Mbps plan must also meet all other requirements for the low-cost plan detailed in Montana's BEAD Initial Proposal Volume II	10%	≥ \$65 = 0 points \$65 = 1 point \$62.50 - \$64.99 = 2 points \$60.00 - \$62.49 = 3 points \$57.50 - \$59.99 = 4 points \$55.00 - \$57.49 = 5 points \$52.50 - \$54.99 = 6 points \$50.00 - \$52.49 = 7 points \$47.50 - \$49.99 = 8 points \$45.01 - \$47.49 = 9 points ≤ \$45 = 10 points	Example: An applicant's 100/20 Mbps plan pricing is \$50 Score: 7 points	Example: If the 100/20 Mbps plan pricing for a particular project area is \$50, then the applicant would receive 7 points according to the tiered scoring rubric for this criteria.
	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 to also commit to following federal fair labor practices for the life of the BEAD assets.	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 federal fair labor laws = 5 additional points	Example: An applicant has one past federal fair labor law violation and commits to compliance moving forward. Score: 10 points	Example: If an applicant has only 1 past violation of federal fair labor laws and commits to compliance with federal fair labor laws for the life of the BEAD assets, then the applicant would receive 10 points as per the tiered scoring rubric and formula for this criteria.

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



Agenda

2.4: Deployment subgrantee process

2.8: Workforce readiness

2.9: Minority- and women-owned enterprises

2.10: Cost and barriers reduction

2.12 Low-cost service option

2.13: Middle class affordability

2.14: 20% funding allocation



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

As of 27 September 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: Scenario outlining potential additional jobs created from recent State and federal investments in broadband

As of 27 September 2023

Potential workforce demand scenario based on increased broadband funding

Top telecom occupations impacted by new construction CapEx ¹	Example roles, mapped to SOC codes	Median wage ⁴ , \$, 2021	Potential jobs created from funding, # of jobs in peak demand year 2027	Forecast baseline jobs before funding ² , # of jobs in peak demand year 2027	Growth in workforce from incremental jobs ³ , % in 2027
Electrical Power-Line Installers and Repairers	Aerial lineman	\$48.58	173	722	24%
Telecommunications Line Installers and Repairers	Locator, splicer, Underground/line crew	\$26.44	129	443	29%
Construction Laborers	Laborer	\$22.50	115	7,603	2%
First-Line Supervisors of Construction Trades	Foreman	\$34.72	73	5,997	1%
Equipment Operators	Operating engineers	\$27.61	55	3,984	1%
First-Line Supervisors of Mechanics and Installers	Foreman, top hand	\$32.09	54	2,757	2%
Electricians	--	\$30.10	39	3,644	1%
Office Clerks, General	--	\$18.20	30	12,596	0%
Heavy and Tractor-Trailer Truck Drivers	Trucking crew	\$24.16	28	9,024	0%
Construction Managers	--	\$48.48	26	2,693	1%

1. Top occupations are selected based on the number of jobs generated from new construction CapEx spending in the year of highest forecast demand (→25 jobs in 2027). Each occupation is mapped against an associated SOC code.

2. Federal funding includes BEAD (~\$629M), CPF (~\$319M), and E-ACAM (~\$530M).

3. Growth is calculated by dividing potential jobs created by forecast baseline jobs in 2027.

4. Median wage for all occupations in Montana is \$27.95

Sources: Expert interviews, Preliminary estimates based on US Senate H.R. 3684, Bipartisan Infrastructure Law, and White House state-specific information, LightCast employment estimates, BEA

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2.8: Montana has a wide range of programs capable of developing and supporting an expanded broadband workforce

As of 27 September 2023

Agency	Service	Description
University of Montana	Accelerate Montana (AMT)	A non-profit offering programs and services to rapidly train Montanans for employment in high-demand fields. AMT functions through a symbiotic relationship between AMT, job-seekers, and potential employers, and utilizes sector-based partnerships to identify workforce needs and spread awareness to potential employees. ¹
Department of Labor and Industry (DLI)	Montana Registered Apprenticeship	A union-sponsored apprenticeship program provides paid, on-the-job training that teaches job-seekers specific and technical job skills unique to participating employers. Program completion affords a certification allowing the recipient to practice the designated trade in all 50 states. ²
	Career Resources, Montana Works, HELP-Link	Career resources and coaching ³⁻⁵
	SafetyFest MT	Volunteer business collaborations providing career training opportunities to Montanans ⁶
	Enhanced/transitional Services	Support services for offenders on parole or probation ⁷
	Pre-Employment Transitional Services, Vocational Rehabilitation and Blind Services, Extended Employment	Support services for adults and students with varying degrees of disabilities ⁸⁻¹⁰
	Senior Community Service Employment Program	Support services for low-income adults over the age of 55 ¹¹
Department of Public Health and Human Services (DPHHS)	Jobs for Veterans State Grant	Support services for veterans with and without disabilities ¹²
	Behavioral Health System for Future Generations	Devotes \$300M to expand behavioral healthcare and disabilities services ¹³
	SNAP, TANF, LIHEAP, Health Coverage Assistance	Federal programs offering assistance to low-income Montanans ¹⁴
	Childcare Resource and Referral Agencies, Best Beginnings Childcare Scholarship Program	Child-care resources and scholarships for low-income people ^{15,16}

1. [Accelerate Montana](#) 2. [Montana Registered Apprenticeship Program](#) 3. [Montana Department of Labor and Industry, Career Resources](#) 4. [Montana Works](#) 5. [Montana Works, HELP-Link](#) 6. [Montana Department of Labor and Industry, SafetyFestMT](#) 7. [Montana Department of Corrections, Enhanced/Transitional Supervision Services](#) 8. [Montana Department of Public Health and Human Services, Pre-Employment Transition Services](#) 9. [Montana Department of Public Health and Human Services, Vocational Rehabilitation and Blind Services](#) 10. [Montana Department of Public Health and Human Services, Extended Employment](#) 11. [Easterseals Goodwill, Senior Community Service Employment Program](#) 12. [Montana Department of Labor and Industry, Veteran Services](#) 13. [Department of Public Health and Human Services, Behavioral Health System for Future Generations](#) 14. [Department of Public Health and Human Services, SNAP, TANF, LIHEAP, and Health Coverage Assistance Application](#) 15. [Department of Public Health and Human Services, Child Care Resource and Referral Agencies](#) 16. [Department of Public Health and Human Services, Best Beginnings Child Care Scholarship Program](#)



2.8: Existing programs can be supported and expanded to support workforce readiness

As of 27 September 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



Agenda

2.4: Deployment subgrantee process

2.8: Workforce readiness

2.9: Minority- and women-owned enterprises

2.10: Cost and barriers reduction

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2.13: Middle class affordability

2.14: 20% funding allocation



2.9: NTIA lists several recommendations to encourage participation from minority-owned and women-owned businesses

As of 27 September 2023

- | | | |
|--|---|---|
| <p>1 Create list of qualified enterprises</p> <p>NTIA Requirement: Placing qualified small and minority businesses and women's business enterprises on solicitation lists</p> <p>MBO's preliminary approach: Collaborate with relevant organizations to compile a list of relevant businesses for inclusion in BEAD solicitations</p> | <p>2 Solicitation priority</p> <p>NTIA Requirement: Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources</p> <p>MBO's preliminary approach: Direct communication and targeted outreach through relevant events (e.g., Women in Business Summit)</p> | <p>3 Allowing for approachable projects</p> <p>NTIA Requirement: Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small & minority businesses, & women's business enterprises</p> <p>MBO's preliminary approach: Subgrantees can design manageable project areas and the prequalification round reduces administrative burden</p> |
| <p>4 Establish schedules</p> <p>NTIA Requirement: Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises</p> <p>MBO's preliminary approach: Pre-qualification round builds clear timeline into subgrantee application and deployment</p> | <p>5 Engage appropriate services</p> <p>NTIA Requirement: Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce</p> <p>MBO's preliminary approach: Engage relevant state and federal services as necessary</p> | <p>6 Subgrantee direction</p> <p>NTIA Requirement: Requiring subgrantees to take the affirmative steps listed above as it relates to its subcontractors</p> <p>MBO's preliminary approach: MBO could provide targeted technical assistance to subgrantee applicants</p> |



Agenda

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2.10: Montana’s preliminary approach to reduce cost and barriers utilizes existing state strategies that align to NTIA guidance

As of 27 September 2023

NTIA-suggested strategies

Montana’s preliminary approach

<p>A Use of existing infrastructure</p>	<p>Montana Department of Transportation’s (MDT) Right-of-Way Operations Manual states that new infrastructure should only be built if existing infrastructure cannot be used.¹ The State also participates in FirstNet, though it is currently unclear whether public safety communication towers can be used by providers.²</p>
<p>B Adopting dig-once policies</p>	<p>Montana House Bill (HB) 494 established a dig-once policy in 2021.³ MDT can collect information from entities working on broadband deployment through a Broadband Registry and notify them of projects suited for installing broadband to encourage collaborative installation. Applicants are also encouraged to check the state’s Temporary Construction Plan and existing permits to identify suitable projects for cooperative installation.⁴</p>
<p>C Streamlining permitting processes</p>	<p>Montana has an e-permitting system (UPAS) through which to apply for new or upgraded installation permits, and a centralized Interstate Permitting portal that lists required MDT permits and links relevant rules and statutes for interstate projects.⁴ An application fee of \$100 and electronic convenience fee of \$100 are assessed for proposed projects.^{5,6} Response time for some state-level permits has been standardized at 30-120 days.⁷</p>
<p>D Streamlining cost-effective access to poles, conduits, and easements</p>	<p>The Montana ROW Operations Manual outlines rules for access to poles, conduits, and easements.¹ Administrative Rules of Montana state that conduit must be laid in “sufficient capacity to handle anticipated future use of the utility.”⁸</p> <p>The State does not have specific cost-saving initiatives in place to ensure streamlined access to poles, conduits, and easements^{9,10}</p>
<p>E Streamlining rights of way, including the imposition of reasonable access requirements</p>	<p>Several permits are required at the state and local levels depending on project scope and location. At the state level, MDT has the authority to coordinate with all entities working on broadband deployment</p>

1. [Montana Department of Transportation Right-of-Way Operations Manual, Ch.43 & Ch.48](#); 2. [Montana FirstNet Authority](#) 3. [Montana House Bill 494](#). 4. [Interstate Permitting](#) 5. [Montana Utility Permitting Administration System](#) 6. [Montana Senate Bill 521](#). 7. [Montana Department of Natural Resource and Conservation](#) 8. [Administrative Rules of Montana 18.7.227](#). 9. [Montana Code Annotated 2021, Title 60, Chapter 4, Part 6](#). 10. [Montana Senate Bill 392](#).



Agenda

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2.12: Low-cost plan details and purpose

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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: Preliminary low-cost plan approach

As of 27 September 2023

Preliminary approach

- A** To ensure BEAD-funded broadband is **affordable for every Montanan**, the MBO has designed **scoring criteria** to incentivize providers to develop **reasonably priced plans**
- B** Providers **may receive points based on their committed price** for a service plan that meets the following criteria:
- Provides **100/20 Mbps**
 - Provides typical **latency measurements of ≤ 100 ms**
 - Is **not subject to data caps, surcharges, or usage-based throttling**; and is subject to the **same acceptable use policies** offered to the subgrantee's other home subscribers
 - **ACP subsidy can be applied** to the service price
 - If the provider later offers a low-cost plan with higher speeds, existing **low-cost subscribers** must be **permitted to upgrade to the new low-cost plan** at no cost
- B** **Points will be awarded** based on a **reference price of \$65¹**

1. Based on median costs of plans with 100 Mbps download and 10-20 Mbps upload reported to the FCC broadband rate survey in Western U.S. states (i.e., AZ, NM, UT, WY, CO, ID, MT, NV) from 2021-2023. See next page for details

2. See Section 2.4: Deployment Subgrantee Process for additional details

Preliminary evaluation rubric for low cost plan²

Price	Priority points	Non-priority points
> \$65.00	0	0
\$65.00	1	2
\$62.50 - \$64.99	2	4
\$60.00 - \$62.49	3	6
\$57.50 - \$59.99	4	8
\$55.00 - \$57.49	5	10
\$52.50 - \$54.99	6	12
\$50.00 - \$52.49	7	14
\$47.50 - \$49.99	8	16
\$45.01 - \$47.49	9	18
\$45.00 or less	10	20



2.12: Data shows average and median cost of 100/20 Mbps plans are \$65-70 across the country

As of 27 September 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. and Pacific Coast ³	\$69.43	\$69.95	183
Western U.S. ³	\$65.27	\$65.00	60
Montana	\$70.00	\$70.00	2

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. "Pacific Coast" includes the following states: California, Oregon, Washington

Key takeaways

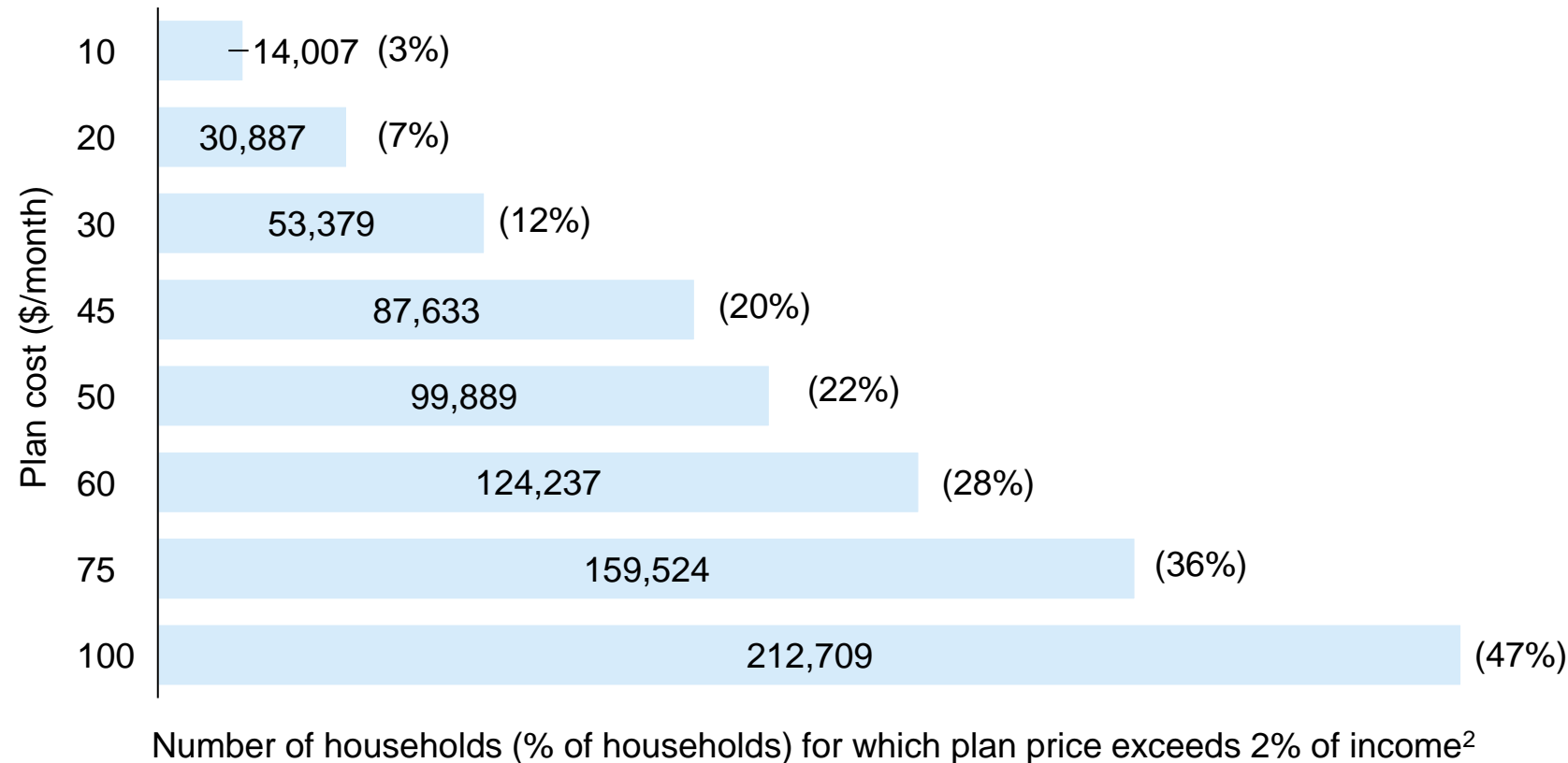
- **Across all geographic areas sampled**, both average and median plan prices range from **\$65/month to \$70/month** for plans reported to the FCC broadband rate survey with **speeds between 100/10 - 100/20 Mbps**



2.12: Households in MT that may have to pay >2% of income on broadband at various price points

As of 27 September 2023

Households that may have to pay >2% of income on broadband for various plan prices¹



According to the Broadband Commission for Sustainable Development, internet that costs more than 2% of monthly income may be unaffordable for some

Based on the MBO's analysis, broadband would represent >2% of income for:

- 3% of households at \$10/month
- ~20% of households at \$45/month
- ~36% of households at \$75/month
- ~47% of households at \$100/month

1. According to the Broadband Commission for Sustainable Development, internet that costs more than 2% of monthly income may be unaffordable for some.

2. Analysis assumes straight-line income distribution between intervals \$0-\$10k, \$10k-\$15k, \$15k-\$25k, \$25k-\$35k, \$35k-\$50k, \$50k-\$75k, \$75k-\$100k, \$100k-\$150k, \$150k-\$200k, and \$200k and up.

3. Broadband targets 2025. (2022, March 2). Broadband Commission for Sustainable Development. <https://www.broadbandcommission.org/broadband-targets/>



Agenda

2.4: Deployment subgrantee process

2.8: Workforce readiness

2.9: Minority- and women-owned enterprises

2.10: Cost and barriers reduction

2.12 Low-cost service option

2.13: Middle class affordability

2.14: 20% funding allocation



2.13: Middle class affordability plan

As of 27 September 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: Preliminary middle class affordability approach

As of 27 September 2023

Preliminary approach

- A** The MBO has conducted an affordability analysis which has determined the following:
- Most Montanans have access to a **100/20 Mbps broadband plan for ≤ \$100/month**¹
 - FCC’s guidance indicates that **2% of a household’s monthly income** could be used as a “yardstick” **for measuring general affordability** of internet plans²
 - **A \$100/month plan is <2% of average household income for 50/56 counties**³
- B** The MBO plans to **assign especially high weights to affordability** (i.e., the **second highest scoring criteria at 20% of total points**)
- In addition to awarding points for 100/20 Mbps service per the preliminary low-cost plan, for **priority projects** the MBO plans to also **award points based on the price of their 1/1 Gbps plans** according to the scale at right, which was informed by:
 - FCC broadband rate survey data, which shows that the **average price of 1/1 Gbps across the U.S. is \$92**⁴
 - FCC’s guidance that **2% of a household’s monthly income** could be used as a “yardstick” **for measuring general affordability** of internet plans²
 - U.S. Census Bureau Data, which shows that **a \$100/month plan is <2% of average household income for 50/56 counties**³

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

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

4. Based on average costs of plans with 1/1 Gbps reported to the FCC broadband rate survey across the United States from 2021-2023. FCC broadband rate survey: <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources>

Preliminary evaluation rubric for 1/1 Gbps plans

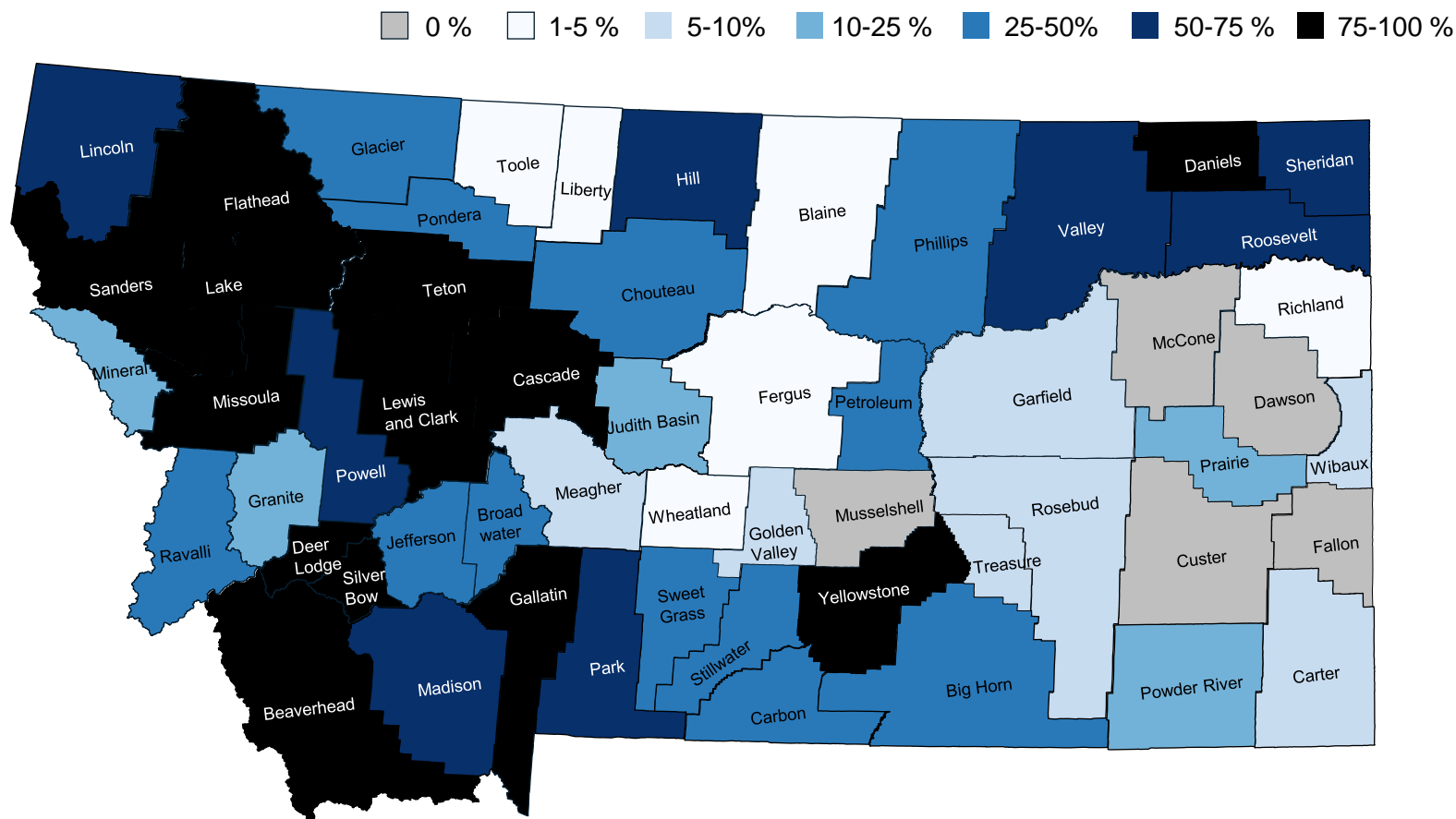
Price	Points
≥ \$160	0
\$150 – \$159.99	1
\$140 – \$149.99	2
\$130 – \$139.99	3
\$120 – \$129.99	4
\$110 – \$119.99	5
\$100 – \$109.99	6
\$90 – \$99.99	7
\$80 – \$89.99	8
\$70 – \$79.99	9
< \$70	10



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

As of 27 September 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

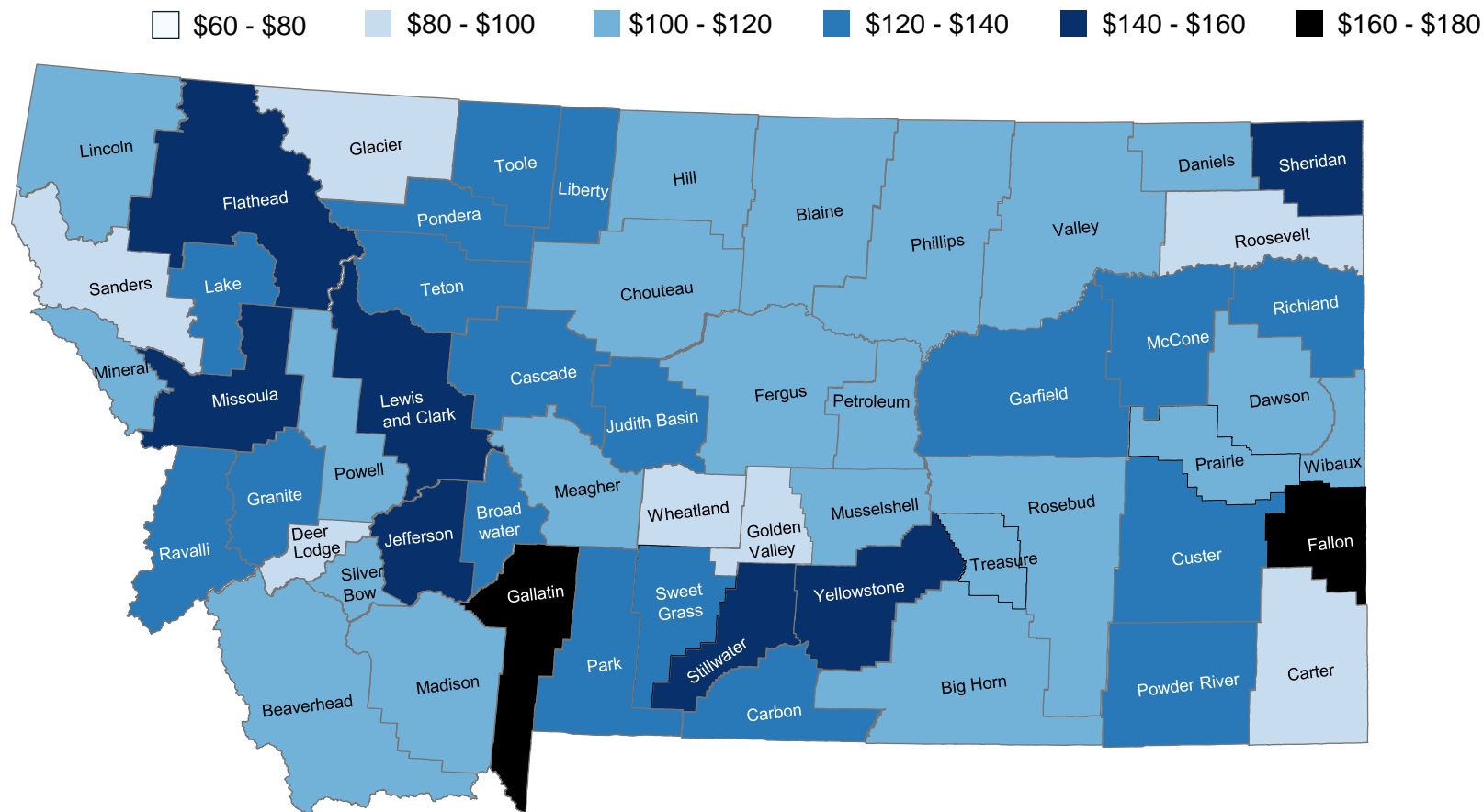
1. BSL Data was obtained from the FCC National Broadband Map; provider data was obtained from Internet search and direct inquiries. Does not include pricing for providers without readily available plan / pricing information



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

As of 27 September 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



2.13: Data indicates national average cost of 1/1 Gbps plans is ~\$92

As of 27 September 2023

Price of 1/1 Gbps internet plans reported in the FCC broadband rate survey¹

Geographic Area	Average plan price (\$/month)	Median plan price (\$/month)	Number of plans reported
United States	\$91.65	\$85.00	1,047
Western US and Pacific Coast ²	\$78.04	\$80.00	329
Western US ²	\$83.53	\$72.47	60
Montana ³	No 1/1 Gbps plans were provided by MT providers to the FCC in the 2021-2023 FCC broadband rate surveys		

Key takeaways

- For plans reported to the FCC broadband rate survey, **across all geographic areas sampled, average plan price** ranged from **\$78/month - \$91/month**, while **median plan price** ranged from **\$72/month - \$85/month**
- Given the lack of data in Montana and the relatively small sample sizes in the other geographies, the MBO may take the national average into consideration as it develops its middle-class affordability approach

1. FCC broadband rate survey: <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources> 2. "Western US" includes the following states: Arizona, New Mexico, Utah, Wyoming, Colorado, Idaho, Montana, Nevada. "Pacific Coast" includes the following states: California, Oregon, Washington. 3. There are no data points for 1/1 Gbps plans in Montana from 2021-2023



Agenda

2.4: Deployment subgrantee process

2.8: Workforce readiness

2.9: Minority- and women-owned enterprises

2.10: Cost and barriers reduction

2.12 Low-cost service option

2.13: Middle class affordability

2.14: 20% funding allocation



2.14: NTIA provides three options for Eligible Entities to request their funding allocations

As of 27 September 2023

NTIA-prescribed options for determining initial funding request Preliminary choice

A No funding requested	“Eligible Entities may elect to not request funding during the Initial Proposal round. These Eligible Entities will defer funding until after the approval of the Final Proposal.”
B Less than or equal to 20 percent of funding allocation	“Eligible Entities may request less than or equal to 20 percent of funding allocation during the Initial Proposal round. These Eligible Entities will defer the request for their remaining allocation until after the approval of the Final Proposal.”
C Greater than 20 percent of funding allocation	Eligible Entities may request more than 20 percent of funding allocation during the Initial Proposal round, which must be accompanied by a rationale for requesting funds greater than 20 percent of the funding allocation... Eligible Entities that request less than 100 percent of their funding allocation will defer the request for their remaining allocation until after the approval of the Final Proposal”

MBO’s potential approach

- The MBO plans to request **100% (Option C) of Montana’s BEAD allocated funds** during the Initial Proposal round, which is in alignment with NTIA’s recommended approach
- This could **streamline the funding request process** and **ensure funds are available** before beginning deployment
- This could also **instill confidence in providers** that funds would be distributed in the **guaranteed amounts in a timely fashion** once deployment is completed