

BEAD PROGRAM DESIGN

May 14, 2024

Agenda: BEAD Program Design

- 1. Project area design (IPv2 page 57)
- 2. Benchmark pricing (IPv2 page 38)
- 3. Application prioritization (NTIA guidance)
- 4. Project selection (IPV2)





Project area design



Project area design



"By using Census Block Groups, the State can maintain impartiality, as these geographic areas are existing administrative boundaries and therefore do not favor one provider over another. However, providers can design the project areas that make the most operational and financial sense. The hope is that by providing this level of customization, a broad range of providers will be encouraged to participate in the subgrantee process.

"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... this will be done before the application process begins to ensure subgrantee applicants know the exact set of geographic units eligible for funding.

"When submitting applications, the MBO will allow providers to submit applications for multiple non-overlapping project areas [CBGs]..."



Benchmark pricing



Benchmark pricing



"Before the main round opens, the State will set a reference funding benchmark for each CBG, which will be informed by the CostQuest Associates (CQA) cost model as provided to states by NTIA's Eligible Entity Toolkit as a starting point. The MBO will consider the CostQuest estimates for both capital expenditures and estimated BEAD subsidy required for greenfield and brownfield deployment of fiber and fixed wireless. Additionally, the MBO may consider other data...

"The sum of the benchmarks will be constrained to be within the State's BEAD allocation of \$628,973,798.59 and will consider both end-to-end fiber-optic architecture and alternative technologies based on current CostQuest modeling that suggests Montana's allocation is not expected to be sufficient to support end-to-end fiber to the home (FTTH) to all eligible locations...

"Proper budgeting will be critical to achieving universal coverage. In setting Montana's benchmarks equal to the State's BEAD allocation, the MBO intends to provide subgrantee applicants a realistic perspective of what portion of the subsidy they could hope to receive from the State if awarded a BEAD subgrant."





Application prioritization



NTIA guidance



- 1. Key definitions
- 2. Broadband technology prioritization
- 3. When can alternative technologies be used?
- 4. Selection criteria

Key definitions



Reliable broadband service (RBS): The term "Reliable Broadband Service" means broadband service that is accessible to a location via:

- fiber-optic technology (BDC technology code 50)
- cable modem/hybrid fiber-coaxial (HFC) technology (technology code 40)
- digital subscriber line (DSL) technology (technology code 10)
- terrestrial fixed wireless technology utilizing entirely licensed spectrum (*includes spectrum licensed by rule*) or using a hybrid of licensed and unlicensed spectrum (*technology codes 71 and 72*).



Priority broadband project: The term "Priority Broadband Project" means a project that will provision service via end-to-end fiber-optic facilities to each end-user premises.



Qualifying broadband: To a location that is not a CAI, qualifying broadband is Reliable Broadband Service with (i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds; "qualifying broadband" to a CAI is Reliable Broadband Service with a speed of not less than 1 Gbps for downloads and uploads alike and latency less than or equal to 100 milliseconds.



Alternative technology: Alternative technology is any technology that does not qualify as reliable broadband service; includes unlicensed fixed wireless (ULFW) and low-earth orbit satellites (LEOs). Alternative technologies must still meet the BEAD technical requirements.



BEAD technical requirements: For the purposes of BEAD, speed must be not less than 100 Mbps for downloads and 20 Mbps for uploads. 95% of latency measurements during testing windows must fall at or below 100 milliseconds round-trip time.

Broadband technology prioritization





When can alternative technologies be used?

Default Selection Process:

Single Proposal: If there is only one proposed Priority Broadband Project in a given location that is below the Extremely High Cost Per Location Threshold (EHCPLT), it automatically becomes the default winner. *Exception*: A different project may be chosen if the Eligible Entity requests, and the Assistant Secretary approves, a waiver for an alternative project.¹



Competitive Selection Process:

Multiple Proposals: In cases where multiple proposals exist and are deemed Priority Broadband Projects, and meet all other subgrantee qualifications (gating criteria), the Eligible Entity must use its approved competitive process to select the best project based on established selection criteria.



High-Cost Fiber Proposals:

Exceeding EHCPLT: If all fiber project proposals in a project area exceed the cost threshold, the Eligible Entity has the discretion to consider other reliable broadband services or alternative technologies².



Offer Solicitation and Scoring:

Solicitation: The Eligible Entity is permitted to request proposals for all technology types at once, including alternative technologies.

Scoring Criteria: Non-fiber (other last-mile broadband deployment projects) must have their own criteria, which can differ from the criteria for fiber projects (priority broadband projects). Examples: evaluation of long-term technical sustainability and the speed tiers for assessing affordability.

Selection criteria





Project selection



Selection process





Selection process



