# Montana Broadband Communications Advisory Commission Meeting

June 25, 2025

# Discussion Topics

**June 2025 Commission Meeting:**

- BEAD Program Update
- Initial Proposal Modification
- Prequalification
- Benefit of the Bargain Round
- Final Proposal
- Public Comment

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# BEAD Program Update

## BEAD Restructuring Policy Notice

- Received on June 6, 2025

**Goals of New Policy Notice**

- Align with IIJA and simplify the BEAD process to remove unnecessary requirements from the Notice of Funding Opportunity (NOFO)

- Boost competition by prioritizing technology-neutral solutions

# BEAD Program Update

## Non-Statutory Requirements

The BEAD Restructuring Policy Notice streamlines regulations by removing non-statutory requirements. Should a state law contradict a policy notice requirement, Eligible Entities have the option to request a waiver for that specific requirement.

**The following NOFO provisions have been reduced and/or removed**:

- Labor, Employment, and Workforce Development
- Climate Resiliency
- Open Access and Net Neutrality
- Local Coordination and Stakeholder Engagement
- Non-Traditional Broadband Providers
- Middle-Class Affordability Plan
- Low-Cost Service Option

# BEAD Program Update

## Labor, Employment, and Workforce Development

| Removed NOFO Sections | Policy Notice Impacts |
|---|---|
| <ul><li>**IV.C.1.e-g**<ul><li>Labor, workforce, civil rights, and nondiscrimination</li></ul></li><li>**IV.B.5.b.11-13** (IP requirements)</li><li>**IV.B.9.b.11.b-c** (FP requirements)</li><li>**VII.E.2.9.12.a-b** (Reporting requirements)</li><li>**VII.D.7**<ul><li>Contracting with minority, women owned, and labor surplus firms</li></ul></li></ul> | <ul><li>**Removes** all EE and subgrantee requirements in these sections, except the IIJA requirement for subgrantees to comply with federal labor and employment laws</li><li>**Streamlines** the application; applicants are only required to certify they comply with all federal labor and employment laws<ul><li>If state law imposes additional labor and employment obligations, an EE must seek a waiver</li></ul></li></ul> |

# BEAD Program Update

## Climate Resiliency

| Removed NOFO Sections | Policy Notice Impacts |
|---|---|

**Removed NOFO Sections**

- **IV.C.1.h** - Climate Resilience
  - Describes EEs' obligations to conduct climate related analyses and encourages engagement with NOAA for weather or climate analysis
- **IV.B.5.b.15** (IP Requirements)
- **IV.B.9.b.11.e** (FP Requirements)

**Policy Notice Impacts**

- **Removes** all EE and subgrantee requirements in these sections
- **Acknowledges** that subgrantees can meet the IIJA requirement to 'incorporate best practices defined by NTIA for ensuring reliability and resilience of broadband infrastructure' by:
  - Establishing risk management plans that account for technology infrastructure reliability and resilience
  - In other words, complying with the "Cybersecurity and Supply Chain Risk Management" section of the NOFO (IV.C.2.c.vi)

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# BEAD Program Update

## Open Access and Net Neutrality

### Removed NOFO Sections

- **IV.C.2.b.ii - Conduit Access Points**
  - Requires applicants to provide regular conduit access points and a reasonable amount of excess capacity in applications
- **IV.C.2.c.ii - Consumer Protections**
  - Describes a prohibition on data caps and unjust or unreasonable network management practices
- **IV.C.2.c.v - Interconnection Requirements & Wholesale Access**
  - Required subgrantees to let other ISPs connect to BEAD-funded Middle Mile

### Policy Notice Impacts

- **Scales back** requirements in IV.C.2.b.ii to align with IIJA, which only requires, "Any project that involves laying fiber optic cables or conduit underground or along a roadway, shall include interspersed conduit access points at regular and short intervals."
- **Removes** all EE and subgrantee requirements in:
  - IV.C.2.c.ii (Consumer Protections)
  - IV.C.2.c.v (Interconnection Requirements and Wholesale Access)

# BEAD Program Update

## Local Coordination and Stakeholder Engagement

| Removed NOFO Sections | Policy Notice Impacts |
|---|---|
| • **IV.C.1.c - Local Coordination**<br>   o Requires EEs to develop, execute, and report local coordination approaches; describes NTIA evaluation of approach<br>• **IV.C.2.c.iv - Public Notice**<br>   o Requires subgrantees to carry out public awareness campaigns<br>• **IV.B.5.b.4** (IP Requirements)<br>• **IV.B.9.b.5** (FP Requirements) | • **Removes** all EE and subgrantee requirements in these NOFO sections<br>• **Clarifies** that EEs can meet the statutory requirement 'to adopt local coordination requirements established by NTIA' by certifying in the Final Proposal that they:<br>   o Observed the FP public comment requirements in the FP Guidance<br>   o Received plans submitted by political subdivisions up until submission of the Final Proposal to NTIA |

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# BEAD Program Update

## Non-Traditional Broadband Providers

| Removed NOFO Sections | Policy Notice Impacts |
|---|---|

- **IV.C.1.a. - Consider All Provider Types**
  - Describes how EEs may not exclude any provider type and how to navigate SGS if conflicting state laws exist
- **IV.B.5.b.18** (IP Requirements)
- **IV.B.9.b.10** (FP Requirements)

- **Removes** all EE requirements in these NOFO sections
- **Clarifies** EEs must still comply with IIJA requirement that it "may not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility for such grant funds"

# BEAD Program Update

## Middle Class Affordability Plan

| Removed NOFO Sections | Policy Notice Impacts |
|---|---|
| • **IV.C.2.c.i - Affordability & Low-Cost Plans**<br>  ○ Outlines that EEs are required to submit a plan focused on middle-class affordability | • **Removes** all requirements associated with middle-class affordability, including requirements to develop, implement, and provide updates on the plan |

# BEAD Program Update

## Low-Cost Service Option

| Removed NOFO Sections | Policy Notice Impacts |
|---|---|

### Removed NOFO Sections

- **IV.C.2.c.i - Affordability & Low-Cost Plans**
  - Requires EEs to propose a definition of "low-cost broadband service option" (LCSO) and submit it for approval in the Initial Proposal
  - Requires applicants to offer at least one LCSO in alignment with the approved definition for eligible subscribers
- **IV.B.5.b.16** (IP Requirements)
- **IV.B.9.b.11.d** (FP Requirements)

### Policy Notice Impacts

- **Removes** EE requirements in these sections
- **Updates** the requirement for applicants to propose a LCSO for eligible subscribers
  - LCSO must offer at least 100/20 Mbps with latency measurements of no more than 100 milliseconds
  - If applicable, applicants may offer existing low-cost plan as BEAD LCSO
- **Updates** definition of "eligible subscriber"
  - Households that are eligible to enroll in the FCC Lifeline Program

# BEAD Eligible Broadband Technologies

- Fiber - Fixed wireline service using fiber to the home or business end user

- HFC (Hybrid Fiber-Coaxial) - Fixed wireline service using hybrid fiber-coaxial (e.g., DOCSISx)
    - Primarily cable providers utilizing fiber backbone and cable/coax distribution

- Licensed Fixed Wireless - Fixed terrestrial wireless service using entirely licensed spectrum (including priority access licenses in the 3.5 GHz band)

- Unlicensed Fixed Wireless - Fixed terrestrial wireless service using entirely unlicensed spectrum

- Low Earth Orbit Satellite - Fixed non-terrestrial wireless service using satellites in non-geostationary orbit

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# Unlicensed Fixed Wireless (ULFW) Challenge Process

- Technology neutral approach allows ULFW to participate in BEAD, thus their service needs to be considered as part of the challenge process

- Policy Notice outlines process for ULFW providers to demonstrate existing BEAD-eligible service that meets the requirements

- Providers have 7 days to indicate intent to submit evidence and an additional 7 days to submit documentation after MBO posted notice (June 13, 2025).

# BEAD Locations Must Be Optimized

- Policy notice directed eligible entities to optimize BEAD locations

- Update to newly released Fabric v6

- Incorporate serviceability changes from new enforceable commitments and defaults

- NTIA provided data on two additional RDOF defaults on June 13, 2025
  - This results in approximately 7k

# Eligible BEAD Locations Have Fallen

## Original Challenge Results
*October 2024*

Fabric v3.2 and Challenge Results

### ~70,000
Eligible BEAD Locations

## Restructuring Policy Notice Guidance
*June 2025*

Fabric v6 and RDOF Defaults

### ~79,000
Eligible BEAD Locations

## Anticipated Final Proposal Eligible Locations
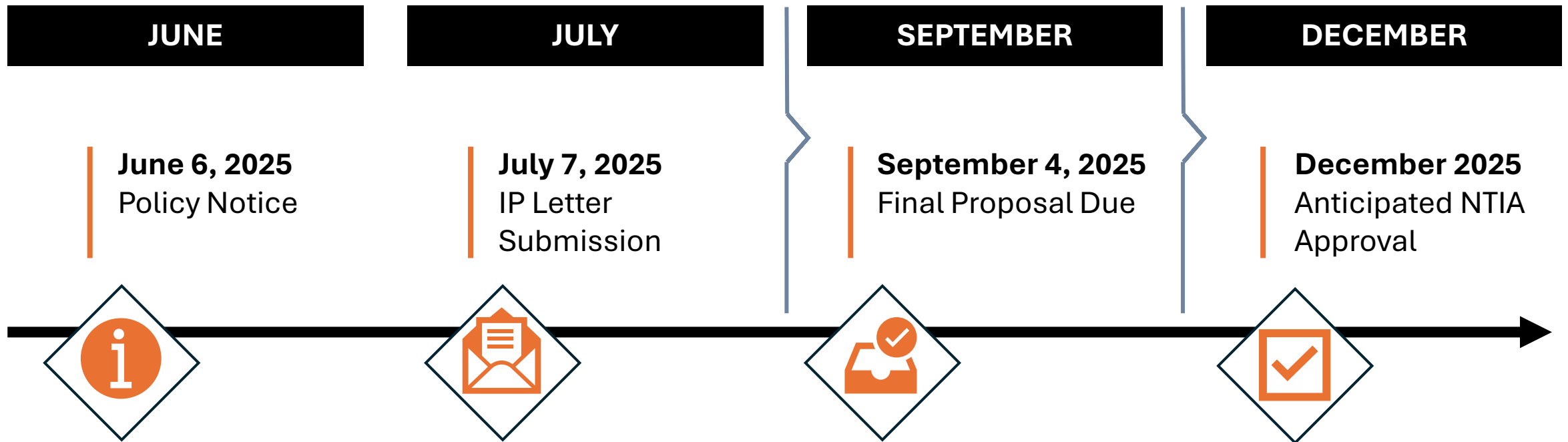*September 2025*

Fabric v6, ULFW, Enforceable Commitments, Location True Up

### ~58,000
Eligible BEAD Locations

# Updated Program Timeline

| JUNE | JULY | SEPTEMBER | DECEMBER |
|------|------|-----------|----------|
| **June 6, 2025**<br>Policy Notice | **July 7, 2025**<br>IP Letter Submission | **September 4, 2025**<br>Final Proposal Due | **December 2025**<br>Anticipated NTIA Approval |

# Initial Proposal (IP) Correction Letter

- MBO must submit a letter to NTIA by July 7$^{th}$ requesting an Initial Proposal correction
    - Appendix D: Initial Proposal Correction Template
    - The submission must include the list of newly added locations described in Section 4 of the NTIA BEAD Restructuring Policy Notice

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# Prequalification Was Reopened

**Prequalification re-opened in AmpliFund on June 13, 2025, and closes on June 27, 2025**

- Policy Notice required states to reopen prequalification

- New entrants may apply for prequalification

- Previously rejected applicants can reapply

- Previously approved prequalified applicants are not required to reapply for prequalification, any updated information can be collected as part of the Benefit of the Bargain round

# New Round: Benefit of the Bargain

- All BEAD-eligible BSLs must be opened for an additional round – Benefit of the Bargain

- Fiber preference was removed
  - All technology types that meet technical standards can apply on the same terms to serve any eligible BSL

# Definition of "Priority" Restored to Statute

- Public Notice restored 'Priority' Broadband Project' to IIJA definition:

  - 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 advance services.

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# Validating & Evaluating Priority Status

- BEAD applications who seek to be treated as Priority will be evaluated against the "priority broadband" definition on a per project basis
  - MBO will assess key performance criteria such as capacity and scalability

  - MBO will include project area criteria such as location density and physical topography in the analysis

- Applicants must respond to a series of questions to validate that their application qualifies as a priority project
  - The questions will be included as part of the benefit of the bargain round application submission

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# Factors Used To Evaluate Priority Status

## These elements are required to be considered priority*

### Detailed Description of Applicable Network Components

- Logical Network Diagram
- Access layer
- Headend & internet backbone connectivity
- Reliability & quality of service
- Customer premises equipment
- Tower locations
- Uplink/Downlink throughput
- Gateway infrastructure & satellite uplinks

### Capacity Performance Calculations

- A minimum of 100 Mbps download and 20 Mbps upload
- ≤ 100 ms roundtrip latency
- Simultaneous 5 Mbps to all connected locations, including BEAD and non-BEAD users

### Scalability Performance Calculations

- Ability to meet performance targets five years after initial deployment, assuming a 25% annual increase in capacity demand

### Support for 5G and Advanced Services Calculations

- Ability to deliver at least 300 Mbps download and 30 Mbps upload capacity to each of three distinct locations within the proposed project area (*totaling 900/90 Mbps aggregate capacity*)
- Maintain roundtrip latency no greater than 100 ms on each of these links

*To include but not limited to the following details*

# Primary & Secondary Scoring Rubric

**Policy Notice revised scoring criteria to focus on cost minimization:**

- Primary Criteria
  - Minimal BEAD Program Outlay: Project proposal reflects the lowest overall cost to the Program based on total BEAD funding required to complete the project calculated as 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
  - Speed to Deployment: Project can be completed within (4) years.
  - Speed of Network and Other Technical Capabilities: Ability for network design to demonstrate technical performance (speed and latency) and future scalability.
  - Preliminary/Provisional Subgrantees: Project was previously preliminarily selected.

# How NTIA Interprets Cost

## Policy Notice revised scoring criteria to focus on cost minimization:

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.

| Application 1 | VS | Application 2 |
|---|---|---|
| 150 BSL for $1.8M and 50 descoped BSLs at $150k $1,950,000 total cost | | 200 BSL for $2M no descoped BSLs $2,000,000 total cost |

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).
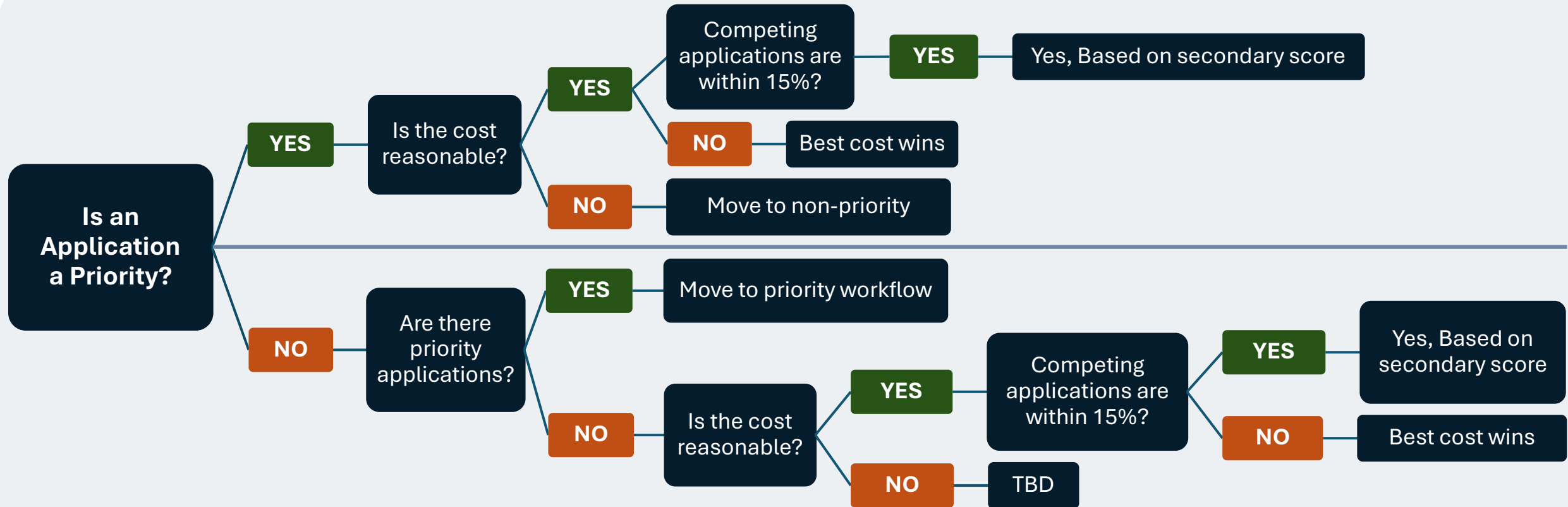
# Updated Secondary Scoring Rubric

| Primary Criteria | VALUE | NOTES | | |
|---|---|---|---|---|
| BEAD Outlay | N/A | Average cost per BSL calculated on award request divided by number of proposed locations and considering overall cost to the program. | | |
| **Secondary Criteria:** If multiple applications are within 15% of the lowest cost per location bid, the following score is calculated | | | | |
| Speed to Deployment | 0 | Montana will not be considering this factor in the Benefit of the Bargain Round. | | |
| Speed of Network and Other Technical Capabilities | 50 | Download | Upload | Points |
| | | ≥ 2 Gbps | ≥ 2 Gbps | 50 |
| | | ≥ 1 Gbps and < 2 Gbps | ≥ 1 Gbps and < 2 Gbps | 40 |
| | | ≥ 500 Mbps and < 1 Gbps | ≥ 500 Mbps and < 1 Gbps | 30 |
| | | ≥ 100 Mbps and < 500 Mbps | ≥ 100 Mbps and < 500 Mbps | 20 |
| | | ≥ 100 Mbps | < 100 Mbps | 10 |
| Preliminary/Provisional Subgrantees | 50 | 50 points for applicants who previously participated by submitting a Main Round application | | |

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# Benefit of the Bargain – Application Logic



**Is an Application a Priority?**

**YES** → Is the cost reasonable?
- **YES** → Competing applications are within 15%?
  - **YES** → Yes, Based on secondary score
  - **NO** → Best cost wins
- **NO** → Move to non-priority

**NO** → Are there priority applications?
- **YES** → Move to priority workflow
- **NO** → Is the cost reasonable?
  - **YES** → Competing applications are within 15%?
    - **YES** → Yes, Based on secondary score
    - **NO** → Best cost wins
  - **NO** → TBD

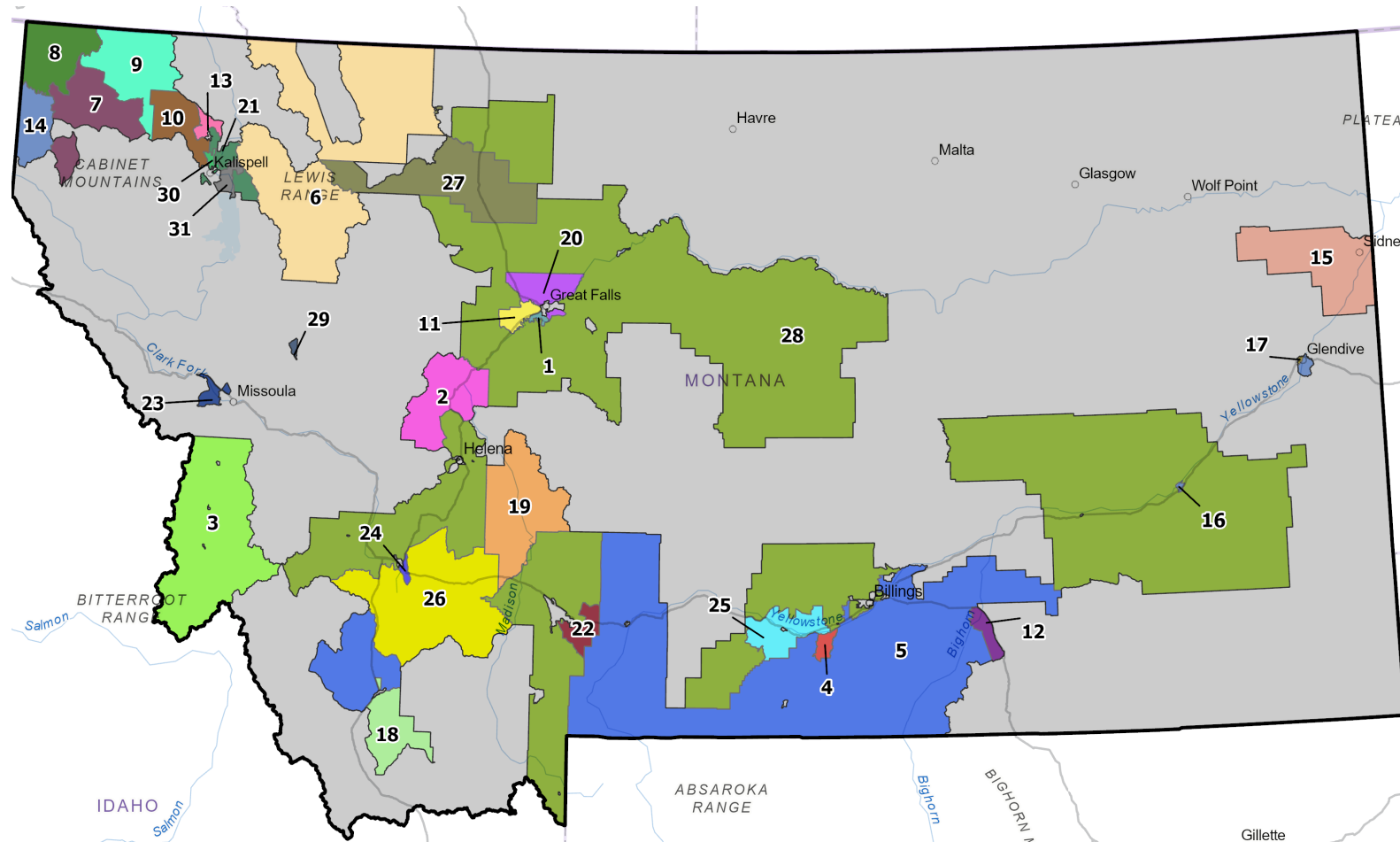# Project Areas Are Updated

**Original Main Round Project Areas**
- Initially, applicants were able to design project areas consisting of Census Block Groups (CBGs)

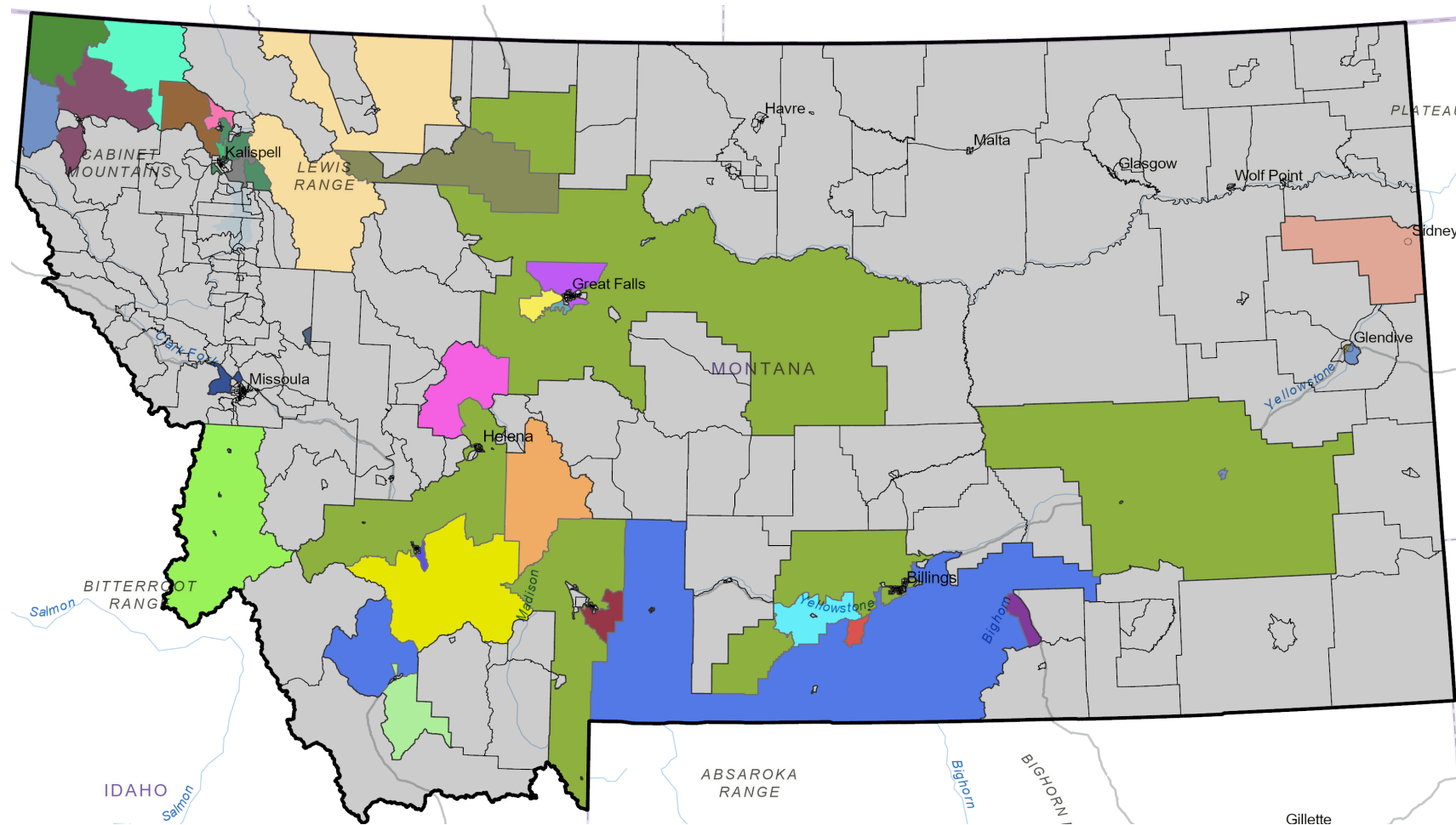**Updated Benefit of the Bargain Project Areas**
- NTIA's June 6 restructuring notice and subsequent explanatory guidance confirms that states are fully permitted to design Benefit of the Bargain round processes to allow for efficient re-use of previously developed application materials

- MBO updated the project areas to reflect previously negotiated project areas to allow for streamlined applications

- Applicants can choose which locations within project areas to include in their proposals
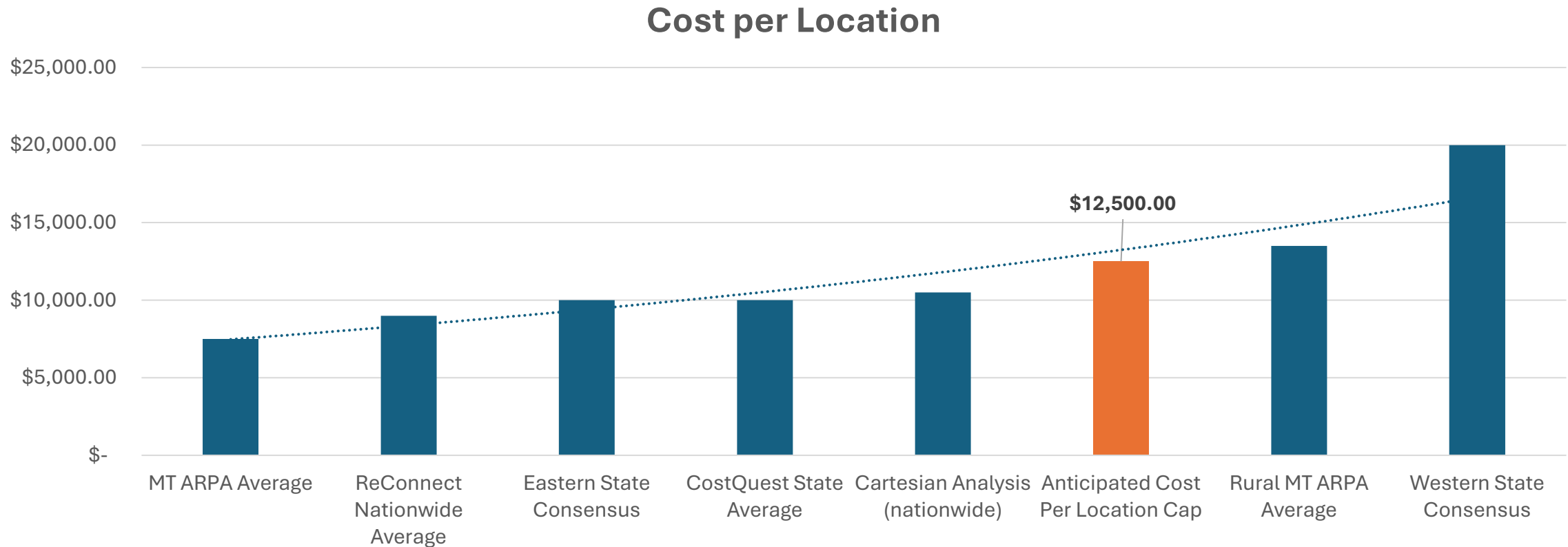
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# Benefit of the Bargain Project Areas

# With CBGs Added….

# MBO is Setting A Cost Threshold

## Cost per Location



Bar chart showing cost per location across categories:
- MT ARPA Average: ~$7,500
- ReConnect Nationwide Average: ~$9,000
- Eastern State Consensus: ~$10,000
- CostQuest State Average: ~$10,000
- Cartesian Analysis (nationwide): ~$10,500
- Anticipated Cost Per Location Cap: **$12,500.00**
- Rural MT ARPA Average: ~$13,500
- Western State Consensus: ~$20,000
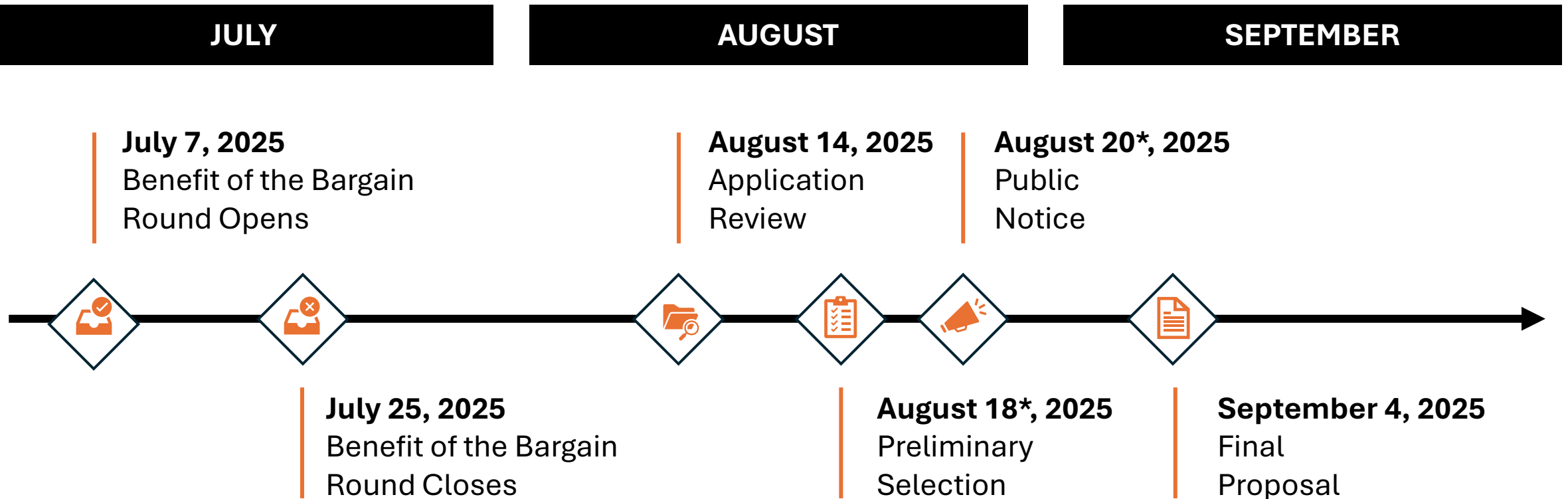
# Benefit of the Bargain Application Process

- MBO will open the Benefit of the Bargain Round once NTIA approves the IP Correction Letter

- Previous applicants can opt to update existing applications or submit new proposals under Benefit of the Bargain
  - MBO recommends a new application in the instances of material changes to either technological approach or proposed services areas (ie combination of multiple Main Round applications)

- MBO will publish updated guidance for existing Main Round applicants and new guidance for the Benefit of the Bargain Round

- MBO will conduct technical assistance webinars and guidance on any curing or application adjustments

- Once the application window closes, MBO will score and review applications per the Policy Notice guidance and select preliminary awardees

# Benefit of the Bargain

## Anticipated Application Timeline

| JULY | AUGUST | SEPTEMBER |
|------|--------|-----------|

**July 7, 2025**
Benefit of the Bargain
Round Opens

**August 14, 2025**
Application
Review

**August 20*, 2025**
Public
Notice

**July 25, 2025**
Benefit of the Bargain
Round Closes

**August 18*, 2025**
Preliminary
Selection

**September 4, 2025**
Final
Proposal

# Final Proposal

- Final Proposal Templates and Guidance have been removed from the NTIA website as of June 11, 2025
  - No updated guidance has been provided yet

- The new deadline for Eligible Entities to submit is Thursday, September 4, 2025
  - 90 calendar days from the release of the Public Notice

Public Comment