Frequently Asked Questions and Answers Version 25

Broadband Equity, Access, and Deployment (BEAD) Program

National Telecommunications and Information Administration
1401 Constitution Ave., NW Washington, DC 20230

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NOTE

This document is intended solely to assist recipients in better understanding the Broadband Equity, Access, and Deployment (BEAD) Program and the requirements set forth in the Infrastructure Investment and Jobs Act, Notice of Funding Opportunity (NOFO), as modified by the BEAD Restructuring Policy Notice (RPN) and Supplemental Deployment Policy Notice, and terms and conditions of the BEAD awards. This document does not and is not intended to supersede, modify, or otherwise alter applicable statutory or regulatory requirements, the terms and conditions of the award, or the specific application requirements set forth in the NOFO as modified by the RPN and the Supplemental Deployment Policy Notice. In all cases, statutory and regulatory mandates, the terms and conditions of the award, and follow-on policies and guidance, shall prevail over any inconsistencies contained in this document.

Please review the questions and answers carefully as the release of the RPN has impacted previously published answers. Versions of the BEAD Frequently Asked Questions and Answers published prior to the release of the RPN are no longer valid.

1. NOFO Overview

1.1 How does the BEAD program define an "unserved" location?

An unserved location is defined as a broadband-serviceable location that the Broadband DATA Maps show as (a) having no access to broadband service, or (b) lacking access to Reliable Broadband Service offered with - (i) a speed of not less than 25 Mbps for downloads; and (ii) a speed of not less than 3 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds (NOFO Section I.C.dd).

An unserved service project is defined as a project in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations. An "Unserved Service Project" may be as small as a single unserved broadband serviceable location (NOFO Section I.C.ee).

1.2 How does the BEAD program define an "underserved" location?

An underserved location is defined as a broadband-serviceable location that is (a) not an unserved location, and (b) that the Broadband DATA Maps show as lacking access to Reliable Broadband Service offered 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 (NOFO Section I.C.bb).

An underserved service project is defined as a project in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations or underserved locations. An "Underserved Service Project" may be as small as a single underserved broadband-serviceable location (NOFO Section I.C.cc).

1.3 How does IIJA define "Community Anchor Institution" (CAI)?

The term "community anchor institution" means an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including low-income individuals, unemployed individuals, and aged individuals.

1.4 Which Community Anchor Institutions are eligible to receive broadband access through the BEAD Program?

A Community Anchor Institution that lacks access to Gigabit-level broadband service is an eligible service location under the BEAD Program.

1.5 Are BEAD funds only restricted for use on last-mile broadband deployment? May funds be used for middle mile infrastructure?

As noted in Section IV.B.5.b. of the NOFO an "Unserved Service Project" or "Underserved Service Project" may include Middle Mile Infrastructure in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of a project providing service to an unserved location, underserved location, or eligible CAI.

1.6 Is an Eligible Entity able to change the administering entity for the BEAD program after initial designation in the LOI?

Yes. An Eligible Entity may contact its Federal Program Officer or other designated program contact to change the designated administering entity or the point-of-contact. Eligible Entities must provide updates to Federal Program Officers of any personnel changes that result in changes to the designated point-of-contact.

1.7 How long do Eligible Entities have to spend Initial Planning Funds?

The period of performance for the planning grants will be 5 years from the date of award. Eligible Entities can spend initial planning funds over the 5-year period.

1.8 Are subgrantees required to retain ownership of assets that they build, or can ownership be transferred in exchange for arrangements like right of way?

The costs related to the assets are only allowed to be charged to the grant if they are necessary and reasonable for the performance of the BEAD award. As these assets would not be used in the performance of the BEAD award, they are not necessary and reasonable for the purpose of this grant and are thus not allowed (see 2 CFR 200.403(a)). The costs related to a plan to build grant-funded assets for eventual exchange, for example exchanging asset ownership for right of way, are not allowable. If a subgrantee sought to obtain a right of way using NTIA grant funds, and the costs related to obtaining that right of way were determined to be necessary and reasonable for the purpose of the grant, those costs would be an allowable use of NTIA grant funds.

In the event that original or replacement grant-funded equipment is no longer needed for the original project or program, the Eligible Entity and subrecipients must dispose of property in accordance with 2 CFR 200.313.

1.9 Will subgrantees be allowed to deploy other offerings over a Funded Network?

Yes, subgrantees may use BEAD-funded facilities to provide other offerings, such as telephone and video, over a Funded Network. It is important to note that income generated by a project over the period of performance is subject to project income regulations outlined in 2 CFR § 200.307.

1.10 Is it permissible for broadband providers to use BEAD funding to serve unserved locations within a different provider's service area?

Yes, if those areas are unserved or underserved locations.

1.11 Is the 25% non-federal match required for BEAD Planning funds?

A non-federal match is not required for Initial Planning Funds.

1.12 What is the 2% statutory cap for the BEAD program?

The BEAD program has a **cap of 2% of project funds only for costs related to the administration of the Eligible Entity's grant.** Programmatic costs and administrative costs that are not for the administration of the Eligible Entity's grants do not count towards this 2% cap. The 2% statutory cap

includes any subcontracts or subawards made to assist in the administration of the Eligible Entities grant. The 2% statutory cap on costs related to the administration of the Eligible Entity's grant administrative costs does not apply to funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2). Otherwise, the 2% statutory cap applies to all other BEAD Program funding.

1.13 Do all administrative costs count towards the 2% admin cap?

No – Only those costs that are related to the administration of the Eligible Entity's grant count towards the 2% cap. Additionally, the 2% statutory cap does not apply to funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2).

In making a determination of whether an expense falls within the 2% caps, consider the following:

- **The 2% cap** may include expenses that are both indirect and direct administrative costs so long as those expenses are related to the administration of the Eligible Entity's grant.
- **Indirect costs** that are related to the administration of the Eligible Entity's grant count toward the 2% ceiling. By their nature, indirect costs are those recipient costs that are not directly associated with the recipient's execution of its grant-funded project, but that are necessary to the operation of the organization and the performance of its programs. The Eligible Entity should describe the types of indirect costs that it will charge to the grant. The Eligible Entity can never double-charge a cost as both a direct and an indirect administrative cost. The budget provided by the Eligible Entity must explain how they will account for direct and indirect personnel costs charged to the grant with the 2% administrative cost ceiling.
- **Examples of personnel expenses** relating to administration of the grant may include costs attributable to: accounting, auditing, contracting, budgeting, and general legal services.
- **Examples of expenses** include costs attributable to: accounting, auditing, contracting, budgeting, and general legal services; facility occupancy costs, e.g., rent, utilities, insurance, taxes, and maintenance; general liability insurance that protects the organization (not directly related to a program); depreciation on buildings and equipment; general office supplies; general and administrative salaries and wages; subgrants administration like staffing and/or contract support; and training for staff in relation to subgranting (e.g., federal grants compliance training)

1.14 Does the 2% statutory cap on costs related to grant administration apply to all BEAD funds?

No, the 2% statutory cap on costs only applies to the administration of an Eligible Entity's grant (see BEAD NOFO section IV.B.4). The 2% statutory cap does not apply to funds allocated during the Initial Planning Funds phase of the BEAD Program (see BEAD NOFO section IV.B.2).

1.15 How should applicants track their 2% administrative costs?

Recipients are required to maintain financial management systems that include records documenting compliance with Federal statutes, regulations and terms and conditions of Federal award, that is sufficient to permit the preparation of reports; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award.

As such, recipients will be required to track and report the costs associated with this requirement. For example, if any position funded by grant funds will incur direct administrative charges, you must note which position will be doing these activities, what the activities are, and how much time will be spent on these activities.

Additional information about how to report these costs and the frequency of the reporting will be provided at a future date and incorporated into the specific award conditions for the award during the initial-phase of the award (not in the planning phase).

Below are some strategies that NTIA recommends to help applicants track costs related to the administration of the grant:

Identify the 2% cap amount first to understand your budget for costs related to the administration of the Eligible Entity's grant:

- Track when direct administrative costs are incurred and retain documentation;
- Identify key personnel associated with administering the program. Record their salaries and fringe benefits;
- Report operating expenses of facilities required to administer the program;
- Check spent administrative costs against the 2% cap estimate on a monthly basis;
- Contact FPO if you have any questions about costs that may qualify as administrative costs;
- Create an internal fund code specific to administrative charges within your BEAD funding codes in your financial system and a more specific, separate code of administrative charges related to the administration of the Eligible Entity's grant, and;
    - This way, employees can charge their admin time directly to the administrative charge code and make it easier for you to track personnel administrative charges.
- Ensure your organization has a time and attendance policy that addresses tracking of administrative charges.

1.16 Are subgrantees subject to the 2% administrative cap? How does this affect the administrative cap for Eligible Entities?

Yes- subgrantees are subject to the 2% administrative cap, however the administrative cap only applies to administrative expenses related to administration of the Eligible Entity's grant. The administration cap requirement in section 60102(d)(2)(B) applies to the Eligible Entities and all subcontractors and subgrantees. Under 2 CFR 200.101 and DOC ST&Cs F.03, the terms and conditions of Federal awards generally flow down to subcontracts and subawards. So, this requirement will flow down to subrecipients.

Regarding the scope of this requirement, Section 60102(d)(2)(B) states that "An eligible entity may use not more than 2 percent of the grant amounts made available to the eligible entity under subsection (e) for expenses relating (directly or indirectly) to administration of the grant" (emphasis added).

The cap applies only to the expenses relating to the administration of the Eligible Entity's BEAD grant. If an Eligible Entity enters a subcontract or subaward for a subcontractor or subgrantee to undertake administrative activities related to the administration of the Eligible Entity's BEAD grant, those expenses would be included within the 2% cap. However, the cap does not apply to a subgrantee's administrative expenses to administer its subaward.

While the statutory requirement will apply to all grants and subgrants, the scope of the statutory requirement (and the 2% cap) is somewhat narrow. The majority of subgrants for broadband deployment will not be associated with the administrative expenses related to the administration of the Eligible Entity's grant, and therefore will not fall within the 2% administrative cap.

1.17 What is a Direct Administrative Cost and what is an Indirect Administrative Cost?

Direct Administrative Costs are costs associated with specific work for the effective administration of the grant, and they must be specific to the program. Examples include salaries and fringe benefits for grant administration personnel, office supplies, postage, program coordination and project execution, and equipment required to administer the program.

Indirect Administrative Costs are costs incurred by the organization during the execution of the project, but not clearly identifiable to the project. Examples include depreciation of facilities, facility occupancy costs, general liability insurance, general legal services, taxes, rent and utilities, indirect salaries, and accounting fees.

1.18 Are facilities constructed as part of a BEAD project award subject to BEAD network requirements even if not paid for with BEAD funds?

Yes. All facilities constructed as part of a BEAD project award are subject to BEAD network requirements. This is to ensure that the BSLs in the project area are and will continue to receive the services required under the terms of the program. If facilities count toward matching funds, they are subject to the same network requirements as those directly funded by BEAD projects. Accordingly, Eligible Entities should ensure all potential subgrantees are specific and precise in their proposals for funding usage and potential federal funding match opportunities.

1.19 Can U.S. Treasury Coronavirus Capital Projects Fund (CPF) grants, provided under the authority of the American Rescue Plan Act of 2021, be used for BEAD matching funds?

Yes, CPF grants may be used as matching funds for a BEAD broadband network infrastructure deployment subgrant, subject to all relevant match rules. Further, assets purchased with previously disbursed CPF grant funds may be used as an in-kind matching contribution for the BEAD program if the contribution is allowable as part of a BEAD broadband network infrastructure deployment project and meets all in-kind match requirements. As with any potential match contribution, Eligible Entities that want to contribute CPF funds as match for a BEAD broadband network infrastructure deployment project must use those funds in a way that complies with all requirements of both programs, as well as regulations regarding in-kind matches. Authorities that Eligible Entities should review regarding allowability of match include 47 U.S.C. 1702, the BEAD NOFO, the terms and conditions incorporated into their specific BEAD award, and 2 C.F.R. § 200.306.

1.20 Can Eligible Entities use grant funding to leverage, augment, upgrade, or modify existing infrastructure owned by their potential partners, subgrantees, political subdivisions, or associated federally recognized Tribes to meet BEAD goals (i.e. adding fiber lines to an existing electrical networks)?

Yes, this may be an allowable use of grant funds if leveraging the existing infrastructure aids or otherwise helps the entity achieve the goals of the BEAD Program. Use of such existing infrastructure could also potentially count towards matching funds requirements. Applicants are encouraged to review sections III.B and V.H.2 of the NOFO, FAQs in the "Cost Sharing and Matching Guidelines" section, and 2 CFR § 200.306 CFR for further information on matching funds.

1.21 Will NTIA grant period of performance extensions? How will these be granted?

Yes, under certain circumstances. NTIA may grant extensions for both the Eligible Entity and subgrantees under the following circumstances:

Section II.B.1. of the NOFO states that an Eligible Entity may extend the four-year network deployment deadline for subgrantees by not more than one year if:

1. the subgrantee has a specific plan for use of the grant funds, with project completion expected by a specific date not more than one year after the four-year deadline;
2. the construction project is underway; or
3. extenuating circumstances require an extension of time to allow the project to be completed

Extensions for Eligible Entities for any part of the process may be granted at the sole discretion of the Assistant Secretary when extenuating circumstances demonstrate that additional time will support the overall goals of the BEAD Program.

Section II.B.2. of the NOFO states that each Eligible Entity must develop a process by which subgrantees may request extensions and provide documentation about the qualifying circumstances that warrant the extension.

If an Eligible Entity is seeking an extension for any part of the process with respect to which the Act does not authorize the Eligible Entity itself to grant such extension, it shall make a request in writing to NTIA and explain the need for such an extension. Such requests will then be evaluated by the Assistant Secretary based on the text of the Infrastructure Act and the goals of the BEAD Program.

1.22 What are tips for mitigating waste, fraud, and abuse?

NTIA recommends the following tips for mitigating waste, fraud, and abuse:

- Develop and implement fair, transparent, and effective processes, including a system of accounting, procurement policies, internal controls, and records retention
- Examine existing processes and internal controls to identify areas vulnerable to fraud
- Host regular trainings to educate staff on risks

- Implement an internal compliance and ethics program that encourages the recognition and reporting of waste, fraud, abuse, and mismanagement
- Check that all financial and performance reports are supported with the required documentation
- Conduct monthly bank reconciliations to identify errors or irregularities

Allegations of waste, fraud, abuse, and mismanagement may be made anonymously through the OIG Hotline at 1-800-424-5197.

1.23 *(Updated March 2026)* Can subgrantees submit audited financial statements at the parent-company level?

Yes, audited financial statements of a parent company may be sufficient to meet the BEAD Program's audit requirements if the statements meet all relevant requirements in the BEAD NOFO, 2 CFR Part 200, and the BEAD General Terms and Conditions.

1.24 Is it sufficient to have an employee serving in the capacity of a network engineer certify a project instead of a professional engineer?

No, per NOFO Section IV.D.2.c the materials submitted by a prospective subgrantee must be certified by a professional engineer.

1.25 Are the lands described in subpoint (E) of the BEAD NOFO considered Tribal Lands for purposes of BEAD?

No. The Assistant Secretary has determined that a programmatic waiver of Subpoint (E) of the definition of "Tribal Lands" in Section I.C(y) of the BEAD NOFO should be granted. Subpart (E) of BEAD's definition of Tribal Lands applies to areas near or adjacent to reservations. These are not areas in which a Tribal authority has jurisdiction. Therefore, requiring Tribal consent for projects in these areas raises administrative challenges for Eligible Entities and subgrantees.

1.26 What is the Professional Engineer (PE) certification Requirement for Eligible Entities?

The Professional Engineer (PE) Certification requirement of the BEAD NOFO (page 74) states that prospective subgrantees need to present a network design, diagram, project costs, build-out timeline, milestones for project implementation, and a capital investment schedule certified by a professional engineer. This certification should confirm that the proposed network can deliver broadband service that meets the performance requirements to all locations served by the project. The PE Certification Requirement is partially waived as described: The requirement that a prospective subgrantee submit a "capital investment schedule evidencing complete build-out and the initiation of service within four years of the date on which the entity receives the subgrant" that is "certified by a professional engineer" is waived. A professional engineer is still required to certify the remaining elements of the PE Certification Requirement. The prospective subgrantee must still submit the aforementioned capital investment schedule to avail itself of the waiver, but the schedule does not require PE certification. The professional engineer making certifications in connection with the PE Certification Requirement may be licensed in any of the 56 Eligible Entities.

1.27 Can BEAD Program funds be used to cover both capital expenditures (CapEx) and operating expenditures (OpEx)?

The BEAD Program does not restrict eligible uses of funds to capital expenses. However, the cost principles applied must be in accordance with 2 C.F.R. Part 200, Subpart E for States and non-profit organizations and in 48 C.F.R. Part 31 for commercial organizations.

Eligible Entities should refer to the RPN, as well as section IV.B.2 of the BEAD NOFO for a listing of eligible uses of Initial Planning Funds, section IV.B.5.b. for how funds can be allocated for the Initial Proposal, and sections IV.B.7.a.ii and IV.B.7.a.iii for eligible use of funds for last-mile broadband deployment.

1.28 Are Eligible Entities and subgrantees subject to any unionized workforce requirements?

No. The BEAD NOFO provisions that applied to workforce requirements have been superseded by the RPN, which eliminates the non-statutory requirements in the NOFO related to labor, employment, and workforce development.

1.29 Who holds the title to BEAD-funded assets at the end of the period of performance?

Eligible Entities or subgrantees (when funding through a subgrant) will hold the title to BEAD-funded assets. All assets, however, are subject to NTIA guidelines regarding federal interest which may include 2 C.F.R. Part 200 Subpart D, the DOC General Terms and Conditions, and Specific Award Conditions.

1.30 What is the difference between a programmatic cost and an administrative cost?

Administrative costs are those expenses incurred by the grant recipients or subrecipients in support of their day-to-day operations. These overhead costs are the expenses that are not directly tied to a specific programmatic purpose or activity.

Programmatic costs are costs that are directly tied to the delivery of a particular project, service or activity undertaken by an Eligible Entity to achieve an outcome intended by the funding program.

Please refer to the Two Percent Grant Administration Spending Limitation Guidance for more information.

1.31 Can an Eligible Entity reserve a pool of BEAD contingency funds that are not tied to one specific project so that it can later award those funds?

No. An Eligible Entity cannot reserve a pool of grant funds in its Consolidated Budget for contingency purposes, such as finishing projects that a subgrantee cannot complete. In other words, contingency funds are allowable as part of a subgrantee's budget for a specific construction project, but the Eligible Entity cannot include contingency funds in its own overall budget in anticipation of failed subgrantee projects. See 2 C.F.R. § 200.433. This could effectively duplicate the contingency funding and may lead to fraud, waste, and abuse.

1.32 What are the main process milestones for the BEAD Program and what does an Eligible Entity need to submit by when?

For the BEAD program, the Infrastructure Act created a multi-step, multi-year process. The chart below summarizes the key process milestones of the BEAD Program. Additional information about program sequencing can be found in Section IV.B. of the NOFO and see the RPN for details regarding program changes implemented on June 6, 2025. To view key elements related to BEAD Plans and Milestones, organized by Eligible Entity, you can reference the Public Resources Related to BEAD Plans and Milestones.

Stage	Description
Letter of Intent	**July 18, 2022,** was the deadline for an Eligible Entity to submit a Letter of Intent to participate in the Program.
Request for Initial Planning Funds	Each Eligible Entity's Initial Planning Funds were drawn from that Eligible Entity's Minimum Initial Allocation. If the Eligible Entity requested Initial Planning Funds, an application for Initial Planning Funds was due by **August 15, 2022**, and a Five-Year Action Plan was due within **270 days** of receipt of Initial Planning Funds.
Notice of Available Amounts	Once the Broadband DATA Maps were made public, the Assistant Secretary notified each Eligible Entity of the estimated amount of funding that NTIA made available to the Eligible Entity under the Program (Notice of Available Amounts) and invited the submission of an initial grant proposal (Initial Proposal) and a final grant proposal (Final Proposal).
Initial Proposal	Eligible Entities had **180 days** from receipt of the Notice of Available Amounts to develop and submit an Initial Proposal.
Challenge Process	After submission of its Initial Proposal and before allocating BEAD funds received for the deployment of broadband networks, each Eligible Entity conducted a challenge process. Under this process, a unit of local government, nonprofit organization, or broadband service provider could challenge a determination made by the Eligible Entity in the Initial Proposal as to whether a particular location or community anchor institution within the jurisdiction of the Eligible Entity is eligible for the grant funds, including whether a particular location is unserved or underserved, and submit any successful challenges to NTIA for review and approval.

Initial Proposal Correction	Per the RPN, all Eligible Entities must submit a letter to NTIA by **July 7, 2025** requesting an Initial Proposal correction to incorporate the terms of the Policy Notice into its Initial Proposal.
Subgrantee Selection: Benefit of the Bargain	Per the RPN, each Eligible Entity must conduct at least one competitive subgrantee selection round for every BEAD-Eligible location and must permit all applicants capable of meeting BEAD technical standards – regardless of technology employed or prior participation in the program – to compete.
Final Proposal	The Eligible Entity will submit to NTIA, by September 4, 2025, a Final Proposal describing the results of the Benefit of the Bargain round. NTIA will release funds allocated to the Eligible Entity in accordance with any Specific Award Conditions applied to the Grant upon approval of the Eligible Entity's Final Proposal and Final Proposal Funding Request. Prior to submission to NTIA the Final Proposal must be made available for public comment.
Ongoing Monitoring, Reporting, and Performance Management	Throughout the BEAD Program, NTIA will conduct ongoing monitoring of an Eligible Entity's progress against its approved plans and ensure that the requirements of the Infrastructure Act are met. Eligible Entities will be required to comply with reporting requirements and monitor subgrantee compliance.

1.33 What is a BEAD "high-cost area"?

Section I.C. of the NOFO defines the term "high-cost area" as an unserved area in which the cost of building out broadband service is higher, as compared with the average cost of building out broadband service in unserved areas in the United States (as determined by the Assistant Secretary, in consultation with the Federal Communications Commission), incorporating factors that include— (I) the remote location of the area; (II) the lack of population density of the area; (III) the unique topography of the area; (IV) a high rate of poverty in the area; or (V) any other factor identified by the Assistant Secretary, in consultation with the Commission, that contributes to the higher cost of deploying broadband service in the area. For purposes of defining "high-cost area," the term "unserved area" means an area in which not less than 80 percent of broadband-serviceable locations are unserved locations.

To view a map of the NTIA-designated BEAD High-Cost areas and other information, please reference BEAD Allocation Methodology. BEAD High-Cost areas are included in the formula for calculating each Eligible Entity's BEAD allocation, and subgrantees do not have to contribute a match for locations within BEAD High-Cost areas.

1.34 Does an Eligible Entity with state statutory labor, employment, and workforce development requirements (including prevailing wage requirements) that would apply to BEAD projects require a waiver from NTIA to proceed with its BEAD Program?

The BEAD Restructuring Policy Notice (RPN) eliminated extralegal labor, employment, and workforce development requirements imposed in the NOFO and prohibited Eligible Entities from imposing obligations removed by the RPN. Footnote 11 of the RPN states that if an Eligible Entity has its own labor or employment laws that conflict with this removal, the state must ask NTIA for a waiver to apply requirements that the RPN eliminated.

The BEAD NOFO did not impose prevailing wage requirements on BEAD projects. Instead, the NOFO gave strong preference to projects with extensive labor and employment commitments and required additional reporting for BEAD projects not subject to prevailing wage laws. The RPN eliminated both of those requirements. Therefore, an Eligible Entity may apply an existing state prevailing wage law without a waiver, so long as it does not reintroduce the preferencing or additional reporting requirements that were eliminated by the RPN.

Finally, to stay within federal grant guidelines on reasonable costs and ensure that prevailing wage laws are applied consistently, states applying prevailing wage laws should accurately classify workers in the context of a broadband network deployment and clarify wage and/or worker classifications for potential subgrantees.

1.35 Does BABA apply to all BEAD projects? Including BEAD LEO projects?

Yes, BABA applies to all BEAD projects. BABA applies to infrastructure projects, including deployment of broadband networks, and "infrastructure projects" are defined as any activity related to the construction, alteration, maintenance, or repair of infrastructure in the United States regardless of whether infrastructure is the primary purpose of the project (See 2 CFR § 184.3).

To the extent that placing radios into a LEO system includes "any activity related to the construction, alteration, maintenance, or repair of infrastructure," the components used in that construction/alteration would be subject to BABA, even if the electronics were waived.

2. BEAD Restructuring Policy Notice

2.1 Are Eligible Entities and subgrantees still bound to the NOFO requirements not addressed by the Restructuring Policy Notice (RPN)?

Yes. The RPN does not rescind the NOFO. Eligible Entities and subgrantees must still adhere to the NOFO provisions not addressed in the RPN (RPN, Summary, p. 1).

2.2 What is required from Eligible Entities within thirty (30) calendar days after the release of the RPN?

All Eligible Entities must, by July 7, 2025:

- **Update** the BEAD eligibility list with federal enforceable commitment defaults
  - Determine if locations are not served by another means
  - Certify if locations are unserved or underserved
  - Incorporate these locations into the list
- **Submit** a letter BEADCorrections@ntia.gov to request an IP correction using the Initial Proposal Correction Template (see RPN, Appendix D, p. 23).
- **Attach** updated eligibility list that reflects federal enforceable commitment defaults, if applicable
- **Submit** an IPFR budget modification, if desired

2.3 With the release of the RPN, should Eligible Entities continue to prioritize unserved, underserved, and CAI BSLs?

Yes. Eligible Entities must prioritize service to unserved service projects, underserved service projects, and then CAIs, consistent with the requirements of the Infrastructure Act.

2.4 When are Final Proposals due under the RPN?

All Eligible Entities have 90 calendar days from the publication of the RPN to comply with the obligations outlined in the RPN and submit a Final Proposal that reflects the results of the Benefit of the Bargain round. In other words, Final Proposals are due by September 4, 2025. This deadline replaces any deadline in place prior to the publication of the RPN. NTIA will complete its review of each Final Proposal within 90 calendar days of submission (RPN, 3.3, p.10).

2.5 The RPN removes local coordination requirements, but retains the public comment requirements in the FP. What are the FP public comment requirements?

Upon the conclusion of its public comment period, the Eligible Entity must:

- Describe how it conducted a public comment period
- Provide a high-level summary of the comments received, and;
- Demonstrate how it incorporated feedback in its FP submission, as applicable

The Eligible Entity is not required to respond to all individual comments but must capture where public comments impacted the contents of the FP submission. The Eligible Entity must also demonstrate how it

conducted outreach and engagement activities to encourage broad awareness, participation, and feedback during the public comment period.

2.6 Does the RPN change EHP requirements?

No. The Environmental and National Historical Preservation requirements have not changed. However, per the RPN, Eligible Entities are "hereby required to use the Environmental Screening and Permitting Tracking Tool (ESAPTT) within the NTIA Grants Portal" (RPN, 6, p. 15).

2.7 Do costs incurred using Initial Planning Funds need to comply with the RPN?

Yes, otherwise the costs run the risk of being disallowed. Per Section 8 of the RPN: "any costs incurred by an Eligible Entity after the publication of the RPN that do not comply with the terms of the RPN may be disallowed" (p. 16).

2.8 How can an Eligible Entity confirm that there are no new federal enforceable commitment defaults that impact its eligible locations list?

Eligible Entities can contact their Federal Program Officer to confirm whether there were any new federal enforceable commitment defaults prior to the release of the RPN that impact their approved list of BEAD eligible locations.

2.9 Is the IP Corrections Letter a template and where can it be found?

Yes. The IP Corrections Letter is a template that Eligible Entities shall use to submit their IP Corrections to comply with the RPN. The template can be found in Appendix D of the RPN (RPN, Appendix D, p. 23).

2.10 May an Eligible Entity submit an IP Correction for a change other than what is required by the RPN?

No. Until the Final Proposal deadline, which is 90 days from the publication of the RPN (September 4, 2025), Eligible Entities may only submit an IP Correction that ensures their Initial Proposal complies with the RPN. Eligible Entities will use the template in Appendix D of the RPN to submit their IP Corrections (RPN, Appendix D, p. 23).

2.11 How does the modified definition of "Priority Broadband Project" affect applicants and Eligible Entities?

For applicants, the RPN broadly allows any applicant to request the Eligible Entity to treat its application as a Priority Broadband Project regardless of the technology used (RPN, 3.1, p. 9).

For Eligible Entities, the RPN establishes guardrails around what constitutes a Priority Broadband Project.

The RPN also affords Eligible Entities a significant role in discerning whether a given project falls within those guardrails, including the ability to make Priority Broadband Project determinations based on the specific project area. For example, an Eligible Entity may determine that a given application is not a Priority Broadband Project for a particular project area because the relevant technology cannot easily scale to meet evolving connectivity needs, but it may also determine that a different application in a

different project area using the exact same technology is a Priority Broadband Project because it falls within the guardrails set forth in the RPN. NTIA may reverse a Priority Broadband Project determination if it is "unreasonable" (RPN, 3.1, p. 9).

2.12 How is Fabric Version 6 used with respect to the RPN?

The RPN does not allow Eligible Entities to add new BSLs from Fabric V6 (as of 2024-12-31) to BEAD-eligible location lists for subgrantee selection. Eligible Entities will continue to base the universe of BSLs to be served by BEAD on the version of the Fabric used in their approved Challenge Process. The use of Fabric V6 is limited to the following purposes:

- Identifying BSLs that were in the post-challenge list (regardless of classification) and have been removed from Fabric v6. These must be removed with non-service code 3.
- Identifying current service for BSLs that are in the Eligible Entity's final list of BEAD-eligible locations used for subgrantee selection that may already be served by non-subsidized service (privately funded network, including identification of ULFW services per the RPN) and removed from BEAD eligibility with non-service code 5.

Fabric v6 will not be used as a "true up" in the manner that was permitted in the BEAD Challenge Process and is not used to change BSL eligibility from served to unserved or underserved.

2.13 Can BSLs in Fabric version 6 that were not on the fabric used for the Eligible Entity Challenge Process be added to BEAD-eligible locations lists for Subgrantee Selection?

No.

2.14 Are Eligible Entities subject to minimum or maximum requirements governing the use of certain technologies?

No. While the RPN makes clear that the BEAD program is technology neutral—meaning all technologies should be treated equally—the RPN also affords Eligible Entities a significant role in discerning whether a given technology maximizes BEAD dollars for a particular project area. The requirement that all technologies must compete on a level playing field, which maximizes the benefits of competition, is not dispositive of outcomes in particular circumstances.

One of the primary objectives of the RPN is to ensure that Eligible Entities have flexibility to award the set of proposals that deliver high-quality service for a reasonable cost. In pursuit of that core objective, both NTIA and the public are keenly aware of the unique role that fiber plays in the Internet backbone and in providing backhaul capacity for all broadband technologies.

2.15 How will Eligible Entities ensure that people receive high-quality service when they are required to select the cheapest project proposal? How will applicants that previously applied remain competitive?

Eligible Entities are required by statute to prioritize "Priority Broadband Projects," i.e., projects that meet certain performance standards described in the statute and the RPN. And as explained above, Eligible Entities have a significant role in determining what constitutes a Priority Broadband Project on a proposal-by-proposal basis.

When scoring competing Priority Broadband Projects and competing non-Priority Broadband Projects, the RPN directs Eligible Entities to prioritize "minimal program outlay," which focuses on the overall cost to the BEAD program. Eligible Entities have the ability to balance a variety of factors in deciding among competing applications, including cost per location, cost per project, and the combination of proposals with the lowest overall cost to the program. Eligible Entities also have significant flexibility when deciding among proposals that are cost-competitive (i.e. within 15% of one another). Indeed, Eligible Entities have discretion to weigh cost-competitive proposals based on three criteria: speed to deployment, speed of network, and prior identification or selection.

The RPN does not open the door to the possibility of certain applicants gaming the new scoring rubric, including intentionally underbidding previous proposals that are publicly available. For starters, all applicants can submit new proposals. An applicant choosing to stand on a previous application may submit an appendix that explains why the application remains competitive.

Finally, the RPN clarifies that Eligible Entities must still ensure that applicants meet the financial and managerial capacity, technical and operational capability, and other requirements in 47 U.S.C. § 1702(g)(2)(A). BEAD subgrantees must "maintain risk management plans that account for technology infrastructure reliability and resilience, including from natural disasters (e.g., wildfires, flooding, tornadoes, hurricanes, etc.), as applicable, as well as cybersecurity best practices." These measures require Eligible Entities to determine, prior to awarding a subgrant, that the applicant will deliver high-quality, reliable, and resilient service.

2.16 Does the removal of the Local Coordination requirement remove the requirement for Tribal Consent?

No. The requirement to secure a Resolution of Tribal Consent remains for locations on Tribal Lands that are included in a BEAD project. The BEAD NOFO directs Eligible Entities to include resolutions of tribal consent, when applicable, with the Final Proposal submission. Subgrant applicants are not required to have already obtained Tribal Consent at the time of application.

If Tribal Consent is not obtained in time for Final Proposal submission, the Eligible Entity can request a deadline waiver (but not a waiver of the Tribal Consent requirement). If the waiver is approved, the funds for the projects overlapping with Tribal Lands will not be released until the Resolution of Tribal Consent is obtained. The Eligible Entity must submit the Resolution of Tribal Consent to NTIA as soon as possible after NIST transmits approval of the Final Proposal. Eligible Entities may not finalize subawards for these projects until Tribal Consent is obtained and reviewed by NTIA.

2.17 Are the costs associated with securing Tribal Consent, or in the case of a waiver, its equivalent, an allowable use of BEAD funds?

Yes. Costs associated with securing Tribal Consent (or its equivalent) are allowable expenses and are distinct from local coordination and stakeholder engagement activities. As always, costs must be reasonable and allocable to be reimbursed.

2.18 Will NTIA reject projects on Tribal Lands deemed excessively costly, even if the state approved the application and the project has secured Tribal Consent?

NTIA reserves the right to reject a proposed deployment project for which costs are excessive. Regardless of project cost, NTIA will not fund deployment projects on Tribal Lands that do not receive Tribal Consent as required by the NOFO, Section IV.B.9.b.15.

2.19 May Eligible Entities with regulatory process requirements that impede meeting the 90-day Final Proposal deadline seek an extension waiver?

Yes. To obtain a waiver of the 90-day deadline, the Eligible Entity's request must include:

- Evidence of concrete steps taken in good faith to meet the Final Proposal deadline
- Information about the specific barriers (e.g., statutory prohibition(s)) that prevent compliance; and
- A detailed timeline outlining when the Eligible Entity will come into compliance with the Policy Notice and submit its Final Proposal.

2.20 What is a "General Project Area"?

The definition of "general project area" is at the discretion of the Eligible Entity. This provides the Eligible Entity with the flexibility to determine how it will compare two proposals, even if they do not include the exact same set of BSLs, when scoring Minimal BEAD Program Outlay.

Because applicants may propose to exclude specific BSLs from their applications, proposed project areas in applications may differ from the project units or areas defined by the Eligible Entity.

2.21 Can Eligible Entities use BEAD funding to implement non-deployment projects that support deployment efforts?

No. NTIA has rescinded approval for all non-deployment activities approved in Initial Proposals at this time. Further guidance will be provided.

2.22 Are subgrantees required to deploy new interconnection points in addition to conduit access points?

No. The RPN clarifies that subgrantees are responsible for meeting the IIJA requirement to "include interspersed conduit access points at regular and short intervals" for any project that involves laying fiber optic cables or conduit underground or along a roadway (see 47 U.S.C. § 1702(h)(4)(D)).

2.23 Under the RPN, how will Eligible Entities verify the financial capability of LEO providers?

As outlined in Appendix B of the RPN, NTIA is currently in the process of reviewing the financial capacity of LEO providers Starlink and Kuiper. This review is expected to conclude the week of July 14, after which NTIA will make available a letter documenting the financial capabilities of the providers. This letter can be used by the Eligible Entities to satisfy their obligation to ensure the financial capability of the LEO providers. Eligible Entities shall not disqualify LEOs on the basis of financial capability (for prequalification or subgrantee selection) if they have not yet received NTIA's financial capacity assessment letter.

2.24 Section 4 of the RPN (Optimizing BEAD Locations) says that Eligible Entities must account for locations that do not require BEAD funding using the reason code process. Eligible Entities were instructed to use Fabric version 6 for these updates, but which BDC update ("last-updated" date) should be used for reason code 5 (location already served by non-subsidized service)?

Eligible Entities must use the most recent update of the Fabric BDC (last-updated date) practicable prior to their Final Proposal submission to NTIA, and the BDC last-updated date should be indicated in the notes field of the *no_fp_BEAD_locations.csv* rows where reason code 5 was applied. The same BDC version (i.e., last-updated date) must be used for all reason code 5 entries.

2.25 When should an Eligible Entity update its CAI list?

The Eligible Entity will update its CAI list consistent with the RPN and submit the list with the Final Proposal. The CAI list submitted with the Final Proposal will only include the CAIs to be served through the Eligible Entity's provisionally selected BEAD subgrants.

2.26 How is NTIA re-defining community support organization in the context of serving Community Anchor Institutions?

Per 47 U.S.C. § 1702(a)(2)(E), "the term 'community anchor institution' means an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including low-income individuals, unemployed individuals, and aged individuals." For BEAD purposes, a "community support organization" is an organization located in a government-owned facility that provides publicly accessible Internet service and currently offers digital skills training.

2.27 Is it the Eligible Entity's responsibility to determine if an ULFW provider submits sufficient evidence to address and resolve interference and capacity concerns associated with the technology?

Yes. The Eligible Entity determines what is sufficient and reviews documentation submitted by the ULFW provider and/or other sources. Note that this determination is separate from deciding whether a ULFW proposal merits Priority Broadband Project status. The Eligible Entity must establish reasonable standards based upon the RPN guidance (*see* RPN Appendix A) and apply such standards fairly across all providers. Unreasonable standards or inequitable application of such standards to all providers may result in NTIA rejecting an Eligible Entity's Final Proposal.

2.28 If an Eligible Entity determines that one of its BEAD-eligible locations is already served by ULFW service through the process detailed in RPN Section 4, should the location be omitted from the BEAD-eligible list?

No. Only the BEAD-eligible locations subject to reason codes 3 and 4 may be omitted from the BEAD-eligible list. A location already served by ULFW will receive Reason Code 5 (Served by Non-Subsidized Service) and may be separated or indicated as explained in the Final Proposal Guidance.

2.29 If an Eligible Entity included a licensed fixed wireless (LFW) pre-challenge modification in its BEAD challenge process, how should it address new LFW services on Fabric v6?

Generally, the approved LFW pre-challenge modification would continue to govern and the Eligible Entity would not use Reason Code 5 for a location due to new LFW service appearing on Fabric v6. However, Eligible Entities have flexibility to incorporate any unique characteristics of their LFW pre-challenge mod into their SOP to ensure that reason codes are properly applied to all locations.

2.30 Can Eligible Entities submit non-deployment projects with their Final Proposal? When will non-deployment projects be approved?

No. The Final Proposal is limited to the collection of information on broadband infrastructure deployment projects. Eligible Entities shall not submit information on non-deployment projects in the Final Proposal. NTIA will provide further guidance on non-deployment, including the method of submitting additional information, after concluding its review of the appropriate uses of non-deployment funding.

2.31 How will subgrantees that do not perform installations comply with the requirement to install within 10 business days?

The RPN clarifies that all subgrantees must deploy the planned broadband network, regardless of the technology utilized, and be able to perform a standard installation for each customer that desires broadband services within the project area not later than four years after the date on which the subgrantee receives the subgrant from the Eligible Entity. The RPN defines standard installation as the initiation by a provider of fixed broadband internet access service within 10 business days of a request with no charges or delays attributable to the extension of the network of the provider. A recipient of a LEO Capacity Subgrant shall be deemed to have begun to provide service when it certifies to the Eligible Entity that the recipient can initiate broadband service within ten (10) business days of a request to any covered BSL in the project area, with no charges or delays attributable to extension of the service.

Eligible Entities may specify in the subgrant agreement precisely what must be accomplished by the subgrantee to have initiated broadband service, and that may include requiring the subgrantee to ensure – either through provider installation or third-party installation – that subscribers that do not wish to self-install will have fully functioning service within 10 business days. Regardless of what the Eligible Entity requires, BEAD subgrantees may charge standard installation fees to subscribers on the BEAD-funded network but may not require subscribers to make modifications to their own or surrounding property or charge fees for the same in connection with installation of broadband services funded by the BEAD Program. See also FAQ 3.32 below.

For subgrantees planning to send Customer Premises Equipment (CPE) to the subscriber to self-install or use a third-party installer, the BEAD program requires at a minimum that the subscriber receive the CPE within ten days.

2.32 How long does the Final Proposal need to be made available for public comment?

The Final Proposal must be posted for public comment for seven (7) days. Eligible Entities must post their Final Proposal for public comment no later than August 28th to meet the September 4th Final Proposal submission deadline.

Upon the conclusion of its public comment period, the Eligible Entity must include the following information in its Final Proposal submission:

- Describe how it conducted a public comment period,
- Provide a high-level summary of the comments received, and;
- Demonstrate how it incorporated feedback in its Final Proposal submission, as applicable

The Eligible Entity is not required to respond to all individual comments but must capture where public comments impacted the contents of the Final Proposal submission.

2.33 May an Eligible Entity add CAI addresses to its approved CAI list?

No. An Eligible Entity cannot add CAI addresses to the list approved in their Initial Proposal Volume I. However, an Eligible Entity can remove CAIs from the approved list to come into compliance with the RPN.

2.34 If an Eligible Entity believes a BSL on its final eligible location list was removed from the fabric and replaced with a new location ID (i.e. a different location ID appears on the same parcel) in Fabric V6, can it substitute the new ID for the removed ID?

No. An Eligible Entity may not substitute a new location ID on the same parcel as one that was previously removed from the FCC's fabric. It cannot be assumed that the same BDC data for the previous location ID on an older version of the fabric will match the newly added location ID.

2.35 Can Eligible Entities aggregate multiple CAI locations under one address?

No. CAIs are identified specifically by the institution and the address of a particular facility and are required to be listed this way in the post Challenge Process CAI list. For example, if the CAI in question is a Community College with three campus locations in different towns, each of the three campus addresses constitute a distinct CAI for the purposes of broadband deployment. This is because broadband is physically deployed to a specific location. If there are multiple CAIs at a single address, listing one CAI is sufficient to trigger a deployment to that location.

2.36 Do Eligible Entities need to apply non-service codes to the CAIs that won't be reached?

No. The BEAD Program does not require Eligible Entities to serve CAIs. If an Eligible Entity is only able to connect some CAIs through BEAD, those CAIs that are included in BEAD projects will be listed in the CAI CSV file that is submitted with the Final Proposal. CAIs that are not included in BEAD projects will not be reported to NTIA.

2.37 If an Eligible Entity plans to connect CAIs, should it consider the cost to serve CAIs as part of the minimal BEAD outlay calculation in the primary scoring criteria?

Yes. The Eligible Entity must consider the total cost to the BEAD program to serve the project area; if the project area includes CAIs, then the cost to serve those CAIs should be considered in the minimal BEAD outlay calculation for primary criteria.

As a reminder, Eligible Entities have the discretion to determine what constitutes the same "general project area." For example, if one project is cheaper than another because it excludes CAIs, the Eligible Entity can choose to award the more expensive project by determining that they are no longer the same general project area.

2.38 When will Semi-Annual Report (SAR) 2.0 guidance be released to Eligible Entities?

SAR 2.0 guidance is expected to be released in Fall 2025.

2.39 May LEO Capacity Subgrantees choose to maintain a LOC/Performance Bond in the amount of 10% of the subaward instead of the reduction methodology outlined in the RPN?

No. NTIA requires Eligible Entities awarding BEAD subgrants to LEO providers to employ "LEO Capacity Subgrants" that are subject to the conditions described in the RPN. Accordingly, LEO subgrantees that receive funding for reserving capacity (rather than constructing a physical network) must provide a letter of credit that incentivizes them to reach out to potential subscribers to encourage adoption (see RPN, Appendix B, p. 20). As a result, LEO Capacity Subgrant recipients must provide the Eligible Entity an irrevocable standby letter of credit in the required form, acceptable in all respects to the Eligible Entity, in a value of no less than 25 percent of the subaward amount prior to entering into any subgrant agreement. The LOC can then be reduced based on the methodology outlined in Appendix B.

2.40 How should Eligible Entities use reason codes for non-service during the period of performance?

Eligible Entities must continue to use the non-service reason codes 1, 2, and 3 - and may use reason code 6 - throughout the period of performance as subgrantees build out their networks. The non-service reason codes 1 (No Broadband Connection), 2 (No Demand for Mass-Market Broadband Service), 3 (Removal from FCC's fabric), and 6 (other) should be used for a location that cannot or should not be built for a valid reason. Using the Reason Code format maintains consistency with Final Proposal submissions and provides documentation for both the Eligible Entity and NTIA's records.

2.41 Are all BEAD subgrantees required to obtain Tribal Consent?

Yes. All BEAD subgrantees, including low-Earth orbit (LEO) satellite providers, must obtain Tribal Consent for locations on Tribal Lands that are included in a BEAD project. NTIA will not fund BEAD projects on Tribal Lands that do not receive Tribal Consent as required by the NOFO, Section IV.B.9.b.15.

2.42 When do Eligible Entities have to submit Tribal Resolutions of Consent for BEAD projects that take place on Tribal Land?

Any Tribal Resolutions of Consent that the Eligible Entity has secured at the time of Final Proposal submission should be submitted with the Final Proposal. If the Eligible Entity is unable to secure Tribal Resolutions of Consent at the time of Final Proposal Submission, then the Eligible Entity has 6 months from the date of the approval of its Final Proposal to submit them to NTIA. A Special Award Condition (SAC) will be placed on the funds for projects in which a necessary Resolution of Consent was not submitted, to be applied until the Tribal Consent requirement is met. For more information, view the Programmatic Waiver of Tribal Consent Deadline Notice.

2.43 What is the Eligible Entity's obligation when collecting tribal consent for projects that intersect with tribal lands?

As noted in Section IV.B.9.b.15 of the NOFO "the Eligible Entity must submit a Resolution of Consent from each Tribal Government, from the Tribal Council or other governing body, upon whose Tribal Lands the infrastructure will be deployed." It is best practice to obtain a legally binding Resolution of Consent that is in a formal format and expresses the tribal government's legislative will. States have the obligation to ensure the signatory of the resolution has the authority to represent the tribe. Eligible Entities should also reference BEAD Final Proposal Guidance (p. 73) and the Programmatic Waiver of Tribal Consent Deadline.

3. Subgrantee Selection: Benefit of the Bargain

3.1 What is the definition of Priority Broadband Project?

The Infrastructure Act defines a priority broadband project as one designed to:

(i) provide broadband service that meets speed, latency, reliability, consistency in quality of service, and related criteria as the Assistant Secretary shall determine; and

(ii) ensure that the network built by the project can easily scale speeds over time to -

a. meet the evolving connectivity needs of households and businesses; and

b. support the deployment of 5G, successor wireless technologies, and other advanced services (RPN, 3.1, p. 8-9)

The RPN restores the definition of Priority Broadband Project to its statutory definition and removes the fiber preference.

3.2 Which aspects of the original prequalification period must be reopened to comply with the RPN?

Under the RPN, Eligible Entities must reopen all prequalification processes that potential applicants must complete to determine eligibility for a BEAD subgrant (RPN, 3.3, p.10).

3.3 Can applicants that did not prequalify prior to the RPN resubmit a pre-qualification application for the Benefit of the Bargain round?

Yes. If an Eligible Entity had a prequalification process, this process must be reopened to all interested applicants, including those applicants that failed to pre-qualify in the past. Existing qualified applicants do not need to resubmit prequalification documentation (RPN, 3.3, p. 10-11).

3.4 Can a previous applicant be considered in the Benefit of the Bargain round without submitting a new application?

Yes. Existing pre-qualified applicants do not need to resubmit documentation for consideration in the Benefit of the Bargain round. However, if selected, subgrantees will not be permitted to recover costs that were budgeted to comply with the regulatory burdens eliminated in the RPN (RPN, 3.3, p. 11).

3.5 May Eligible Entities create or add their own scoring criteria for subgrantee selection?

No. No additional scoring factors outside of those explicitly listed in the RPN may be considered during subgrantee selection (RPN, 3.4, p.11-13).

3.6 The Primary Criteria to choose a BEAD subgrantee is "… the option with the lowest cost based on minimal program outlay" (RPN, 3.4, p.12). However, Secondary Criteria are provided. Can you explain this?

Scoring subgrantee applications may consist of a two-part process.

First, the Eligible Entity must determine which Priority Broadband Projects (PBP) proposal costs the least according to the minimal BEAD program outlay definition (see RPN, 3.4, p. 12). (Note: If PBP proposals

are too expensive, an Eligible Entity can move to less expensive non-PBPs.) If there are no proposals within 15% of the lowest cost proposal, and costs aren't excessive, that proposal wins.

Second, if there are other proposals for the same project area that are within 15% of the lowest cost proposal, the Eligible Entity then goes on to consider Secondary Criteria in order to determine a winner (RPN, 3.4, p. 12).

3.7 What steps must Eligible Entities take prior to opening the Benefit of the Bargain Round?

All Eligible Entities must take the following steps prior to reopening subgrantee selection:

- Submit the Initial Proposal correction letter and receive NTIA approval
- Modify the SGS process to score all applicants under same terms
- Remove non-statutory burdens from the application & scoring processes
- Rescind preliminary awards & notify applicants of next application round
- Reopen prequalification process, if applicable
    - Eligible Entities may choose to make prequalification submissions part of the application
- Update the eligible location list following the ULFW process

3.8 Do Eligible Entities need to receive approval of their IP Corrections Letter before beginning the subgrantee selection via the Benefit of the Bargain round?

Yes. Eligible Entities must have an approved IP Correction Letter prior to opening subgrantee selection in the Benefit of the Bargain round.

3.9 Which Eligible Entities can use the "Preliminary/Provisional Subgrantees" secondary scoring criteria?

Any Eligible Entity that has "already identified preliminary or provisionally selected subgrantees may give additional weight to those applications in the Benefit of the Bargain Round." (RPN, 3.4, p. 13). For locations where an Eligible Entity has selected a preliminary subgrantee, regardless of whether the subgrantee has been notified, it may employ the "Preliminary/Provisional Subgrantees" secondary criterion. As the RPN makes clear, Eligible Entities have significant discretion over how much weight to give the "Preliminary/Provisional Subgrantees" criterion.

3.10 Will NTIA second-guess how an Eligible Entity weighs the secondary criteria established in the RPN?

No. Eligible Entities may determine how much weight is given to each secondary criterion, and that may include giving no weight to one or two of the secondary criteria. NTIA reserves the right to review whether it was appropriate to apply the secondary criteria (i.e. the Eligible Entity may only use secondary criteria when scoring competing low-cost proposals within 15% of one another) and if the Eligible Entity employed an unauthorized secondary criterion (RPN, 3.4, p. 12-13).

3.11 Can Eligible Entities include secondary criteria if it is required by state law?

No. Any additional scoring criteria, beyond the three required in the RPN (see RPN, 3.4, p.12), cannot be used in subgrantee selection. If state law conflicts with the RPN, the Eligible Entity must seek a waiver from NTIA (RPN, 2, p. 4).

3.12 Are the costs associated with subgrantee selection subject to the 2% administrative cap?

No. Costs related to the subgrantee selection process are not subject to the 2% administrative cap.

Subgrantee selection process is a key programmatic component and therefore not an expense related to the administration of an Eligible Entity's grant. Costs associated with the actual subgranting process (contracting, monitoring, disbursement of funds, etc.) are administrative costs but are not expenses related to the administration of the Eligible Entity's grant. Please review Section 1 for additional questions and answers regarding the 2% cap.

3.13 Can applicants request reimbursement from the Eligible Entity for costs associated with preparing its application, including costs associated with submitting a Benefit of the Bargain application and costs for extending the time they must hold a Letter of Credit for a BEAD project?

It depends. If the Eligible Entity allows for pre-award costs in its NOFO, these costs may be allowable. If the Eligible Entity does not allow for pre-award costs in its NOFO, these costs may not be allowable.

All pre-award costs are incurred at the risk of the applicant. For guidance, applicants should discuss whether pre-award costs are allowable with their Eligible Entity.

Applicants concerned about the costs of applying may stand on their previous applications and acknowledge that recovering costs for eliminated regulatory burdens will not be allowed. However, revising applications should result in more competitive bids after accounting for the flexibility the RPN affords BEAD subgrantees, such as the ability to design their own Low-Cost Broadband Service Option.

If an applicant is not selected for an award, none of the application costs will be reimbursed, regardless of the Eligible Entity's allowability of such costs.

3.14 Can Eligible Entities run more than one Benefit of the Bargain round?

Yes. All Eligible Entities must conduct at least one Benefit of the Bargain subgrantee selection round for every BEAD-eligible BSL. Eligible Entities can choose to conduct more than one Benefit of the Bargain subgrantee selection round. However, for locations not included in any applications during the initial Benefit of the Bargain round, the Eligible Entity may elect to secure service commitments through direct negotiation instead of conducting another subgrantee selection round.

3.15 What should Eligible Entities consider when determining Minimal BEAD Program Outlay?

To determine Minimal Program Outlay, Eligible Entities must consider three factors:

1. The total BEAD funding required for the project (the total project cost minus the applicant's proposed match);
2. The cost per BSL of the project (the total BEAD funding that will be required to complete the project divided by the number of BSLs the project will serve); and
3. The combination of the proposals with the lowest overall cost to the Program

The third factor – the combination of the proposals with the lowest overall cost to the Program – is not a set "formula." For example, suppose a project area has 20 BSLs, and the Eligible Entity receives two Priority Broadband Project proposals to serve them:

- Proposal A is $100 to serve 15 locations (It took out five locations due to excessive cost.)
- Proposal B is $200 to serve all 20 locations

At first glance, one might conclude Proposal A is the most cost-effective. But the Eligible Entities should also consider how much it will cost to serve the five 'excessive cost' BSLs Proposal A omitted.

If funding another provider to serve those five remaining locations will cost $500, the total cost to BEAD to serve the project area (Proposal A ($100) + $500 = $600) far exceeds the cost of Proposal B ($200), and thus Proposal B should be selected, if all other things are equal.

3.16 How long is an applicant required to provide a low-cost service option (LCSO) to eligible subscribers?

Applicants must offer an LCSO throughout the 10-year federal interest period, or in the case of a LEO subgrant, the 10-year period of performance (see RPN, Appendix C). If an applicant seeks the flexibility to change the cost of the LCSO over time, then it must state the methodology it will use to set the LCSO in the future (e.g., tied to inflation or changes in the FCC's urban rate benchmark, etc.) in its subgrant application.

3.17 If an Eligible Entity does not complete its SGS within the 90-day period, will unserved and underserved BSLs not already included in a project selection remain unserved?

No. Eligible Entities are expected to connect all unserved and underserved locations. If the Eligible Entity is unable to complete its Final Proposal by the deadline, it may seek a waiver.

3.18 If no applications are received for a BSL during the Benefit of the Bargain round, an Eligible Entity may select an application submitted prior to the RPN release, so long as the cost is not excessive. Does this principle also apply to previously secured direct negotiation commitments?

Yes, as long as the provider agrees.

3.19 Are BEAD subgrantees permitted to adjust the service available to a subscriber commensurate with network usage as revealed by metering?

The BEAD 100/20 Mbps and <100ms requirement is a floor for the minimum acceptable service, which means customers served by the BEAD-funded network must receive at least 100/20 Mbps and <100 ms

latency pursuant to the terms of the subgrant agreement for the BEAD subgrantee to be in compliance with the terms and conditions of the subgrant.

3.20 If NTIA overturns a provisional award in an Eligible Entity's Final Proposal submission, will the Eligible Entity have an opportunity to ensure the locations in the overturned proposal are served?

Yes. Because Eligible Entities are required to serve all unserved and underserved locations, they would have an opportunity to find a solution to deploy broadband to the locations in question.

If an Eligible Entity, in consultation with NTIA, determines that a BSL cannot be served due to excessive costs (or zero provider bids), it should apply non-service code 7 (financially incapable), as described in the Final Proposal Guidance, to the relevant unserved BSLs.

3.21 Do BSLs remain BEAD-eligible if they are included in a state-funded enforceable commitment to reserve LEO capacity?

No, BSLs covered by a state-funded enforceable commitment to reserve LEO capacity are not eligible for BEAD funding, even if no one at the BSL has subscribed to service yet. The Eligible Entity should not put these locations out for bids during the Benefit of the Bargain round and instead should list them as covered by Reason Code 4 (locations already served by an enforceable commitment) during Final Proposal submission.

3.22 How should Eligible Entities determine which project proposals are Priority Broadband Projects?

As stated in the RPN:

> Any applicant may seek to have the Eligible Entity treat its application as a Priority Broadband Project regardless of the technology used. The applicant's project, however, must still meet the required speed and latency standards set forth in the statute and the NOFO and demonstrate that it meets the additional statutory criteria, including that the project can easily scale speeds over time to support evolving connectivity needs and the deployment of 5G and successor wireless technologies. Applicants must provide supporting documentation sufficient for the Eligible Entity to assess the network application and determine that the proposed network architecture for each specific project area meets this standard.

Because of their on-the-ground familiarity with unserved areas in their jurisdiction, Eligible Entities are given significant leeway in determining which project proposals meet the definition of a Priority Broadband Project. To properly make this determination, an Eligible Entity must establish a review methodology that addresses each component of the statutory definition of a Priority Broadband Project and that can be fairly applied to assess all proposed projects that request Priority Broadband Project Status. Although an Eligible Entity must apply its Priority Broadband Project review standard in a fair and indiscriminate manner, an Eligible Entity may determine that a given application using a certain technology is not a Priority Broadband Project for one particular project area but is a Priority Broadband Project for another particular project area. For example, in applying its review methodology, an Eligible Entity could determine that the relevant technology cannot easily scale to meet evolving connectivity needs in one project area but can easily scale in another project area.

What follows are examples of how an Eligible Entity may analyze a proposal – both as a standalone proposal tailored to serve a specific project area and in light of all proposals submitted by the same applicant across the state – to determine if it meets all statutory criteria for a Priority Broadband Project.

1. Provides broadband service at speeds of no less than 100/20 Mbps with latency less than or equal to 100 milliseconds:

    a. Review applicants' network design and diagrams to determine that the proposed project meets the minimum speed and latency standards.
    b. For example, an Eligible Entity may determine that an applicant with several project proposals across the state may not merit Priority Broadband Project status for all proposals if a proposed technical capability showing is not sufficiently tailored to a given project area.

2. Can easily scale speeds over time to meet the evolving connectivity needs of households and businesses and support the deployment of 5G, successor wireless technologies, and other advanced services:

    a. *Project Area Geography (Including Topography)*:
        i. Consider the natural and physical features of a project area (including weather patterns) when determining the suitability of a proposed project.
        ii. For example, assess tree coverage or threats to infrastructure in a project area that would make certain applications a priority over others.
    b. Project Area Density:
        i. Consider the number of people or BSLs in the proposed project area when determining the suitability of a proposed project.
        ii. For example, assess the concentration of BSLs in a project area that would make certain applications nonpriority due to lack of scalability.
    c. Statewide Capacity:
        i. Consider the capacity of an applicant to meet the Priority Broadband Project definition if awarded for all proposed BEAD projects statewide.
        ii. For example, explain why an application that may be considered a Priority Broadband Project for a discrete project area is ultimately designated a non-Priority Broadband Project after reviewing the applicant's proposals across the Eligible Entity and assessing the technological capacity to scale service over time that meets all Priority Broadband Project criteria.
        iii. An Eligible Entity may determine that an applicant lacks capacity to deliver Priority Broadband for every project it applied for in the state. In cases where an Eligible Entity determines that an applicant cannot deliver Priority Broadband service to all locations for which it applied due to capacity concerns an Eligible Entity may still consider one or more discrete proposals from the applicant as Priority Broadband Projects because the smaller number of locations will alleviate the capacity concerns.

NTIA will afford reasonable deference to each Eligible Entity's methodology for determining Priority Broadband Project status based on the characteristics of individual project areas within its jurisdiction. An Eligible Entity may not make a blanket determination for a technology on a statewide basis.

3.23 Is an Eligible Entity required to submit a budget modification prior to starting the Benefit of the Bargain Round?

No. An Eligible Entity is not required to submit a budget modification to start or conduct its Benefit of the Bargain round. NTIA encourages each Eligible Entity to use their currently-approved budget to conduct subgrantee selection activities, so long as the activities are allowable under that budget.

3.24 Can an Eligible Entity reopen its prequalification prior to receiving NTIA's acceptance of its IP Corrections letter?

Yes. An Eligible Entity can reopen prequalification at any time before SGS begins.

3.25 Can Eligible Entities open their Benefit of the Bargain Round before they receive the updated SACs and Terms and Conditions?

Yes. Eligible Entities can and should continue to execute their subgrantee selection process without updated SACs and Terms and Conditions. NTIA and NIST will issue updated General Terms and Conditions and Specific Award Conditions upon the approval of an Eligible Entity's Initial Proposal correction and Final Proposal. Eligible Entities should follow the guidance provided in the RPN until updated General Terms and Conditions and Specific Award Conditions are incorporated into the BEAD awards.

3.26 How does an applicant indicate to the Eligible Entity that it would like a project proposal to be deemed a Priority Broadband Project?

As stated in Section 3.1 of the RPN, "any applicant may seek to have the Eligible Entity treat its application as a Priority Broadband Project regardless of the technology used," (p. 9). To that end, applicants should consult their Eligible Entity for specific application guidance regarding Priority Broadband Projects. It is the responsibility of the Eligible Entity to provide instructions regarding its application process.

3.27 An Eligible Entity may apply secondary criteria to score competing applications when project costs are within 15% of the lowest-cost proposal. In this context, what is considered the 'project cost?'

To determine if secondary criteria can be used to score competing applications, Eligible Entities should first calculate the Federal share of each project; the Federal share can be found by subtracting the applicant's proposed match from the total project costs. Then the Eligible Entity must assess the Federal share on a per location basis (i.e., Federal share of the cost divided by the number of BSLs in the project). **This per location cost is considered the 'project cost' for purposes of determining when the Eligible Entity should use secondary criteria for scoring competing low-cost proposals.**

3.28 May BEAD subgrantees offer the LCSO to all potential subscribers on the BEAD-funded network?

Yes. Subgrantees may offer the LCSO to all potential subscribers on the BEAD-funded network and are not required to limit the LCSO to eligible subscribers only. Potential subgrantees should use their applications to clearly explain which households, in addition to all Lifeline eligible households, may subscribe to the LCSO. A LCSO is an offering with a lower rate, or additional benefits, compared to what the subgrantee is currently offering to all potential subscribers. As required by IIJA and the NOFO, the

LCSO must offer speeds of at least 100/20 Mbps and latency performance of no more than 100 milliseconds.

If a subgrantee initially agrees to offer the LCSO to a broader group of subscribers than what is required by the RPN, it is not obligated to maintain such offer to the broader group for the entire federal interest period (or 10-year period of performance in the case of LEO capacity subgrants). However, if a subgrantee later decides to limit LCSO eligibility to eligible subscribers (as defined in the RPN), it must begin verifying eligibility as described in the RPN.

3.29 May an Eligible Entity require a specific rate for the low-cost service option (LCSO) when required by state law?

No. The IIJA prohibits NTIA or the Assistant Secretary from engaging in rate regulation. Because the Assistant Secretary must approve the LCSO in the Final Proposal, the rate contained may not be the result of rate regulation. The RPN addressed this fundamental flaw in the BEAD NOFO. The RPN eliminated BEAD NOFO requirements dictating price and other terms for the required low-cost service option. Per the RPN, states may not apply state laws to reimpose LCSO requirements removed by the RPN. More specifically, the RPN "prohibits Eligible Entities from explicitly or implicitly setting the LCSO rate a subgrantee must offer" (BEAD Restructuring Policy Notice, p.7). Violation would result in rejection of the Final Proposal.

3.30 Can an Eligible Entity apply a metric such as 1,000/500 Mbps as a threshold to meet the statutory requirement for scalability for purposes of determining a Priority Broadband Project? When should an Eligible Entity require an applicant to meet this threshold to demonstrate its compliance with the statute?

To comply with the statute, applicants cannot be required to provide more than 100/20 Mbps to each broadband serviceable location in a priority broadband project area by the end of the Period of Performance. The Eligible Entity may apply a metric such as 1,000/500 Mbps to determine the "evolving connectivity needs of households and businesses" under the statutory definition of a Priority Broadband Project and require applicants to submit evidence that the network built by the project could reach this goal by the end of the Federal Interest Period (or extended LEO Capacity subgrant Period of Performance).

3.31 How can an Eligible Entity evaluate scalability?

The ability to scale involves the technology used, how a network is engineered, the service plans offered, and the network operator's policies and practices regarding network upgrades. Understanding how many subscribers can be supported at specific speeds on segments of the network before upgrades are required is important to determine the scalability of a network as built. The provider's policies for how and when to augment network segments will demonstrate how they will add capacity when needed. This includes more than just the speed of existing electronics, but also latent capacity of infrastructure (e.g., room for adding fiber to existing conduits or towers that can support additional base-station radios and antennas). Eligible Entities should document how they evaluate scalability for their records.

3.32 Are subgrantees permitted to include drop costs in the standard installation fee they charge to customers?

No. A location covered by a BEAD project is served when the subgrantee is able to perform a standard installation at the location, which is the initiation of fixed broadband internet access service within ten (10) business days of a request with no charges or delays attributable to the extension of the network of the provider.

BEAD subgrantees may charge standard installation fees to subscribers on the BEAD-funded network but may not require subscribers to make modifications to their own or surrounding property or charge fees for the same in connection with installation of broadband services funded by the BEAD Program.

3.33 What rules must Eligible Entities follow when they employ direct negotiation to serve BSLs?

All providers must have had an opportunity to competitively apply to serve the BSLs in question before an Eligible Entity can engage in direct negotiation. In addition, when directly negotiating, Eligible Entities should ensure that the providers with which they engage meet all BEAD eligibility gating criteria.

3.34 If a provider has built out the necessary infrastructure to serve a location but has not yet started providing service (and will not do so before the Benefit of the Bargain round), can an Eligible Entity apply reason code 5 to that location?

No. However, reason code 6 may be applicable in limited situations. Reason codes cannot be applied in situations where service is planned but not yet built. If the infrastructure is built but not yet turned on (and therefore not depicted in the FCC map), reason code 6 may be appropriate. Eligible Entities need to make their case in writing to NTIA in this situation.

3.35 Can an Eligible Entity disqualify an application if it is incomplete or inadequate?

If an applicant does not provide the information needed for an Eligible Entity to determine that it meets the financial and managerial capacity, technical and operational capability, and other requirements in 47 U.S.C. § 1702(g)(2)(A) for the project area, the application can be disqualified or determined to be non-priority. However, to encourage broad participation, NTIA encourages Eligible Entities to allow applicants to cure their applications to the extent allowable by state law.

3.36 When calculating minimum BEAD outlay, can an Eligible Entity consider replacement and/or maintenance costs that will be required during the 10-year federal interest period (or, in the case of LEO capacity subgrants, the extended period of performance)?

No. The Eligible Entity may not consider potential future expenses that are not included in the applicant's proposal.

3.37 Are Eligible Entities required to conduct site visits to confirm the correct application of reason codes throughout the period of performance?

No, Eligible Entities are not required to conduct site visits during the period of performance to verify correct application of reason codes. For example, if a subgrantee determines that a BSL within a BEAD

project is a haybale that does not require service, the Eligible Entity should not need to conduct a site visit before allowing application of reason code 1 (location should not have a broadband connection).

Eligible Entities will be conducting site visits on a regular basis throughout the period of performance to monitor deployment progress, but not for the explicit purpose of approving the use of a reason code.

3.38 Do Eligible Entities have to complete the SAC meeting prior to beginning the Public Comment period?

Yes. Eligible Entities may release their Final Proposal for public comment only after they have received written communication from NTIA of the successful completion of the SAC meeting. This communication will come via email from the Eligible Entity's Federal Program Officer.

4. Cost Sharing and Matching

4.1 What are the matching requirements for BEAD?

As described in Section III.B.1. of the NOFO, except in certain specific circumstances (i.e., projects in "high-cost areas" and other cases in which NTIA has waived the matching requirement), in the context of subgrants used to fund broadband network infrastructure deployment, each Eligible Entity shall require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs. A matching contribution may be provided by the subgrantee, an Eligible Entity, a unit of local government, a utility company, a cooperative, a nonprofit or philanthropic organization, a for-profit company, regional planning or governmental organization, a federal regional commission or authority, or any combination thereof. While the match may be provided by multiple sources, Eligible Entities are encouraged to the maximum extent possible to require a match from the subgrantee before utilizing other sources of matching funds.[1] Eligible Entities are also required to incentivize matches of greater than 25 percent from subgrantees wherever feasible (especially where expected operational costs and revenues are likely to justify greater investment by the subgrantee) to reduce the federal share of projects and extend the reach of BEAD Program funding.

4.2 Can federal funds be used as matching funds? (e.g., ARPA Capital Projects Fund)

Federal funds may not be used as matching funds, except as expressly provided by federal statute. The Infrastructure Act expressly provides that for the BEAD Program matching funds may come from a federal regional commission or authority and from funds that were provided to an Eligible Entity or a subgrantee for the purpose of deploying broadband service under the following legislation, to the extent permitted by those laws

- Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178);
- CARES Act (Public Law 116-136; 134 Stat. 281)
- Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or
- American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4).

Eligible Entities are encouraged to consider terms and conditions that may be associated with potential sources of match funds and how those may impact the project overall. For example, if an Eligible Entity utilizes federal regional commission funding as a match, the project will need to comply with all BEAD programmatic requirements and any requirements imposed by the federal regional commission.

Additional information about matches from other federal programs can be found in Section III.B.3. of the NOFO.

[1] Rather than using state or local funds as a match to BEAD projects, Eligible Entities are encouraged to use these funding sources on broadband separately and leverage additional subgrantee match commitments. Eligible Entities also must use BEAD Program funds to supplement, and not supplant, the amounts that the Eligible Entity would otherwise make available for the purposes for which the grant funds may be used.

4.3 What are circumstances under which NTIA may consider granting a match waiver?

As explained in Section III.B.5. of the NOFO, in evaluating requests for waiver of the BEAD Program's non-federal match requirement, NTIA will carefully balance the Program's various objectives. Thus, the Assistant Secretary will generally seek to minimize the BEAD funding outlay on a particular project to extend the Program's reach, and expects to grant waivers only in special circumstances, when waiver is necessary to advance objectives that are critical to the Program's success. In order to be considered for a waiver, an Eligible Entity must submit a request that describes the special circumstances underlying the request and explain how a waiver would serve the public interest and effectuate the purposes of the BEAD Program. The Assistant Secretary retains the discretion to waive any amount of the match, including up to the full 25 percent requirement.

4.4 Can matching funds be provided in any form other than cash? What are allowable in-kind contributions?

Section III.B.4. of the NOFO states that matching funds may be provided in the form of either cash or in-kind contributions, so long as such contributions are made consistent with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth at 2 C.F.R. Part 200. In-kind contributions, which may include third-party in-kind contributions, are non-cash donations of property, goods or services, which benefit a federally assisted project, and which may count toward satisfying the non-federal matching requirement of a project's total budgeted costs when such contributions meet certain criteria. In-kind contributions must be allowable and allocable project expenses.

The rules governing allowable in-kind contributions are detailed and encompass a wide range of properties and services. NTIA encourages applicants to thoroughly consider potential sources of in-kind contributions that, depending on the particular property or service and the applicable federal cost principles, could include

- Employee or volunteer services;
- Equipment;
- Supplies;
- Indirect costs;
- Computer hardware and software; and
- Use of facilities.

In the broadband context this could include, consistent with federal cost principles:

- Access to rights of way;
- Pole attachments;
- Conduits;
- Easements; or
- Access to other types of infrastructure.

4.5 Is the 25% non-federal match required for BEAD Planning Funds?

A non-federal match is not required for Initial Planning Funds.

As described in the NOFO, except in certain specific circumstances in the context of subgrants used to fund broadband network infrastructure deployment (i.e., projects in "high-cost areas" and other cases in which NTIA has waived the matching requirement), each Eligible Entity shall provide, require its subgrantee to provide, or provide in concert with its subgrantee, matching funds of not less than 25 percent of project costs. A matching contribution may be provided by the subgrantee, an Eligible Entity, a

unit of local government, a utility company, a cooperative, a nonprofit or philanthropic organization, a for-profit company, regional planning or governmental organization, a federal regional commission or authority, or any combination thereof. While the match may be provided by multiple sources, Eligible Entities are encouraged to the maximum extent possible to require a match from the subgrantee before utilizing other sources of matching funds. Eligible Entities are also required to incentivize matches of greater than 25 percent from subgrantees wherever feasible (especially where expected operational costs and revenues are likely to justify greater investment by the subgrantee) to reduce the federal share of projects and extend the reach of BEAD Program funding (NOFO Section III.B.1).

4.6 Can state highway right of ways (ROWs) be used as match for the BEAD Program?

Yes, state highway ROWs can be used as a match subject to the requirements around in-kind contributions. In-kind contributions are non-cash donations of property, goods or services, such as waiver of fees associated with access to rights of way, pole attachments, conduits, easements, or access to other types of infrastructure (NOFO Section III.B.4).

4.7 Is it allowable for an Eligible Entity to contribute municipal revenue bond proceeds as matching funds for a BEAD?

The Infrastructure Act and BEAD NOFO include a matching requirement of not less than 25 percent of project costs, subject to certain waivers (Act Section 60102(h)(3)(A), and NOFO Section III.B.1). A non-Federal entity may contribute municipal revenue bond proceeds to meet its BEAD matching funds requirement, so long as the contributions meet the criteria laid out in 2 CFR § 200.306(b) and such use is consistent with the terms of the bond. Such a bond would be considered governmental revenue, and not program income, under 2 CFR § 200.307(c).

4.8 If a BEAD Eligible Entity contributes municipal revenue bond proceeds as matching funds, can the Eligible Entity then use program income to repay a revenue bond?

Under the Financial Assistance Standard Terms and Conditions (ST&Cs), unless otherwise indicated in a specific award term, program income may be used for any required cost sharing consistent with 2 CFR § 200.307 (see ST&Cs Section B.05). Any match contributions must meet the criteria of allowable costs (2 CFR § 200.306(b)(4)). Allowable costs for the BEAD Program are determined in accordance with the cost principles identified in 2 CFR Part 200, including Subpart E of such regulations, for States and non-profit organizations, and in 48 CFR Part 31 for commercial organizations (NOFO Section V.H). A recipient may request that the Grants Officer and NTIA consider the repayment of the principal of the bond as an allowable cost. However, the repayment of the interest portion of the municipal revenue bond would not be allowable for the proposed project purpose. The Grants Officer would have to approve any such a proposal to use program income to repay revenue bonds and may require special award conditions.

4.9 Can U.S. Treasury Coronavirus Capital Projects Fund (CPF) grants be used for BEAD matching funds?

Yes, CPF grants can be used as matching funds. Further, assets purchased with previously disbursed CPF grant funds may be used as an in-kind matching contribution for the BEAD program if the purchase of that asset was an eligible use of BEAD funding. Eligible Entities that use CPF funds as the source of

matching funds must comply with the requirements of both programs, as well as regulations regarding in-kind matches.

4.10 Who is the beneficiary for the performance bond?

The Eligible Entity should be the primary beneficiary.

4.11 Does the performance bond amount need to include the match portion of the project or only the federal investment?

The performance bond only needs to be for the amount of the federal funds in the project.

4.12 Are LEO capacity subgrantees required to meet the 25% match requirement?

Yes, LEO capacity subgrantees are required to meet the 25% match requirement (BEAD NOFO, III.B.1. p. 20).

4.13 Do all cost sharing and matching funds need to comply with the RPN?

Yes. All costs incurred after June 6, 2025, including cost share and match, must comply with the terms of the RPN. Per Section 8 of the RPN "any costs incurred by an Eligible Entity after the publication of the RPN that do not comply with the terms of the RPN may be disallowed" (p. 16). Remember that the BEAD cost sharing requirement only applies to broadband deployment projects.

4.14 Under what circumstances would a subgrantee be able to contribute existing infrastructure as in-kind match?

To serve as in-kind match, network infrastructure must be necessary for completion of the BEAD project. Only the portion of existing infrastructure that is directly attributable to, and used for, the BEAD project may be claimed as in-kind match. Contributions must be based on a clearly defined pro-rated share of the contributed infrastructure and otherwise adhere to all programmatic requirements, including 2 CFR 200.306.

4.15 Can an ISP simply claim a percentage of an existing network connected to a BEAD project as in-kind match?

No. Connection to a BEAD project alone is not sufficient justification to use existing infrastructure as in-kind match.

Similarly, an ISP may not simply attribute a percentage of an entire network which serves other locations to the BEAD project without clearly defining the pro-rated share of the contributed infrastructure. In other words, contributions may only be claimed as in-kind match if such contributions are based on a clearly defined pro-rated share of the contributed infrastructure that is directly attributable to, and used for, providing service to BEAD locations.

4.16 What requirements must be met to use infrastructure as in-kind match?

In-kind match contributions, including existing infrastructure, must be allocable and allowable project expenses, necessary to complete the project, and eligible to become part of the BEAD project. All in-kind match contributions must adhere to 2 CFR 200.306, including the requirement that they may not be included as contributions for any other Federal award or paid by the Federal Government under another

Federal award. They must also comply with all BEAD programmatic requirements, including BABA. The entire BEAD project must comply with the BABA requirements, including but not limited to purchases made with matching funds and in-kind match contributions of construction materials and manufactured products (including materials or products used in previous construction regardless of source). See OMB M-24-02 Section IV, BABA FAQs, BEAD FAQ 4.4 for more information.

4.17 Is existing broadband infrastructure contributed as in-kind match subject to NEPA and Section 106 requirements?

Existing infrastructure that is otherwise allowable to be used as in-kind match is not subject to NEPA and Section 106 requirements and does not need to be included in the Environmental Screening and Permitting Tracking Tool (ESAPTT) if:

- It was built prior to subgrantee selection,
- It was planned, funded, and executed independent of any proposed BEAD project (e.g., previously planned capital improvements), and
- It was not deployed for the purpose of furthering the BEAD project.

Existing infrastructure that is otherwise allowable to be used as in-kind match must be represented as part of the BEAD project in the ESAPTT tool if:

- The in-kind match contribution was built for the purpose of making the BEAD-funded action viable; and/or
- It constitutes a connected action, as defined in the Guidance on NTIA National Environmental Policy Act Compliance.

The Eligible Entity, acting in its role as joint lead agency, must ensure that the Eligible Entity's NEPA specialist has reviewed and validated that all projects, including those that use existing infrastructure, have met all NEPA and permitting requirements.

5. BEAD General Terms and Conditions: Protecting the BEAD Program from Defaults

5.1 What did Assistant Secretary Roth mean when she stated on October 28, 2025, at the Hudson Institute that "NTIA will require states to have providers certify in writing that they will not require or take additional federal subsidies—including operational subsidies—to complete or operate their BEAD projects"?

NTIA is requiring that all contracts between Eligible Entities and Subgrantees incorporate a provided templatized certification from the Subgrantee that its application did not rely on the prospect of receiving speculative additional federal funding to fulfill its BEAD obligations, and that it will not need or accept such additional federal broadband funds to serve its BEAD-funded locations. The Eligible Entity must submit each certification as a standalone document (i.e., do not submit the subgrant agreement itself) to NTIA and inform all Subgrantees that NTIA may publish the certifications.

5.2 *(Updated March 2026)* What are the requirements of the "Protecting the BEAD Program from Defaults" certification document?

The Subgrantee certification referenced in the "Protecting the BEAD Program from Defaults" condition must:

- be a standalone machine-readable PDF document;
- be saved according to a consistent file-naming format established by the Eligible Entity that includes the Subgrantee UEI;
- be signed and dated by the Authorized Organization Representative (AOR) signing the subgrant agreement on behalf of the Subgrantee, and the AOR must have signatory authority for the Subgrantee's affiliates; and
- include Subgrantee contact information.

5.3 Is signing the subgrant agreement sufficient to satisfy the "Protecting the BEAD Program from Defaults" condition?

No. The Eligible Entity must require the Subgrantee to sign its subgrant agreement and provide a separate, signed and dated, document with the required templatized language. The Subgrantee will provide this signed certification document to the Eligible Entity when submitting its signed subgrant agreement. Failure to submit this stand-alone certification document will result in grant funds being held (unavailable) from the Subgrantee until the time the certification is received by the Eligible Entity.

5.4 How will Universal Service Fund (USF) recipients be impacted by signing the certification?

The certification is forward-looking, only applies to BEAD-funded locations, and only applies to federal funds for broadband network deployment and operations. The certification does not apply to federal support for non-BEAD-funded locations, nor does it apply to non-federally funded programs, such as state universal service programs.

The certification applies through the end of the BEAD-funded network's federal interest period (or extended period of performance in the case of LEO Subgrantees). Most locations already receiving federal broadband support were not eligible for BEAD, but in the rare cases where a provider is already receiving support or was already specifically committed support prior to its BEAD application to serve a location that is included in a BEAD project, the provider may continue receiving such support under the existing terms of the other federal program to serve the BEAD-funded location.[2]

5.5 What if the subgrantee refuses to sign the certification?

Subgrantees are required to sign the certification to receive BEAD funding. Participation in BEAD is contingent on making this commitment. If the Subgrantee refuses to sign the certification, it is ineligible to receive BEAD funding as a Subgrantee.

5.6 How and when does the Eligible Entity submit the signed certifications to NTIA?

The Eligible Entity will email the signed certifications to its assigned Federal Program Officer no later than 30 calendar days after a subgrant agreement is signed. The Eligible Entity can email the certifications on a rolling basis individually or in batches; however, it is the Eligible Entity's responsibility to ensure all signed certifications are submitted in accordance with the requirement to finalize all subgrant agreements no later than six (6) months from the date of approval of its Final Proposal, as dated in the Notice of Award Amendment issued by NIST.

5.7 Are there any best practices for the Eligible Entity to track the submission of the certifications?

As a best practice, Eligible Entities can utilize the *fp_subgrantees.csv* file, submitted with their BEAD Final Proposals, for tracking submission. This CSV file contains a comprehensive list of the Subgrantee UEI, official UEI name and FRN. It is recommended that the Eligible Entity make a copy of this file and add columns to track status of the certification, the file name of the certification document, or any other significant information (i.e., collection and filing deadlines).

5.8 How will High-Cost Universal Service Fund (USF) recipients who are receiving support through a mechanism other than ACAM or the Alaska Connect Fund be impacted by signing the certification?

BEAD FAQ 5.4 addresses the impact of the BEAD General Terms and Conditions on providers receiving ACAM or Alaska Connect Fund support. Some BEAD subgrantees may already be receiving support from the FCC to serve BEAD-funded locations through High-Cost USF support mechanisms that are

[2] Specifically, a provider receiving A-CAM support pursuant to the 2018 Rate of Return Reform Order would be eligible to continue receiving such support through its support term of 2028, even if the provider receives a BEAD award to serve BSLs within its A-CAM area. Connect America Fund et al., Report and Order, Further Notice of Proposed Rulemaking, and Order on Reconsideration, FCC 18-176, WC Docket Nos. 10-90, 14-58, and 07-135, CC Docket No. 01-92 (rel. Dec. 13, 2018). Further, a provider relying on the Federal Communications Commission's 2024 decision to make Alaska Connect Fund support available for fixed services to eligible telecommunications carriers in Alaska that receive BEAD funding would not be precluded from receiving such support for BEAD-funded locations. Connect America Fund et al., Report and Order and Further Notice of Proposed Rulemaking, FCC 24-116, WC Docket Nos. 10-90, 23-328, 16-271, 14-58, and 09-197, WT Docket No. 10-208 (rel. Nov. 4, 2024).

based on actual costs as opposed to ACAM or the Alaska Connect Fund. Examples of cost-based mechanisms currently supporting BEAD-funded locations include CAF-BLS and Legacy Funds such as High Cost Loop Support. BEAD subgrantees may continue receiving cost-based support for BEAD-funded locations if they are already receiving such support when the BEAD subgrant agreement is signed, but only if costs reported to USAC and/or NECA fully and accurately account for funding received pursuant to the BEAD subgrant to avoid duplication of costs recovered from government funding.

5.9 Does signing the certification prevent a subgrantee from participating in Lifeline?

No. The certification only applies to federal subsidies for broadband deployment and operations and only applies to BEAD-funded areas and locations. NTIA does not consider Lifeline to be a subsidy for broadband deployment or network operations.

5.10 What can an Eligible Entity do now to ensure BEAD service is deployed to all Broadband Serviceable Locations (BSLs) at the end of a project's period of performance?

An Eligible Entity should take several measures to ensure that BEAD service is deployed to all BSLs at the end of a project's period of performance.

Evaluation and monitoring of subgrantee financial and managerial capacity. In accordance with 47 U.S.C. § 1702(g)(2)(A) and the Protecting the BEAD Program from Defaults condition of the BEAD General Terms and Conditions, the Eligible Entity must ensure that all subgrantees have the financial and managerial capacity to meet the commitments made and agreed to in the subgrant agreement and the requirements of the BEAD Program. Further, the Eligible Entity must evaluate the subgrantee's risk at the start of the award and continue monitoring the progress of the subgrantee towards completing project milestones throughout the period of performance.

Letter of Credit or Performance Bond. As described in the BEAD NOFO and the BEAD Letter of Credit Programmatic Waiver, Eligible Entities are reminded that they may maintain the Letter of Credit requirement at 25% of the subaward amount or the Performance Bond at 100% of the subaward amount until milestones are successfully achieved, or through the period of performance to ensure service is deployed to all BSLs.

Milestone Payments. In the case of Fixed Amount Subawards (FASAs), Eligible Entities should structure milestone payments to incentivize project completion. Final payment milestones should be sufficiently large to account for the cost of serving the most expensive BSLs within the project.

Recovery for nonperformance. Under 47 U.S.C. § 1702(g)(2)(B), the Eligible Entity must stipulate reasonable provisions for recovery of funds for nonperformance in all of its subgrant agreements.

Through monitoring activities, the Eligible Entity should ensure that the project remains on track to provide service to all BSLs in the project area. In the event an Eligible Entity identifies any risk of full or partial default (for example, a subgrantee skipping over or not completing the most expensive BSLs during its build-out), the Eligible Entity may:

- Pursue the noncompliance remedies and claw back provisions described in FAQ 9.5;
- Exercise its rights under the Letter of Credit or Performance Bond; and/or
- Recommend suspension or debarment proceedings be initiated by NTIA.

6. BEAD General Terms and Conditions: Ensuring Timely and Effective Deployment of BEAD Projects

6.1 How do the BEAD General Terms and Conditions interact with state laws and regulations regarding broadband internet service?

In order to receive BEAD funding, the Eligible Entity is required to comply with all of the terms described in the BEAD General Terms and Conditions, including the "Ensuring Timely and Effective Deployment of BEAD Projects" condition. This condition requires the Eligible Entity to commit that it will not enforce any law, regulation, or other enforceable obligation that regulates the rates, terms, and conditions of broadband internet service or imposes net neutrality rules, open access, or other utility-style rules on broadband internet service, against a Subgrantee or its affiliates anywhere it provides service within the State, while that Subgrantee has any subgrant that is still within its period of performance, extended period of performance, or federal interest period.

6.2 Does the "Ensuring Timely and Effective Deployment of BEAD Projects" condition apply only to new state laws?

No. The "Ensuring Timely and Effective Deployment of BEAD Projects" condition applies to all existing and future state laws as they impact BEAD Subgrantees (at all locations the Subgrantee serves in the state, not just those funded by BEAD) for the duration of period of performance and the federal interest period.

6.3 Does the "Ensuring Timely and Effective Deployment of BEAD Projects" condition apply only to new services that will be offered by the Subgrantee in the state?

No. If a Subgrantee provides broadband internet service in the jurisdiction of the Eligible Entity, the Eligible Entity (state or territory) may not impose such laws, rules, orders, or other enforceable obligations on any service provided by that Subgrantee, regardless of when the Subgrantee began offering the service.

6.4 Do the BEAD General Terms and Conditions impose any permitting obligations?

Yes. The BEAD General Terms and Conditions require Eligible Entities to take certain actions to streamline permitting processes as described in the condition titled "Grantee Permitting Obligations." This condition is intended to ensure BEAD projects are carried out in a timely and effective manner.

6.5 The "Grantee Permitting Obligations" condition describes actions to ensure broadband-related permits are processed promptly and approvals/denials are provided within 90 calendar days. What if the procedures detailed in the condition conflict with state law?

The Eligible Entity must establish procedures "consistent with any relevant legal requirements and authorities." Eligible Entities should work to satisfy the condition to the maximum extent permitted by state law.

6.6 May the Eligible Entity use BEAD funds to satisfy any of the requirements under the "Grantee Permitting Obligations" condition?

Yes. As joint lead agencies for NEPA, Eligible Entities must have organizational capacity to support permitting. BEAD funds can be used to hire and/or train dedicated broadband permitting staff or contractual support to develop templates, build databases, develop websites, monitor Subgrantees to ensure they understand and comply with NEPA/permitting requirements, and many other uses. Additionally, the Eligible Entity could provide resources to external agencies (e.g., State Historic Preservation Office) for dedicated staff or contractual services to ensure streamlined and expedited broadband permit processing.

Eligible Entities should consult the following documents for suggestions and guidance on how to proceed: NEPA for BEAD FAQs v2 & NEPA for BEAD Smart Start one and two.

6.7 To help Eligible Entities comply with subsection 3 of the "Grantee Permitting Obligations" condition, where can more information be found on implementing Permitting Roundtables?

NTIA developed a model to support states and territories by establishing Permitting Roundtables to enhance communication and resolve project specific permitting issues. Grant recipients may request to add project specific issues to the agenda of Permitting Roundtables held at the state/territory level to proactively navigate and resolve permitting challenges at the earliest possible time. Contact your State or Territory Broadband Office or NTIA Federal Program Officer for more details in addition to reviewing Streamlining_Environmental_Review_and_Permitting for Broadband.

6.8 Subsection 4 of the "Grantee Permitting Obligations" condition states that the Eligible Entity will track, publicly post, and submit to NTIA, information on Subgrantee compliance with the NEPA milestone schedules and data regarding unresolved complaints from Subgrantees. Will specific guidance be provided to help Eligible Entities submit this information (both for SAR submissions and online)?

Yes, NTIA will develop standardized SAR reporting guidelines as well as guidance for the online reporting requirement.

6.9 How should Eligible Entities apply BEAD General Terms and Conditions 13.D.1. (Grantee Permitting Obligations)?

Eligible Entities must apply BEAD GT&C 13.D.1. in its entirety through the subgrant agreement. By signing the contract, BEAD subgrantees – regardless of how the entity is organized – agree that all poles owned within the Eligible Entity's jurisdiction that are not currently subject to state or FCC pole attachment regulation will be governed by FCC rules through the federal interest period. Poles with attachment rates and access that are regulated by state law or by a government corporation such as the Tennessee Valley Authority will not be affected by this provision. NTIA intends for BEAD GT&C 13.D.1. to reduce the regulatory burden on BEAD participants. As such, this term and condition should not result in higher pole attachment fees. The application of FCC rules to previously unregulated poles will establish a ceiling for the attachment fees for such poles. Pole owners should maintain current fees that are lower than they would be under FCC rules regardless of how poles are regulated.

6.10 How should Eligible Entities apply BEAD General Terms and Conditions 13.D.2. (Grantee Permitting Obligations)?

BEAD GT&C 13.D.2. includes the same standard the FCC adopted in 2018 for state and local fees and other charges in the context of deploying small wireless facilities. The BEAD condition requires Eligible Entities to seek to minimize state and local permitting-related costs and seek to ensure that:

(1) permitting fees are a reasonable approximation of the state or local government's costs,
(2) only objectively reasonable costs are factored into those fees, and
(3) the fees are no higher than the fees charged to similarly situated competitors in similar situations.

BEAD project completion will be jeopardized, and service to consumers will suffer, if units of state or local government attempt to extract unreasonably high permitting fees from BEAD subgrantees. Eligible Entities with units of government that engage in such rent-seeking actions will be subject to enhanced NTIA scrutiny and potential enforcement actions to make the BEAD program whole.

7. BEAD General Terms and Conditions: Other

7.1 What is the order of operations for Subgrantees to receive their subgrant agreement from the Eligible Entity and begin the subgrant period of performance and to have funds made available?

All subgrant agreements must be signed within 6 months of the approval of the Eligible Entity's Final Proposal. The period of performance for the subaward will begin once this subgrant agreement is signed by both parties (Eligible Entity and Subgrantee), in accordance with the subgrant agreement terms and conditions. Eligible Entities may not release funding to Subgrantees until the "Protecting the BEAD Program from Defaults" certification is signed and submitted to the Eligible Entity, along with their signed subgrant agreement. Note that Eligible Entities may still be required to hold back grant funding until certain activities have been completed (e.g., NEPA requirements).

7.2 Can a Subgrantee receiving grant funds for multiple projects/project areas submit a single certification to satisfy the "Protecting the BEAD program from Defaults" condition?

A Subgrantee may submit a single letter to the Eligible Entity to certify that it will meet the "Protecting the BEAD program from Defaults" condition for all BEAD projects awarded in the Eligible Entity's jurisdiction. In the letter, the Subgrantee should reference the specific BEAD project awards that the certification applies to. Subgrantees must complete at least one certification document for each Eligible Entity in which they have BEAD projects. A Subgrantee may not submit a single certification letter to cover projects across multiple Eligible Entities.

7.3 What does "Subgrantee and its affiliates" mean?

Subgrantee refers to the entity executing the subgrant agreement with the Eligible Entity. Affiliate refers to an entity related to the Subgrantee by shareholdings or other means of control, such as a subsidiary, parent, or sibling corporation. The Authorized Organization Representative (AOR) signing the subgrant agreement on behalf of the Subgrantee must have signatory authority on behalf of its affiliates. By signing the certification, the Subgrantee confirms that all project areas and BSLs outlined in the subgrant agreement as signed, or as modified, will comply with the "Protecting the BEAD program from Defaults" condition.

8. *Post Final Proposal*

8.1 Where can an Eligible Entity find the deadlines for requirements that are contingent on Final Proposal approval?

Once the Final Proposal has been fully approved by NTIA, a Notice of Award (NOA) Amendment will be issued by the NIST Grants Office to the Eligible Entity. The NOA Amendment will include all relevant deadlines for requirements that are contingent on Final Proposal approval.

8.2 How long after Final Proposal approval do Eligible Entities have to secure signed subgrant agreements?

Eligible Entities must sign binding agreements with subgrantees no later than 6 months from the date their Final Proposals are approved by the NIST Grants Office, as outlined by the Notice of Award (NOA) Amendment. For example, if an Eligible Entity's NOA Amendment is issued on December 1, 2025, then its subgrant agreement signing deadline would be June 1, 2026.

8.3 What activities should Eligible Entities prioritize after their Final Proposals are approved?

After Final Proposal approval, Eligible Entities should prioritize signing subgrant agreements and preparing for NEPA and permitting processes. To advance these goals, Eligible Entities should complete the following activities:

- **Sign and return the Notice of Award (NOA) Amendment:** Eligible Entities must sign the NOA Amendment, return it to NIST, and receive confirmation from NIST before starting activities.
- **To understand all requirements of the award, review:** the BEAD statute, 2 CFR 200, the BEAD NOFO, the BEAD Restructuring Policy Notice, the DOC Financial Assistance General Terms and Conditions, the BEAD General Terms and Conditions, the Subgrantee Obligations resource, the Performance Measures Policy Notice, applicable Final Proposal SACs,[3] and all applicable resources. Then, **update draft subgrant agreements** accordingly.
- **Prepare for NEPA and Permitting Activities:** Eligible Entities will onboard or prepare their NEPA Specialist(s) to initiate environmental screening using the Environmental Screening & Permitting Tracking Tool (ESAPTT) User Guide, notify their FPO of their decision on whether to use the ESAPTT permitting dashboard, review the Smart Start II templates for subgrantee environmental SACs, and review the Dividing BEAD Subgrant Awards into Multiple NEPA Project Areas resource and notify NTIA of subgrant awards with multiple NEPA projects. Eligible Entities are also encouraged to refer to existing NTIA resources for more information on NEPA and permitting.[4]

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[3] This list is not exhaustive and may not reflect every consideration impacting subgrant agreement creation. Eligible Entities are required to ensure that both they and their subgrantees comply with federal and programmatic requirements, per 2 CFR.332.

[4] Eligible Entities may refer to the Roadmap for Streamlined Environmental Review & Permitting; the BEAD Guidance on NEPA and NHPA for LEO Satellite Service; the Smart Start Guide to BEAD NEPA Compliance; and other existing NTIA resources on BBUSA for more information on NEPA and permitting.

- **Submit Outstanding Tribal Resolutions of Consent:** Eligible Entities must coordinate with Tribes to secure any outstanding Tribal Resolutions of Consent for projects on Tribal lands. Outstanding Tribal Resolutions of Consent must be submitted to NTIA for approval no later than 6 months from the approval of the Final Proposal, per the Programmatic Waiver of the Tribal Consent Deadline.
- **Ensure Subgrantees Obtain Letters of Credit or Performance Bonds:** Eligible Entities must ensure that subgrantees obtain either a letter of credit or a performance bond that meets the requirements outlined in the BEAD Letter of Credit Waiver Policy Notices.[5]
- **Finalize Subgrantee Monitoring Plans**: Eligible Entities should finalize subgrantee monitoring plans to allow for the timely collection of data for Semi-Annual Report (SAR) submissions.
- **Sign Final Subgrant Agreements and Addenda**: Eligible Entities must sign binding agreements with approved subgrantees no later than 6 months from the approval of the Final Proposal[6] and submit all signed subgrant agreement addenda to NTIA no later than 6 months and 30 days from the issuance of the NOA Amendment.

8.4 What is the Federal interest period?

The Federal interest period is the period during which the Federal Government (NTIA) has a vested stake in the assets of grant funded projects. For BEAD terrestrial subgrants, the Federal interest in all real property or equipment acquired or improved as part of a subgrant will continue for 10 years after the year in which the subgrant for a project has been closed out in accordance with 2 CFR 200.344. For example, for all subgrants closed out in 2027, regardless of the month, the Federal interest period will last until December 31, 2037. LEO Capacity subgrants are exempt from the Federal interest period requirements but have an extended period of performance under which different requirements apply (see the BEAD Restructuring Policy Notice).

8.5 What if a subgrantee cannot secure a letter of credit or performance bond before signing a subgrant agreement?

The BEAD Letter of Credit Waiver was updated in January 2026 to clarify that, for subgrantees electing to satisfy the BEAD Letter of Credit requirement with a performance bond, Eligible Entities may make securing a performance bond a contingent condition of the subgrant agreement that must be satisfied within 60 days of the execution of the subgrant agreement. If the performance bond has not been obtained prior to entering a subgrant agreement, the Eligible Entity must include a clause in the subgrant agreement that allows for termination of the subaward should the subgrantee fail to obtain the performance bond within 60 days. The Eligible Entity may not pay any subaward funds until the subgrantee has secured the required letter of credit or performance bond.

[5] See the BEAD Letter of Credit Waiver Policy Notice and BEAD Letter of Credit Waiver Policy Notice Update for more details.
[6] For example, if an Eligible Entity's Final Proposal is approved on December 1, 2025, its deadline would be June 1, 2026.

8.6 Is a subgrantee required to secure a performance bond or letter of credit for a subaward that is worth less than $100,000?

Yes. Securing a performance bond or letter of credit is required for all BEAD subawards regardless of cost. For example, a BEAD project awarded $1 of federal funds would require a performance bond or letter of credit.

8.7 Can BEAD subgrantees secure one letter of credit or performance bond that includes multiple BEAD projects within an Eligible Entity?

Yes. If a BEAD subgrantee has more than one BEAD project within an Eligible Entity, they may meet the BEAD letter of credit requirement with a letter of credit or performance bond that lists multiple BEAD projects in the Eligible Entity and the value assigned to each project. This is intended to simplify administration and does not alter the BEAD letter of credit requirement in any way.

8.8 May BEAD subgrantees procure materials for multiple BEAD projects in a single purchase rather than separate per-project procurement?

Yes. Subgrantees may consolidate procurement across multiple BEAD projects to improve efficiency and reduce administrative overhead. When a single procurement supports more than one BEAD project, costs are assigned using standard cost allocation practices so that each BEAD project is charged only for its allocable and allowable share. This approach is common practice and consistent with generally accepted accounting principles (GAAP).

9. Subgrant Agreements

9.1 What are the responsibilities of the Eligible Entity when finalizing subgrant agreements?

It is the responsibility of the Eligible Entity to execute a subgrant agreement that establishes the requirements and expectations for the subgrantee deploying the grant. The Eligible Entity is required to ensure that itself and its subgrantee(s) adhere to all applicable federal, program, state, and local requirements.

The list of sources below is not exhaustive but should be used by Eligible Entities as they draft, finalize, and prepare to execute their subgrant agreements.

- **BEAD Statute**: The authorizing language for the program passed into law by Congress.
- **2 CFR 200:** The set of federal regulations that imposes governing policies, standards, and procedures applicable to all federal grant awards.
- **BEAD NOFO:** The BEAD Notice of Funding Opportunity (NOFO), as modified by the BEAD Restructuring Policy Notice, describes program-specific requirements under which NTIA will award grants, including statutory requirements as defined by the Infrastructure Investment and Jobs Act (Public Law No. 117-58).
- **BEAD Restructuring Policy Notice (RPN):** The BEAD RPN modifies and replaces certain requirements outlined in the BEAD NOFO.
- **DOC Financial Assistance General Terms and Conditions**: The Department of Commerce Financial Assistance General Terms and Conditions stipulate requirements that all Eligible Entities must comply with as a condition of receiving funds.
- **BEAD General Terms and Conditions:** The BEAD General Terms and Conditions stipulate requirements that all Eligible Entities must comply with as a condition of receiving funds.
- **Specific Award Conditions (SACs):** The BEAD Final Proposal SACs are additional Eligible Entity-specific requirements that may be imposed on subrecipients at Federal awarding entity or pass-through entity discretion per 2 CFR 200.208.
- **Performance Measures Policy Notice:** The Performance Measures Policy Notice elaborates on the requirements and mechanisms Eligible Entities and subgrantees must use to validate that BEAD funded networks comply with the speed, latency, and reliability requirements outlined in the IIJA and the BEAD NOFO.
- **Applicable State or Local Requirements:** State and local requirements may apply to the Eligible Entity's execution of subgrant agreements.[7]

Note: This list is not exhaustive and may not reflect every consideration impacting subgrant agreement drafting.

[7] Per the BEAD Restructuring Policy Notice, "[w]here state law conflicts with the requirements of this Policy Notice, Eligible Entities may seek a waiver of that requirement from the Assistant Secretary."

9.2 What can an Eligible Entity consider including in their subgrant agreement?

Eligible Entities should seek their own legal counsel to answer questions they have about subgrant agreements. An Eligible Entity can consider including the following in their subgrant agreements:

- A clause retaining the Eligible Entity's right to collect any information from subgrantees or subcontractors related to budgets, expenses, receipts, financial reports, and deployment milestones at whatever frequency is appropriate
- A clause retaining the Eligible Entity's right to update provisions of the subgrant agreement to align with updated NTIA guidance and requirements
- Language detailing specific enforcement actions, including but not limited to the **required** clawback provisions (see NOFO Section IV.C.I.b) that an Eligible Entity may execute upon findings of noncompliance (such as evidence of improper payments, instances of unauthorized use of funds, etc.)

Note: This list is not exhaustive and may not reflect every consideration impacting subgrant agreement drafting.

9.3 Who should Eligible Entities go to for support as they finalize their subgrant agreements?

Eligible Entities should seek their own legal counsel to answer questions they have about subgrant agreements. NTIA will not review or approve an Eligible Entity's subgrant agreements, and NTIA cannot provide legal advice to Eligible Entities. Eligible Entities may ask their Federal Program Officer questions about subgrant agreements as it relates to program requirements.

9.4 May Eligible Entities and BEAD subgrantees negotiate a subgrant agreement that is inconsistent with program rules?

No. Every subgrant agreement must comply with all BEAD program requirements, including, but not limited to, the requirements outlined in the BEAD NOFO, the BEAD Restructuring Policy Notice, and the BEAD General Terms and Conditions. Federal law, regulations, and program rules will always govern in the event of a conflict with a BEAD subgrant agreement term. The BEAD subgrant agreement may not redefine program terms, relieve either party of responsibilities established by program rules, or assign responsibilities to the potential subscriber that program rules already assigned to the Eligible Entity or BEAD subgrantee. Subgrant agreements are between the Eligible Entity and subgrantee, and it is the Eligible Entity's responsibility to ensure all BEAD program requirements are incorporated into each agreement. NTIA will not require Eligible Entities to agree to any contractual proposals from a subgrantee and advises Eligible Entities to carefully consider any proposal from a subgrantee that seeks to limit the Eligible Entity's discretionary authority.

NTIA emphasizes that no BEAD statutory requirements or other program rules may be altered by a BEAD subgrant agreement. BEAD subgrantees have an obligation to provide at a minimum "qualifying broadband" to all locations covered by the BEAD project 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) round-trip latency less than or

equal to 100 milliseconds. Furthermore, the obligation to provide qualifying broadband cannot be made contingent on successful installation by subscribers or requiring subscribers to make modifications to their own or surrounding property. To help ensure that the subgrantee is meeting the terms of the subgrant agreement, BEAD-funded locations will be subject to performance measures testing by randomly drawing a sample set of locations from all of the subgrantee's active subscribers at BEAD-funded locations for each successive testing cycle.

9.5 *(Updated April 2026)* Will BEAD subgrantees be penalized for failing to deploy (or reserve capacity for) qualifying service to all locations within the BEAD project area?

The BEAD NOFO, 2 CFR Part 200, and Policy Notices and guidance, including the RPN and Uniform Guidance Policy Notice, govern the subgrant agreement between Eligible Entity and subgrantee, including terms to address the failure to deploy to all relevant locations in the BEAD project area. Depending on how the subgrant agreement is structured, the Eligible Entity may:

- Reimburse the subgrantee only for the locations served; or
- Withold a Fixed Amount Sub-Award (FASA) milestone payment if the failure to serve locations led to a failure to meet a FASA programmatic milestone; or
- Claw back funding for the locations the subgrantee failed to serve if the subgrantee was already paid for those locations.

Per 2 CFR § 200.339, noncompliance remedies are available to the Eligible Entity and must be made explicit in the subgrant agreement. Beyond these remedies, NTIA does not authorize any other penalties for failing to deploy (or reserve capacity for) qualifying service to all locations within a BEAD project area. Under IIJA and the BEAD NOFO, Eligible Entities do not have authority to impose monetary penalties on BEAD subgrantees. *See* BEAD NOFO Sec. IX.G.4. for a list of permissible enforcement actions under the BEAD program.

9.6 Are Eligible Entities required to pay subgrantees the entire amount agreed to in the subgrant if the subgrantee meets the requirements of the subgrant?

Eligible Entities must reimburse the subgrantee in accordance with the subgrant agreement terms and conditions. If the subgrantee meets the project requirements for reimbursement either through meeting pre-determined/established milestones under a FASA or cost verification by the Eligible Entity, or both, then the EE must reimburse the subgrantee in accordance with the payment schedule or process detailed in the subgrant agreement (or subgrant terms and conditions).

If the subgrant agreement clearly and specifically establishes a disbursement plan that is based solely on submitted invoices, then the EE will reimburse the subgrantee for the allowable activities incurred. If the subgrant agreement is a FASA where reimbursement is based on the subgrantee meeting programmatic milestones and not review of submitted invoices and/or receipts, the Eligible Entity will reimburse the subgrantee in accordance with the payment schedule for meeting the programmatic milestones listed in the subgrant agreement.

Under a LEO capacity subgrant, the subgrantee will be reimbursed for reserving network capacity. Eligible Entities may set subscription-based milestones (or other metrics) for reimbursement to encourage LEO capacity subgrantees to market their services, but Eligible Entities must ultimately pay the subgrantee the total amount agreed to in the subaward in reasonable increments over the period of performance and prior to close-out of the subgrant, if the subgrantee otherwise meets the terms of the subgrant agreement. Eligible Entities are encouraged to set reasonable subscription milestones (or other metrics) that account for the specifics of the awarded locations. Again, if the subgrant agreement ties payment to meeting these milestones, it should do so in a way that incentivizes subscriber enrollment, as opposed to using this tool to delay reimbursement for actual costs incurred by the Subgrantee. *See* BEAD Restructuring Policy Notice, p. 20.

9.7 (*Updated August 2026*) Is the BEAD scope change threshold for adding locations to the No BEAD list cumulative?

No. The Scope Change and Budget Modification Guidance states that Eligible Entities have direct authority to add No BEAD Locations under Reason Codes 1-3 and may also designate additional No BEAD Locations under Reason Codes 4-7 without NTIA approval,[8] so long as the change does not result in removal of over 20% of Broadband Serviceable Locations (BSLs) or 200 BSLs from a single project (whichever number is smaller). (*Note:* Reason Codes 4 (locations served by Enforceable Commitment) and 5 (locations served by Non-Subsidized Service) may not be used without subgrantee consent after a subgrant agreement has been fully executed or at any period during the subgrantee's period of performance.) If the use of reason codes meets this threshold and if the scope change is approved, this becomes the new approved project area. If the use of reason codes does not meet this threshold, the change(s) will be reported in the Semi-Annual (Technical) Report (SAR).

Whether the updated project area is approved via the SAR or a scope change request, any further use of reason codes is based on the most recent, previously approved project area. While CAIs are not reported on the No BEAD list, if CAIs are removed, they should be included in the 200/20% calculation, and whether the change is made via a scope change or SAR, an updated CAI list should be provided if CAIs are removed from BEAD projects.

9.8 May an Eligible Entity modify a LEO Capacity Subgrant to reflect the increased cost of serving the location when a BSL is not a Single Dwelling but contains Multiple Dwelling Units (MDUs)?

It depends. Applicants that submitted proposals to serve a BSL, as well as Subgrantees with executed subgrant agreements to provide service to BSLs, have an obligation to serve all BSLs contained within its proposal or within its subgrant agreement.

Because MDUs may impose additional costs on LEO Capacity Subgrantees to provide service to each unit, Eligible Entities should verify that the most recent FCC map accurately represents the BSL as an MDU and ensure agreement on the unit count between the FCC map and the subgrantee to clarify the obligations of the subgrantee. The Eligible Entity may pursue the following options as part of its negotiations with the LEO Capacity Subgrantee:

[8] NTIA must have denied the extraordinary circumstances request prior to the use of Reason Code 7.

1. The Eligible Entity may allow the LEO Capacity Subgrantee to serve the BSL as a Single Dwelling if the location was identified as a Single Dwelling in the version of the Fabric the Eligible Entity used for the Final Proposal.
2. The LEO Capacity Subgrantee may request that the Eligible Entity approve additional compensation up to an amount equal to the per-BSL cost originally approved in the Final Proposal multiplied by the number of units, to account for the added costs in serving each unit of the MDU. Total cost to serve the BSL (inclusive of all units) may not exceed four times the original per-BSL cost and remains subject to the same excessive cost limitations implemented under the original Final Proposal review process.
3. If the cost of serving the MDU exceeds four times the original per-BSL cost, the Eligible Entity may request NTIA approval to apply Reason Code 7 to those locations or work with the subgrantee to determine if another Reason Code applies.

If a selected LEO Capacity Subgrantee does not sign its subaward agreement, the Eligible Entity may directly negotiate with other BEAD subgrantees or select the next highest scoring provider to serve the MDU or project containing the MDU, consistent with its policies and procedures and as long as total cost to serve the BSL (inclusive of all units) remains subject to the same excessive cost limitations implemented under the original Final Proposal review process.

It is the responsibility of the Eligible Entity to determine whether or not a budget modification is required (e.g., if there is a change to match). If so, the Eligible Entity must submit a budget modification, per the BEAD Scope Change and Budget Modification Guidance for Eligible Entities. Additionally, if the change results in the removal of over 200 BSLs or 20% of BSLs (whichever is fewer) from a single project, then the Eligible Entity must submit a New No BEAD Locations Post-Award Change request, per the BEAD Scope Change and Budget Modification Guidance for Eligible Entities.

LEO Capacity Subgrantees may not be reimbursed for ineligible locations. Locations that have been removed from BEAD projects through the application of the appropriate Reason Codes (see Reason Codes During the Period of Performance) are no longer eligible for compensation. For example, BSLs no longer depicted in the most current FCC Fabric version must be removed with Reason Code 3 and no additional compensation may be paid to the LEO Capacity Subgrantee. Eligible Entities must ensure that the correct Reason Code is applied to any locations moved to the No BEAD list whether reported through the SAR or a No BEAD Post-Award Change.

9.9 How should Eligible Entities apply Reason Code 5 following Final Proposal approval but prior to subgrant agreement execution?

In July 2026, NTIA shared updated FCC data with Eligible Entities to assist them in identifying locations that may be ineligible for BEAD funding. Eligible Entities are responsible for reviewing locations using updated FCC data, including updates to the Fabric, and for exercising due diligence and local judgment, informed by on-the-ground conditions, when determining whether to apply Reason Code 5 (locations served by Non-Subsidized Service) to remove locations from BEAD projects.

Consistent with the Using BEAD Non-Service Reason Codes During the Period of Performance primer, Eligible Entities must balance the need to account for BEAD-eligible locations that do not require program support with the need to maintain project viability.

9.10 *(Updated August 2026)* May Eligible Entities apply Reason Codes 4 and 5 after subgrant agreements are executed?

No. Reason Codes 4 (locations served by Enforceable Commitment) and 5 (locations served by Non-Subsidized Service) may not be used without subgrantee consent after a subgrant agreement has been fully executed. Subgrantees have a reasonable reliance interest in the terms of their executed subgrant agreement, and altering those terms after award could negatively affect project viability. Providers or governments that choose to overbuild BEAD-funded locations do so with full awareness that those locations are funded by BEAD and that the federal government has an interest in maintaining the financial viability of the project serving those locations during the period of performance. Therefore, Eligible Entities may not apply Reason Codes 4 and 5 unilaterally after the subgrant agreement has been fully executed or at any point during a subgrantee's period of performance.

9.11 Does FAQ 9.10 mean that an Eligible Entity can never use Reason Codes 4 and 5 after a subgrant agreement has been executed?

No. BEAD FAQ 9.10 only prohibits unilateral action by an Eligible Entity. If the subgrantee and the Eligible Entity mutually agree that a location should be removed, then the parties may agree to a project modification. Upon such agreement, the Eligible Entity must then remove the affected locations from the project and add those locations to the Eligible Entity's No BEAD list with the appropriate Reason Code (including Reason Codes 4 and 5).

10. NEPA & Permitting

10.1 What is the National Environmental Policy Act (NEPA)?

The National Environmental Policy Act (NEPA) was signed into law on January 1, 1970. NEPA requires activities or decisions subject to federal control and responsibility, including federally funded actions, to be assessed for ecological, aesthetic, historic, cultural, economic, social or health effects, whether direct, indirect, or cumulative. Consequently, NTIA requires projects funded under the Broadband Equity Access and Deployment (BEAD) Program to be analyzed for potential environmental impacts before infrastructure deployment can begin. **Other federal agencies may have NEPA obligations for BEAD projects that require resource permits, cross or impact federal lands or facilities, or propose construction in road or highway rights of way.**

NEPA can involve three different levels of analysis based on whether an action has the potential to cause significant environmental effects.

- Categorical Exclusion (CatEx): Actions that do not normally have individually or cumulatively significant effects on the human environment may be "categorically excluded" from a detailed environmental analysis. An analysis of environmental considerations of the proposed actions must be completed to determine whether a CatEx can apply.
- Environmental Assessment (EA): An EA will be prepared for projects that do not qualify for a CatEx, and when the significance of the project's environmental impact is not clearly established. If NTIA determines that a project will not have significant impacts on the quality of the environment based on the environmental analysis, a Finding of No Significant Impact (FONSI) is issued. If environmental analysis finds that actions could have significant impact, an Environmental Impact Statement (EIS) would be required.
- Environmental Impact Statement (EIS): An EIS is prepared for projects when the action is determined to significantly affect the quality of the human environment. The regulatory requirements for an EIS are more detailed and rigorous than an EA. NTIA will document the final decision in a Record of Decision (ROD) which identifies the considered alternatives, explains the decision, and summarizes any necessary mitigation measures.

10.2 Where can I go for more general permitting and EHP information regarding BEAD?

General permitting and EHP information is available at NTIA's NEPA for BEAD page and BroadbandUSA.gov; specific questions can be directed to BEAD FPOs. Additionally, more guidance will be provided to Eligible Entities through future technical assistance.

10.3 Does NEPA apply to every BEAD funded infrastructure project? Will all projects require screening and submission in ESAPTT?

The BEAD Restructuring Policy Notice requires Eligible Entities to use the Environmental Screening capabilities in ESAPTT to identify applicable categorical exclusions, enable paperless transmission of environmental documents, and generate draft and final NEPA documents for all BEAD deployments subject to NEPA – regardless of whether they occur on private or public lands. Use of the Permitting Tracking functionality is optional. Please see the BEAD Restructuring Program Policy Notice for details.

As a "joint lead agency" for NEPA, Eligible Entities will prepare, supervise, or review project specific environmental documentation for each BEAD deployment prior to uploading information to ESAPTT.

Additional FAQs related to ESAPTT may be found in FAQ Section 12.

10.4 What do the 2026 BEAD General Terms and Conditions (GT&Cs) require of Eligible Entities regarding NEPA?

Per the 2026 BEAD General Terms and Conditions (GT&Cs), to ensure the timely completion of environmental review for all BEAD-funded activities subject to NEPA review, the Eligible Entity will serve as joint lead agency alongside NTIA. NTIA has developed tools which have been made available to Eligible Entities to minimize potential delays.

For more information, reference 42 U.S.C. 4336a(a)(1)(B) and the duties described in 42 U.S.C. 4336a(a)(2).

The Eligible Entity acting as a joint lead agency will assume the following responsibilities:

- Obtain specialized environmental and historic preservation (EHP) expertise to hire, contract, or otherwise retain staff with relevant NEPA qualifications and experience to support the state/territory office.
- Develop a schedule for environmental review and permitting.
- Prepare or supervise the preparation of NEPA documents, reviewing all drafts, and verifying they meet the requirements of NEPA prior to transmittal to NTIA.
- Ensure that project implementation (site preparation, demolition, construction, ground disturbance, fixed installation, or any other project implementation activities) does not begin prior to NEPA completion.
- Monitor subgrantees to ensure they understand and comply with relevant authorizations and environmental laws, including but not limited to NEPA.

Per the BEAD GT&Cs, the Eligible Entity must not initiate or allow a Subgrantee to initiate any grant funded implementation activities—except for the limited permissible activities identified in GT&C Section 13.E—and must not disburse any BEAD funds for implementation to a Subgrantee prior to the following:

a) The completion of any review required under the National Environmental Policy Act of 1969 (42 U.S.C. 4321, et seq.) (NEPA), and issuance by NTIA and the Grantee, as required, of a Categorical Exclusion (CatEx) determination, Record of Environmental Consideration (REC), Finding of No Significant Impact (FONSI), or Record of Decision (ROD) (hereinafter "decision documents") that meets the requirements of NEPA;
b) Providing technical assistance to permitting agencies to ensure sufficient capacity (e.g., Master Agreement and Consultant Reimbursement Agreement templates, surge support for permit processing, etc.)
c) The completion of reviews required under Section 106 of the National Historic Preservation Act of 1966 (54 U.S.C. 300101, et seq.) (NHPA), including any consultations required by Federal law, to include consultations with the State Historic Preservation Office (SHPO), and Federally recognized Native American Tribes;

d) The completion of consultations with the U.S. Fish and Wildlife Service (USFWS) or the National Marine Fisheries Service (NMFS), as applicable, under Section 7 of the Endangered Species Act (16 U.S.C. 1531, et seq.), and/or consultations with the U.S. Army Corps of Engineers (USACE) under Section 404 of the Clean Water Act (33 U.S.C. 1251, et seq.), as applicable; and
e) Demonstration of compliance with all other applicable Federal, State, and local environmental laws and regulations.

Further, the BEAD GT&Cs require the Eligible Entity to include in all subgrant agreements conditions stating that the Subgrantee will not commence implementation and funds will not be disbursed until any necessary environmental review is complete and NTIA has approved any necessary decision document, except for the limited permissible activities identified in Section 13.E below;

- the Subgrantee must timely prepare any required NEPA documents and obtain any required permits, and must adhere to any applicable statutory deadlines as described in 42 U.S.C. 4336a(g); and
- the Subgrantee must provide a milestone schedule identifying specific deadlines and describing how the Subgrantee proposes to meet these timing requirements including, as required, the completion of consultations, the completion of NEPA and Section 106 reviews, and the submission of Environmental Assessments (EAs) or Environmental Impact Statements (EISs)

Examples of limited permissible activities can include planning, engineering, design, submission of applications, and survey work, including surveys to determine the presence of sensitive resources for purposes of compliance with NEPA, NHPA, ESA, and other relevant laws. Please note that land managing agencies will require Eligible Entities or their subgrantees and consultants to obtain a permit prior to conducting surveys on their lands.

10.5 *(Updated October 2026)* Why should Eligible Entities recruit, obtain, and/or otherwise add NEPA/EHP expertise to their team?

Eligible Entities must evaluate what level of environmental review is appropriate and determine what type of NEPA documentation is required. NTIA provides Eligible Entities with technical support and assistance and approves determinations regarding the level of NEPA analysis required for a project. NTIA is responsible for generating and signing all final NEPA decision documents for NTIA projects. Eligible Entities may be responsible for the development of NEPA analyses depending on the level of environmental review approved as necessary for each project.

To fulfill their responsibilities as joint lead agencies under 42 U.S.C. 4336a(a)(2), Eligible Entities will need environmental expertise on their team, including to prepare or supervise the preparation of environmental documents; see Smart Start: How to Plan and Prepare for National Environmental Policy Act (NEPA) Compliance for BEAD for additional information. Eligible Entities may use their BEAD funds to support this capacity without regard to the 2% statutory cap on certain administrative costs. For more information about the 2% statutory cap, please reference BEAD FAQs 1.12 and 1.13.

To ensure environmental reviews proceed expeditiously, Eligible Entities need qualified EHP/NEPA Specialists as outlined in Section B of the BEAD General Terms and Conditions. Qualified staff will also help Eligible Entities maximize the benefits of the permitting tools and efficiencies established by NTIA

with the newly established categorical exclusions, Program Comment for Federal Communications Projects, and mapping tools. Qualified staff may also provide expertise to help an Eligible Entity or subgrantees find ways to reduce duplicative environmental review obligations. Please note that some states and territories may have additional environmental regulations and qualifications for these roles.

10.6 What are some options for building NEPA/EHP capacity in an organization?

Eligible Entities have a variety of options to build necessary NEPA/EHP capacity to efficiently implement the BEAD program. For example, Eligible Entities can consider the following options:

- Eligible Entities can coordinate with other state/territory agencies, such as the state Department of Transportation (DOT), who may have environmental and cultural resources divisions with staff that can assist the Eligible Entity in meeting NEPA obligations.
- Eligible Entities can leverage expertise that exists in other state/territorial governmental agencies by funding subject matter expert (SME) positions, supporting flexible staffing models, or investigating opportunities for temporary detail assignment.
- Eligible Entities can hire EHP experts directly.
- Eligible Entities can contract with qualified consultants. Eligible Entities should consider whether to use traditional contract vehicles like Blanket Purchase Agreements (BPAs) and Request for Proposal/Quotation (RFP/RFQ) or to use more flexible options such as Indefinite-Deliverables, Indefinite-Quantity (IDIQ) if contracting with consultants.
- Eligible Entities can establish public-private partnerships with industry experts, private sector partners, or non-profit entities, or partner with state/territory educational institutions such as community colleges or university systems.
- Eligible Entities can leverage partnerships between academic, nonprofit, and for-profit organizations such as cooperative or university extension services to draw on relevant expertise and understand the implications of NEPA obligations for project applicants.

Eligible Entities should evaluate how the expertise offered, time committed, and funds committed for each option supports the volume and scale of deployments triggering NEPA. For additional information, please see Smart Start: How to Plan and Prepare for National Environmental Policy Act (NEPA) Compliance for BEAD.

10.7 Regarding NEPA, what Specific Award Conditions (SACs) must the Eligible Entity include when developing subgrant agreements?

The Eligible Entity must include environmental and historic preservation (EHP) SACs to ensure that all subgrantees: obtain NEPA approval prior to starting construction; timely prepare NEPA documents and obtain permits; and provide a NEPA milestone schedule. NTIA holds Eligible Entities accountable for ensuring NEPA compliance (see Section 13.B of General Terms and Conditions) and the Eligible Entity in turn holds its subgrantees accountable for NEPA completion and compliance through SACs.

For recommendations on EHP SAC language for subgrant agreements, see NEPA for BEAD Smart Start Part II: How to Approach and Implement BEAD Subgrant Permitting Conditions.

10.8 May BEAD subgrantees receive grant funds from the Eligible Entity prior to receiving NEPA approval?

Yes. The Eligible Entity may make payments to a subgrantee prior to completion of NEPA, but only to reimburse allowable expenditures that have already been incurred. Those expenditures must always be allocable, reasonable, and necessary to the performance of the subgrant. Reasonable, permissible non-construction activities such as completing studies, surveys, and other reviews necessary to apply for environmental permits or preliminary procurement such as the purchase or lease of equipment *(see BEAD General Terms and Conditions 13.E for the complete list of permissible pre-implementation environmental and historic preservation activities*). Eligible Entities may also allow subgrantees to claim reimbursement for pre-subgrant costs in certain circumstances in accordance with 2 CFR 200.458. For further guidance, *see* Accelerating the Construction of BEAD Projects.

For Fixed Amount Sub-Awards (FASAs), the Eligible Entity may establish milestones that trigger these payments, such as the signing of the subgrant agreement or the "Protecting the BEAD Program from Defaults" certification. It is the responsibility of the Eligible Entities, and not NTIA, to review the reasonableness of FASA milestones set by Eligible Entities, as well as to review the reasonableness of subgrantee costs under a FASA. Eligible Entities and BEAD subgrantees should note that:

- Advance payments for activities not yet undertaken are not allowed.
- Project implementation activities (e.g., site preparation, demolition, construction, ground disturbance, or fixed installation) may not begin prior to the completion of all EHP requirements for the relevant NEPA Project Area.
- Subgrantees that undertake unauthorized project activities proceed at their own risk and may face de-obligation of funding.

As always, it is the Eligible Entity's responsibility, as the pass-through entity, to ensure that its subgrant agreements are consistent with all applicable BEAD program rules, and that any payments to subgrantees are made consistent with those rules. The Eligible Entity may not pay any subaward funds until the subgrantee has secured the required letter of credit or performance bond.

10.9 How do Eligible Entities define NEPA project areas?

BEAD-funded projects can be broken down into smaller NEPA project areas within ESAPTT based on independent utility. To appropriately divide a project by meeting the tenets of independent utility, the following elements should be examined:

1. Whether the proposed NEPA project area has logical termini – i.e., it has a beginning point and an end point.
2. Whether the proposed NEPA project area has functional independence – i.e., it is usable on its own and does not require other broadband projects or expenditures to function as intended.[9]

[9] See the Notice of Newly Adopted NEPA Categorical Exclusions for additional clarification.

10.10 Can an Eligible Entity divide a BEAD project into more than one NEPA Project Area?

Yes, an Eligible Entity's NEPA specialist can determine it appropriate to divide a BEAD project into distinct NEPA Project Areas that have "independent utility." NTIA has issued guidance explaining how to approach and address this within ESAPPT. See Dividing BEAD Subgrant Awards into Multiple ESAPTT NEPA Project Areas for more details.

10.11 If an Eligible Entity decides to divide a BEAD project into distinct NEPA Project Areas, what must it provide to NTIA?

While Eligible Entities can manually create ESAPTT projects, including subdivided NEPA projects, it is most efficient for NTIA to bulk upload ESAPTT projects either from the BEAD Final Proposal (for projects that will not be subdivided) or from a CSV file with details on subdivided projects. See Dividing BEAD Subgrant Awards into Multiple ESAPTT NEPA Project Areas for more details.

10.12 *(Updated October 2026)* If an Eligible Entity divides a BEAD Project into distinct NEPA Project Areas, when can deployment activities begin?

If a BEAD project is divided into NEPA Project Areas, construction-related activities (including ground-disturbing activities) can begin for a specific NEPA Project Area once all of the following conditions are met. Those conditions include (1) NTIA's issuance of a Final NEPA decision memo for that NEPA Project Area through ESAPTT and (2) the approval of all applicable federal, state, local, and Tribal permits. Construction-related activities can commence for that NEPA Project Areas, even if other NEPA Project Areas in the BEAD Project have not yet obtained final NEPA clearance. In addition, limited permissible pre-NEPA nonconstruction activities are detailed in Section 13.E of the BEAD General Terms and Conditions.

11. Performance Measures

11.1 When must subgrantees first conduct performance tests of BEAD-funded networks?

The Performance Measures Policy Notice states that "[m]easurement sample sets must rely on the Funded Network locations as reported to the National Broadband Map. The sample set [for performance measures testing] is to be drawn from the locations available for service with an as-of date 7 months prior to the due date of the first semiannual report of the calendar year."

Therefore, subgrantees are required to begin conducting BEAD-funded network performance testing when one or more BSL(s) satisfy the following conditions:

- The BSL is included in the FCC location fabric
- Service is available at the BSL
- The service offered at the BSL has an active subscriber
- The tested BEAD service was reported in the subgrantee's most recent FCC Broadband Data Collection (BDC) filing.

Annually thereafter, subgrantees are required to conduct performance testing on a random sampling of the BSLs that meet the conditions listed above[10]. Eligible Entities will report Performance Measures outcomes annually to NTIA with the SAR for the period of July 1 - December 31, which is due to NTIA by January 30th. Subgrantees must submit their final performance measures results report by the due date for the final report prior to grant close-out and final payment.

Eligible Entities must set a deadline for subgrantee reporting that allows time for testing, review, and analysis of performance measures data and inclusion of the results in the first SAR of the calendar year (due January 30th).

11.2 Which testing results do Eligible Entities have to submit to NTIA?

Eligible Entities are only required to submit to NTIA the testing results outlined in the Performance Measures Policy Notice.

Performance measures testing (required): Eligible Entities must collect performance testing data from subgrantees once BSLs in the project area are reported as served in the BDC and the BSLs have an active subscriber. Eligible Entities must submit to NTIA a summary of these tests in the first SAR submission of the calendar year (due January 30th) and again prior to close-out of the subgrant.

Additional testing (optional): An Eligible Entity may elect to include in subgrant agreements additional testing and reporting requirements to monitor construction progress, such as construction validation or acceptance testing. The results of these tests are not required by NTIA and, therefore, will not be collected or reviewed by NTIA.

[10] See the Performance Measures for BEAD Last Mile Networks Policy Notice and Primer for more details.

11.3 If a subgrantee already monitors availability between their network core locations continuously, can they submit a monitoring report to satisfy their required BEAD network availability measurements?

No. The BEAD Performance Measures Policy Notice specifies performance measures testing from the end-user location (BSL) to an FCC designated Internet Exchange Point (IXP).

11.4 Must the subgrantee conduct speed and latency testing on a per-project basis?

No. Performance Measures speed and latency testing is based on all locations the Eligible Entity awarded to the subgrantee within its jurisdiction. Separate sample sets are required for each combination of technology and committed speed tier. By randomly sampling locations, testing is distributed across all project areas.

11.5 Are subgrantees responsible for missed performance measures targets due to problems with network transport that the subgrantee leases to move traffic between their network core and Internet Exchange Points?

Yes. When subgrantees accepted BEAD subawards, they committed to providing a complete service from the BSL to the Internet (assumed to be an IXP). The subgrantee is responsible for the performance end-to-end, meaning the onus is on the BEAD subgrantee to ensure that network transport is reliable even if the subgrantee does not own that portion of the network.

11.6 Determining latency for locations outside of the contiguous US was an issue during the BEAD Challenge Process. Is this going to be a problem for BEAD Performance Measures testing as well?

No. The issue with latency during the BEAD Challenge Process was related to how providers chose to report latency in the FCC's BDC. For BEAD Performance Measures testing, if the nearest FCC designated Internet Exchange Point is more than 500 air miles from the contiguous United States, then testing is conducted between the customer premise and a point where traffic is aggregated for transport from the non-contiguous area.

11.7 Can a subgrantee that operates in two neighboring states conduct Performance Measures testing for the aggregate of BEAD locations in both states and submit the single set of results to both states?

No. Because the BEAD subawards were made to the subgrantee by the Eligible Entity, performance measures are conducted on a per-Eligible Entity basis. The subgrantee is required to create sample sets and conduct testing for the locations in the jurisdiction of each Eligible Entity based on technology and committed speed tier.

11.8 How will subgrantees report whether the BEAD-funded service meets the required 99.45% uptime availability threshold?

Availability will be reported as the number of BSLs with subscribers in the state or territory that did not meet the 99.45% uptime threshold. A subgrantee is in compliance if the average downtime across all BSLs receiving BEAD-funded service from the subgrantee in the state or territory is below 48 hours per calendar year.

11.9 Are latency and speed measured at the same time during BEAD Performance Measures testing?

No. As outlined in the BEAD Performance Measures Policy Notice, speed and latency are measured using separate tests and are not conducted simultaneously because the timing of when the tests are conducted is different. Speed tests are conducted once for upload and once for download at the start of each testing hour, whereas latency tests are conducted once per minute during each testing hour.

11.10 The BEAD Performance Measures Policy Notice states that latency tests must include lost packets. How are lost packets accounted for in the test?

Lost packets during a latency test are packets that failed the latency test. A packet fails the test by registering a round-trip latency of over 100ms.

11.11 The BEAD Performance Measures Policy Notice outlines requirements for passing or failing performance tests but does not outline how an Eligible Entity ensures remediation for failed tests. Will NTIA provide guidance for remediation?

No. The subgrant agreement between the Eligible Entity and the subgrantee should include provisions for remediation when performance measures testing (i.e., speed, latency, availability) demonstrates non-compliant results or reporting.

11.12 The minimum BEAD speed standard is 100/20 Mbps. The BEAD Performance Measures Policy Notice only requires at least 80% of the tests to be at or above 80% of this speed or the committed speed tier. How do these tests demonstrate compliance if, for example, speed has to be 80/16?

BEAD locations are tested while online and providing service to the subscriber. Many variables can impact the test in progress that cannot be controlled on a "live" network. The "80/80 rule," as it is sometimes called, was developed by the FCC (DA-18-710A1.pdf) and adopted by NTIA to take into account legitimate anomalies that can cause tests to come up slightly slower than the service that the provider reports is available at a location.

11.13 May an Eligible Entity change or modify the requirements outlined in the BEAD Performance Measures Policy Notice? For example, could an Eligible Entity require larger sample sets or a higher availability threshold?

No. The BEAD Performance Measures Policy Notice is clear that the standards articulated in the document are the specific criteria that must be implemented. Section 3.15 of the Policy Notice states that flexibility is provided for Eligible Entities with respect to corrective actions for non-compliance; however, the test requirements and thresholds detailed in the NOFO and the Policy Notice may not be changed. The requirements that may not be changed by the Eligible Entity include the sample size, number of sample sets, and the speed, latency and availability requirements. Further, these obligations only apply during the deployment period of performance (which does not include the extended period of performance for LEO subgrantees).

As part of corrective actions for non-compliance with these requirements, the Eligible Entity may require more frequent testing to determine that failed sample sets have come back into compliance, but the

Eligible Entity may not change the sample size, or the pass/fail criteria, and must ensure all testing is completed and compliant prior to close-out.

11.14 How do subgrantees provide Performance Measures availability data if the time between the first location becoming available for Performance Measures testing and project close-out is less than one year?

When availability data is not obtainable for the whole preceding year, subgrantees should be measured pro rata for the amount of time that service was available in days. Eligible Entities should work with subgrantees in this situation to ensure that availability is characterized as accurately as practicable.

11.15 The Performance Measures Policy Notice requires a round of Performance Measures testing to be completed prior to closeout of the project and also specifies the BDC availability data as of June 30 be used for annual reporting. What happens if a project is closed out before there is a chance for BDC data to reflect availability at any BEAD funded locations?

For the purposes of closeout testing, because service must be available at all BSLs, the subgrantee is relieved from the requirement of only selecting BSLs with active service that are also showing as having service in the BDC if that requirement would reduce the number of locations sampled for testing. For example, if the provider has built out 1000 locations, has 500 customers, but has only previously reported 20 locations in BDC, 50 locations should be randomly selected among the 500 customers.

12. ESAPTT

12.1 *(Updated October 2026)* What are the components of the Environmental Screening and Permitting Tracking Tool (ESAPTT)?

ESAPTT is a Salesforce based application that integrates with the NTIA Grants Portal (NGP) to support Eligible Entities in fulfilling their role as joint lead agencies for NEPA. There are two components of ESAPTT, the environmental screening component and the permitting tracking dashboard.

Environmental Screening: Eligible Entities are required to use this functionality to streamline review by screening projects for potentially applicable NEPA Categorical Exclusions, supporting paperless processing, centralizing subgrantee documentation, and preparing draft NEPA decision documents for expedited NTIA approval.

- NEPA/Permitting specialists working on behalf of Eligible Entities support this process and prepare, supervise, or substantially review all environmental documents.
- This is a mandatory requirement of the BEAD Restructuring Policy Notice.

Permitting Tracking: Eligible Entities may track and manage BEAD subgrantees' progress in meeting NEPA milestone schedules and obtaining permits with this functionality, referred to as the Permitting Dashboard or Permitting Tracking Tool.

- NTIA encourages Eligible Entities to use the optional ESAPTT Permitting Tracking tool to monitor and document project-specific federal, state, and local/private permit progress, evaluate the feasibility of federal permitting timelines proposed in subgrantee NEPA milestone schedules, and escalate issues.
- NTIA can support the bulk upload of federal permits by importing information from NTIA's Permitting and Environmental Information Application to automatically generate federal permit entries for BEAD projects that overlap federal lands. These entries will include notional expected review timelines but will require additional data entry to finalize fields. NTIA cannot guarantee the completeness of the bulk upload, and users should ensure that all required authorizations are identified, tracked, and obtained for the NEPA project.
- The Permitting Dashboard can support Eligible Entities in fulfilling reporting requirements established in the BEAD General Terms and Conditions Section 13.D.

12.2 Where can I find a recording of the ESAPTT Environmental Screening demo?

State and Territory Broadband Offices and their permitting teams can access the demo recording here: NTIA ESAPTT Demonstration Webinar.

12.3 What specific changes, significantly impacting ESAPTT users, have been deployed since the ESAPTT Portal go-live in January 2026?

NTIA has consistently updated ESAPTT since the initial go-live date of January 2026 to fix minor bugs and to address grammatical errors; however, changes deployed which may significantly impact ESAPTT users include:

March Release (Deployed 3/11/2026)

- A new automation was deployed that unlocks Extraordinary Circumstance Questions 4 and 5 of the Environmental Screening Questionnaire when Section 106 Tribal responses are uploaded by NTIA.
- Updates were deployed to visually display both the Estimated Timeline and the "Best and Worst Case Scenarios" on the Permitting Tracking Dashboard in ESAPTT.
- Updates were deployed to the Environmental Assessment process allowing Eligible Entities to identify uploaded documents as an 'Environmental Assessment' document type and allowing NTIA to mark documents as 'Final' version types.

May Release (Deployed 5/21/2026)

- Updates were deployed to the user permission setup in NGP, allowing Eligible Entities to assign multiple permission sets to individual Eligible Entity users in ESAPTT and NGP.

June Releases (Deployed 6/10/2026 & 6/24/2026)

- Updates were deployed for security purposes so that Eligible Entities can no longer delete uploaded files after they submit the corresponding grant project to NTIA for review.
- Updates were deployed for security purposes so that Eligible Entities are no longer able to preview, download, or delete previously uploaded files.

To preview the ESAPTT Portal Environmental Screening Questionnaire, navigate to ESAPTT Environmental Screening Questionnaire.

12.4 *(Updated October 2026)* Does ESAPTT make NEPA expertise irrelevant or unnecessary?

No. Eligible Entities must have qualified professionals certify the sufficiency of NEPA documents prior to completing the Environmental Screening Questionnaire by preparing such documentation or by supervising subgrantees' preparation of draft documents, independently reviewing those drafts, and verifying that draft documents meet the requirements of NEPA prior to transmittal to NTIA. Inconsistent environmental information may lead to delays (BEAD General Terms and Conditions 13.B). Eligible Entities are responsible for notifying NTIA of changes in environmental ESAPTT record documentation as this may result in changes to NTIA's evaluation.

12.5 *(Updated October 2026)* How many NEPA Users can an AOR assign? Is it possible to have providers/subrecipients receive login credentials and directly enter relevant information for review by the SBO/TBO NEPA specialist?

The AOR will determine and authorize up to ten NEPA Users for their organization based on how the state or territory has elected to obtain the expertise necessary to fulfill its responsibility to act as a joint lead agency for NEPA. ESAPTT is a Salesforce-based tool and is a licensed environment accessible only to the AOR, NEPA Users, and NTIA staff. Authorized users should not have multiple roles assigned by the organization.

12.6 When describing a NEPA Project in ESAPTT does an Eligible Entity need to identify the Broadband Serviceable Locations (BSLs) and Community Anchor institutions (CAIs) by NEPA Project Area?

Yes. In NTIA's Sample Project Descriptions and Maps Guidance, it directs Eligible Entities to verify BSLs and CAIs (each) by NEPA Project Area. This will allow NTIA to understand how the NEPA Project Area fits within the larger BEAD Project ID. See also Sample ESAPTT Project Descriptions and Maps for BEAD EHP Review.

12.7 What tools can Eligible Entities use to streamline creation of ESAPTT-required BEAD Project Maps (BSLs included)?

Eligible Entities can utilize the BEAD Notification Dashboard as a starting point for creating the BEAD Project Map, that includes Broadband Serviceable Locations (BSLs) and Community Anchor Institutions (CAIs), which is a required part of the ESAPTT submission.

The NTIA BEAD Notification Dashboard is a tool that allows invited users to view county-level maps of proposed BEAD projects to assess interest in participating in environmental review, including historic preservation review, of specific deployments. The dashboard displays a map of BSLs and CAIs within selected counties as dots color-coded by project ID. Please note that projects, locations, and technology types are reflective of current Post-Award Change (PACs) information and can be subject to change.

For more information, please see the Sample Project Descriptions and Maps for BEAD Environmental and Historic Preservation (EHP) Review.

12.8 Do Eligible Entities need a signed subgrant agreement before Certifying and Transmitting ESAPTT Records to NTIA that pertain to the subgrant (including the certifying exemption for LEO projects)?

Yes. Before NTIA conducts its review to ensure that the NEPA review was properly conducted, the BEAD subgrantee must have executed a subgrant agreement with the Eligible Entity.

12.9 Can ESAPTT be utilized by projects that have multiple sources of funding where one source is not NTIA (e.g. Capital Projects Fund (CPF)/BEAD)?

ESAPTT supports NTIA’s environmental review requirements for BEAD. The NTIA permitting team can advise on options where other federal agencies may be providing funding or issuing permits for a project receiving NTIA funding.

13. Interagency Permitting Coordination

13.1 When a BEAD project requires additional federal authorizations, such as a federal resource or right-of-way permits which would trigger NEPA for that agency, how should the applicant coordinate and sequence reviews?

Applicants should consult the NEPA and Permitting Milestone Schedules provided by subgrantees to confirm what additional permits are needed, and work with subgrantees to ensure pre-application meetings with federal permitting agencies are scheduled prior to application submission.

Federal resource or right-of-way permits remain subject to the environmental and real estate requirements of the permitting agency. Those requirements, which may include that agency's own NEPA review, must be satisfied before the permit can be issued and construction can begin in those areas.

13.2 What roads are considered "federal-aid highways" and do US Department of Transportation (DOT) rules require states to charge "fair market value" (FMV) to providers proposing to install broadband in these rights-of-way?

The term "Federal-aid highway" is defined in 23 U.S.C. 101(a)(6) as "a public highway eligible for assistance under this chapter other than a highway functionally classified as a local road or rural minor collector" and can include the Interstates, primary highways, and secondary local roads owned or operated by states or localities. While states can waive FMV for broadband, it is considered differently depending on whether the state regulates broadband as a "utility" or an "alternative" or "non-highway" use.

- **Utility Classification**. If a state law or regulation establishes broadband as a utility, then the state ***is not*** required to charge FMV.
- **"Alternative" or "Non-Highway Use" Classification**. 23 U.S.C. § 156(a) requires states to charge, at a minimum, FMV for non-highway uses, so a FMV waiver is not automatic or assumed in states that classify broadband as an "alternative" or "non-highway" use. However, 23 U.S.C. § 156(b) allows the Secretary of Transportation to grant exceptions to the FMV requirement "for a social, environmental, or economic purpose" if the state DOT submits a waiver request to the FHWA Division office based on a public interest finding. There is precedent for FHWA approving FMV waivers for broadband on this basis. Notably, FHWA's rules at 23 U.S.C. § 645.307(b) direct state departments of transportation that allow broadband in Federal-aid highways to "carry out any appropriate measures" to ensure that broadband infrastructure entities are not relatively disadvantaged.

14. Supplemental Deployment Policy Notice

14.1 The Supplement Deployment Policy Notice only identifies a "clean up" round as an allowable use of funds. How can Eligible Entities access the remaining funds?

Guidance on future allowable uses of the remaining funds is forthcoming. As of the release of the Supplemental Deployment Policy Notice, only the activities described therein are allowable.

14.2 How will NTIA calculate the upper limit of funding to be released?

NTIA will calculate the upper limit of funding to be released by multiplying the Eligible Entity's **average cost** of serving a BEAD BSL as approved in the Final Proposal by the number of BSLs in the final Supplemental BEAD Eligible Location List. The average cost to BEAD of serving a BSL as approved in the Final Proposal is exclusive of match.

14.3 How does the Eligible Entity submit the Supplemental BEAD Eligible Location List to NTIA after completing the Abbreviated Challenge Process?

Eligible Entities will submit their List to NTIA through the NGP. For questions about submissions, Eligible Entities should contact their FPO.

14.4 Can the Eligible Entity use Reason Codes to remove locations from the Supplemental BEAD Eligible Location List?

Yes. Reason Codes may be used to remove locations, and Eligible Entities are permitted to apply the appropriate Reason Codes to the BSLs on the List throughout each stage of Supplemental Deployment. Eligible Entities should attempt to remove locations as early in the process as practicable to reduce burdens on challengers and to reduce changes in locations from award to execution (or modification) of subgrantee agreements.

14.5 If an Eligible Entity needs to move funds from the "Other" cost category in the Consolidated Budget Form in order to comply with the requirements of the Supplemental Deployment Policy Notice, is a budget modification required?

Yes. Movement of funds from the "Other" cost category that were not included in the Final Proposal requires the submission of a budget modification. Additionally, if changes equate to more than 10% of the total budget (across cost categories), the Eligible Entity must submit a budget modification. Please see the Scope Change and Budget Modification Guidance for requirements when submitting a budget modification.

14.6 Are Eligible Entities permitted to incorporate a rebuttal round in the Abbreviated Challenge Process?

No. Eligible Entities may not incorporate a rebuttal round. Eligible Entities will adjudicate challenges with evidence collected during the challenge window only.

14.7 Can BSLs on the Supplemental BEAD Eligible Location List be added to existing Final Proposal projects prior to the start of the Second Benefit of the Bargain round?

No. BSLs on the List must have unique Project IDs and must be bid on separately from existing BEAD Projects during the Second Benefit of the Bargain round. Existing BEAD subgrantees who wish to, must bid on these locations separately from their existing projects. Only after NTIA approval of the Supplemental Deployment Plan can Supplemental Deployment projects be combined with existing BEAD projects. See question 14.8, "Can Supplemental Deployment BSLs be added to existing BEAD projects?" for more information.

14.8 Can Supplemental Deployment BSLs be added to existing Final Proposal projects?

After NTIA approval of the Supplemental Deployment Plan, if it is mutually agreed upon between the Eligible Entity and the subgrantee, Supplemental Deployment project areas can be combined with Final Proposal project areas. When combining project areas, the period of performance as determined by the Final Proposal applies to the combined project area. Absent procurement requirements to the contrary, Eligible Entities and subgrantees can incorporate these locations into existing subgrantee agreements via amendment or other vehicle as appropriate. The BEAD General Terms and Conditions apply to all project areas whether funded with the Final Proposal or Supplemental Deployment.

14.9 What will the period of performance be for new subgrantees selected during the Second Benefit of the Bargain round?

New subgrantees selected during the Second Benefit of the Bargain round will have a period of performance of 4 years which begins on the date that the subgrant agreement is fully executed. For BEAD subgrantees with existing projects, if it is mutually agreed upon between the Eligible Entity and the subgrantee to combine projects after approval of the Supplemental Deployment Plan, the period of performance as determined by the Final Proposal applies to the combined project. See question 1.21 "Will NTIA grant period of performance extensions?" for more information.

14.10 How long do subgrantees and Eligible Entities have to sign subgrant agreements after the approval of the Supplemental Deployment Plan?

Subgrantees, whether existing or new, have 6 months from the approval of the Supplemental Deployment Plan (when NIST issues an updated Notice of Award) to sign subgrant agreements (or amend existing subgrant agreements to include BSLs awarded in the second Benefit of the Bargain round).

14.11 How will match be calculated for existing providers who add supplemental deployment locations to their existing BEAD project areas?

The projects included in the Supplemental Deployment Plan must include matching funds of not less than 25 percent of project costs. Combining Supplement Deployment project areas to existing Final Proposal project areas will be completed using the post-award change process after approval of the Supplemental Deployment Plan. The Post-Award Change process requires validation that match has not fallen below the statutorily mandated 25%.

14.12 Do banks have to re-issue or amend a Letter of Credit or Performance Bond to existing BEAD subgrantees who combine Supplemental Deployment projects to their existing Final Proposal projects?

Yes. If the Eligible Entity and an existing BEAD subgrantee decide to combine a Supplemental Deployment project with a Final Proposal project, the subgrantee is required to amend their Letter of Credit or Performance Bond to reflect the increased subaward amount.

APPENDIX A: NEW QUESTIONS AND ANSWERS IN V25

New 2. BEAD Restructuring Policy Notice

2.43 What is the Eligible Entity's obligations when collecting tribal consent for projects that intersect with tribal lands?

As noted in Section IV.B.9.b.15 of the NOFO "the Eligible Entity must submit a Resolution of Consent from each Tribal Government, from the Tribal Council or other governing body, upon whose Tribal Lands the infrastructure will be deployed." It is best practice to obtain a legally binding Resolution of Consent that is in a formal format and expresses the tribal government's legislative will. States have the obligation to ensure the signatory of the resolution has the authority to represent the tribe. Eligible Entities should also reference BEAD Final Proposal Guidance (p. 73) and the Programmatic Waiver of Tribal Consent Deadline.

New 14. Supplemental Deployment Policy Notice

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