**WHAT IS CHANGING IN THE BEAD PROGRAM?**

**SUMMARY OF BEAD STATUS**

On June 4th, the federal NTIA [fundamentally restructured](https://www.ntia.gov/other-publication/2025/bead-restructuring-policy-notice) the BEAD program. Your state now has 90 days to comply (a very tight timeline) and rerun its BEAD subgrant program under new "lowest bid wins" rules (which replace the previous "fiber first + affordable service" rules). This change will likely give a large advantage to satellite/wireless ISPs over fiber ISPs. Given the relative quality of each technology, this could result in rural residents and businesses receiving slower, less reliable, and more expensive internet service.

Fortunately, states retain some authority to determine which ISP applications get priority (i.e. which meet the statutory requirements for speed, latency and scalability). Your broadband office will need support for their decisions to ensure BEAD delivers the internet service that is right for your state. This will be a challenging 90 days and your support will be crucial.

**ANALYSIS OF CHANGES:**

We have interpreted the following changes by section in the Public Notice:

1. **BACKGROUND AND PURPOSE** – Introduces “Benefit of the Bargain” round of applications in each state per the guidance in this PN. Will replace any proposals already completed or planned.
2. **ELIMINATION OF REGULATORY BURDENS** – This section identifies non-statutory requirements that were required in the original NOFO. These items are now terminated from scoring, subgrantee agreement and reporting requirements.

**Labor, Employment, and Workforce Development**

* + ***Terminated***
    - Specifically Fair Labor Practices and Highly Skilled Workforce, Advancing Equitable Workforce Development and Job Quality Objectives and Civil Rights and Nondiscrimination Law Compliance.
    - Related reporting requirements
    - Contracting with Small and Minority Businesses, Women’s Business Enterprises, and Labor Surplus Area Firms
  + ***To Satisfy Statute*** ***or New Policy***
    - Require subgrant applicants to certify compliance with such laws to the State Broadband Office (SBO).

**Climate Change**

* ***Terminated***
  + Climate Resilience requirements and related proposal requirements
* ***To Satisfy Statute*** ***or New Policy***
  + Subgrantees will establish risk management plans that account for technology infrastructure reliability and resilience including from natural disasters and cybersecurity best practices.

**Open Access/Net Neutrality**

* ***Terminated***
  + Specifically, the Consumer Protections section that required states to ensure that each subgrantee does not impose data usage caps on any plans offered under a funded network or impose unjust or unreasonable network management practices. Also eliminates the Interconnection Requirements and Wholesale Access. It also eliminated the Conduit Access Points section to the extent it imposes additional obligations beyond statute.
* ***To Satisfy Statute*** ***or New Policy***
  + Subgrantees must still “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.

**Local Coordination and Stakeholder Engagement**

* ***Terminated***
  + Burdensome obligations to consult with representatives of various demographic and identity-based groups. Specifically, the “Local Coordination” and “Public Notice” sections of NOFO and related Initial and Final Proposal requirements.
* ***To Satisfy Statute or New Policy***
  + State can satisfy this requirement by certifying that it observed the Final Proposal public comment requirements and received plans submitted by political subdivisions up until submission of the final plan to NTIA.

**Non-Traditional Broadband Providers**

* ***Terminated***
  + Eliminates favoritism to non-tradition broadband providers such as municipalities or political subdivisions specifically the “Consider All Provider Types section of NOFO and related initial and final proposal requirements (previously states had to justify awards to traditional providers when a competing proposal from a non-traditional provider was submitted).
* ***To Satisfy Statute or New Policy***
  + New guidance just says that states must adhere to the statutory requirement regarding the non-exclusion of various entities from eligibility for BEAD subgrants.

**Middle Class Affordability Plan**

* ***Terminated***
  + Requirement to develop and implement middle class affordability plans eliminated in entirety.
* ***To Satisfy Statute or New Policy***
  + Not required by statute**.**

**Low- Cost Service Plan (LCSO)**

* ***Terminated***
  + Specifically eliminates the Affordability and Low- Cost Plans section of NOFO and initial and final proposal. No dollar amount may be established by the SBO.
* ***To Satisfy Statute or New Policy***
  + Requirement is subgrantees must offer not less than one low-cost broadband service (LCSO) option for eligible subscribers. NTIA will only approve final proposals that include LCSO proposed by the subgrantees themselves.
    - Providers may offer their existing low-cost plan to eligible subscribers.
    - The LCSO plan still must offer speeds of 100/20 and latency performance of no more than 100 milliseconds.
  + NTIA modified the eligible subscriber definition to align with the FCC Lifeline Program
    - Aligns with existing communications affordability programs – basically if eligible for Lifeline program, they meet definition of eligible subscriber.

1. **TECHNOLOGY NEUTRALITY** – all broadband technologies that meet the performance of IIJA and the NOFO must be eligible to participate in the BEAD program. The NOFO limited priority broadband projects to those using end-to-end fiber. The current focus moves to the most cost-effective and those that are quicker to deploy.

**Priority Broadband Projects**

* ***Terminated***
  + Eliminates the Fiber Preference section of the NOFO and permits states to select from all qualifying technologies.
* ***To Satisfy Statute or New Policy***
  + Provide broadband service that meets speeds, latency, reliability, and consistency in quality of service
  + Ensure that network built by the project can easily scale speeds over time to meet connectivity needs of households and businesses and support the deployment of 5G successor wireless technologies and other advanced services.
  + There is a new definition of Priority Broadband Project that allows any provider that can meet 100/20 speeds, has latency less than or equal to 100 milliseconds and can meet scalability meets the priority definition regardless of technology. Applicants must provide supporting documentation sufficient for SBO to assess the network application and determine that the proposed network architecture for each specific project area meets this requirement)
  + If there is no priority broadband proposal then states may select a non-priority project that meets the speed and latency requirements of the statute but could not meet the scalability requirements,
* ***Terminated***
  + States are no longer required to establish an Extremely High Cost Per Location Threshold.
* ***To Satisfy Statute or New Policy***
  + Not required by statute but the guidance says that states shall reject a Priority Broadband Project if the cost of the project is excessive.

**Technologies Eligible for Participation**

* ***Terminated***
  + Eliminates the NOFOs three-tier structure for prioritizing technology.
* ***To Satisfy Statute or New Policy***
  + All technologies may be used in applications so long as the technologies employed in the project proposal meet the technical performance requirement of NOFO as redefined by the public notice and the statute.

**The Benefit of the Bargain Round (Subgrantee Selection)**

* ***Terminated***
  + Rescind all preliminary and provisional subaward selections and notify applicants that a further round of applications will be considered before final selections are made.
  + All previous timelines and extensions are terminated, and all states must adhere to the new timeframes.
* ***To Satisfy Statute or New Policy***
  + Conduct at least one additional subgrantee selection round for every BEAD eligible location (Benefit of the Bargain Round)
    - Permit all applicants regardless of technology or prior participation in the program to compete.
    - States have 90 days to comply with these revisions in the Public Notice to submit Final Proposal from the Benefit of the Bargain Round.
    - NTIA will then have 90 days of submission to review all the Final Proposals.
    - If states had pre-qualification process, it must be reopened to all interested applicants. (pre-qual may be part of the application package). If the applicant previously failed the pre-qual process, they may update information and resubmit again.
    - States must ensure that applicants meet financial and managerial capacity, technical and operational ability, and other requirements of the statute.
    - If the applicant stays with an already submitted application prior to this new guidance, that application will still need to be rescored under the new scoring guidance.
    - No BEAD subgrantee may recover costs to comply with the regulatory burdens eliminated in this PN.
    - Applicants can propose to exclude/take out select broadband serviceable locations (BSL) that they determine are excessively high-cost locations from the project area.
    - Must be able to perform a standard installation for each customer that desires broadband services within the project area not later than 4 years after date of award. (Standard installation is the initiation of 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.

**Scoring Rubrics**

* ***Terminated***
  + Previous scoring criteria revised to minimize the cost of BEAD deployment.
* ***To Satisfy Statute or New Policy***
  + No statute but the following policy changes were made.
    - If a priority broadband project is excessive then the state shall select a lower-cost non-priority broadband project.
    - No national cost threshold
    - If multiple applications for same project area the following criteria used to determine awardee
      * Minimum BEAD program outlay – total BEAD funding for the project divided by number of BSLs the project will serve. Choose the application with the lowest BEAD cost.
      * Speed to Deployment – greater consideration to those promising an earlier deployment date.
      * Speed of network and other technical capabilities – speed, latency, etc.
      * Preliminary/Provisional Subgrantees – for locations where states have already identified preliminary or provisional subgrantees, states may give additional weight to those applications in the Benefit of the Bargain Round.

1. **Optimizing BEAD Locations**

* ***Terminated***
  + There are specific locations that were determined eligible in previous guidance that now could be ineligible. SBO will analyze and reclassify these locations from eligible to ineligible and issue revised maps of BEAD eligible locations for the Benefit of the Bargain Round.
* ***To Satisfy Statute or New Policy***
  + No statute but the following policy changes were made.
    - SBO to update maps with locations no longer served due to defaults – NTIA to send list of defaulted or newly eligible locations that qualify for BEAD within 14 days of the PN (June 6). SBO to then analyze and certify they are either served or unserved.
    - Unlicensed fixed wireless (ULFW) providers are permitted to compete for BEAD subgrants so SBO must update maps to show BSLs with access to existing ULFW networks and if they meet the technical specifications of Appendix A of PN, they will be considered already served and ineligible for BEAD.

1. **Non-deployment Funds**
   * ***Terminated***
     + NTIA rescinds approval of all non-deployment activities approved in the initial proposals.
   * ***To Satisfy Statute or New Policy***
     + No statute but policy is that NTIA will review funding for allowable non-deployment funds and issue updated guidance in the future.
2. **Permitting**
   * ***Terminated***
     + No termination but new tracking tool to use to expedite process.
   * ***To Satisfy Statute or New Policy***
     + No statute but new requirement to use the Environmental Screening Permitting Tracking Tool (ESPTT) by states to move the process for approvals. They expect the use of this system will eliminate 3-6 months of processing per project.
3. **Alignment with Prior Guidance**
   * ***Terminated***
     + Rescinds previous public notices and guidance on the BEAD process.
   * ***To Satisfy Statute or New Policy***
     + Required to use the BEAD Restructuring Policy Notice dated June 6, 2025.
4. **Modification of Initial and Final Proposals**
   * ***Terminated***
     + Rescinds all Final Proposals that occurred prior to this notice. All states are required to follow the revised process.
   * ***To Satisfy Statute or New Policy***
     + New Policies
       1. States have 30 days from the date of this notice to request an Initial Proposal that incorporates all changes in this PN.
       2. Initial Proposal must include list of newly added locations to the map.
       3. If budget changes, the states must also include a budget modification (will require NTIA and NIST approval).

**Appendix A** – provides all the guidance on how to determine if ULFW meets the technical criteria to participate. Includes a list of mitigation strategies that ULFW providers can adopt to mitigate issues associated with ULFW.

**Appendix B** – provides guidance and the rules revised for Low Earth Orbit Capacity Subgrants. There have been several concessions and changes different from other providers to allow LEOs to be eligible for BEAD:

* Still have to provide service to each customer not later than 4 years from the subgrant.
* They will require a period of performance that will extend to end 10 years from the date they certify that broadband is available to every location covered by the project.
* Provides for a different reimbursement process and percentage.
* Modifies the Letter of Credit requirements for LEO to encourage incentives to pursue subscribers.
* Addresses challenge of states to determine the financial capacity of Leos and other qualifications. NTIA encourages LEOs to submit audited financial statements to NTIA and NTIA will work with the provider to develop a financial certification letter and states will accept that documentation to justify eligibility.

**Appendix C** – Graphic flow chart of the LEO process showing the timeframes.