BEAD in the Home Stretch

An Update from the Montana Broadband Office
August 19, 2025

Discussion Topics

BroadbandMT's 2025 Annual Meeting

- BEAD Overview
- Long Run Grants Administration
- Broadband in Montana Post BEAD

BEAD Overview

New Administration Required a New Round

Purpose of the Benefit of the Bargain Round

- This round required an additional subgrantee selection round for every BEAD-eligible location, treating all technologies equally. Overall eligibility remained the same.

Additional Changes required by NTIA's BEAD Restructuring Policy Notice

- Removed non-statutory application and reporting requirements.

- Reverted definition of "Priority" to the definition in IIJA.

- Focused scoring on cost, with limited secondary criteria.

- Reopened Prequalification Application and provided updated technical assistance.

- Updated Benefit of the Bargain Project Areas from Census Block Groups (CBGs) to reflect previously negotiated project areas to allow for streamlined applications.

Evaluation Criteria

Primary Criteria: Minimal BEAD Program Outlay

- For the same general project areas, MBO will choose the option with the lowest cost based on minimal BEAD Program outlay per NTIA's [Bead Restructuring Policy Notice](#).

- When comparing competing proposals, MBO will assess the total BEAD funding that will be required to complete the project (i.e., the total project cost minus the applicant's proposed match) and the cost to the Program per location (i.e., the total BEAD funding that will be required to complete the project divided by the number of BSLs the project will serve).

Secondary Criteria (if multiple applications in the same project area were within 15% of the lowest-cost proposal) the following criteria were also evaluated:

- Speed of Network and Other Technical Capabilities: Ability for network design to demonstrate technical performance (speed and latency) and future scalability.

- Preliminary/Provisional Subgrantees: Project was previously preliminarily selected.

Additional Factors Used To Evaluate Projects

Priority Broadband Project

Proposals for "Priority Broadband" projects were evaluated against the revised Priority Broadband definition outlined in the BEAD Restructuring Policy Notice, on a per-project basis. The following applicable network components were assessed:

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

Project Area Criteria

- In addition, the project area criteria, such as location density, provider capacity, and scalability, were also assessed. Applications were scored according to the updated criteria in the BEAD Restructuring Policy Notice and the approved scoring rubric.

Capacity Performance Calculations

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

Scalability Performance Calculations

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

Support for 5G and Advanced Services Calculations

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

Scalability and Technology Mix

Goals

Promote cost-efficiency while ensuring full BEAD coverage across the state

Challenges

- Reaching all locations given Montana's unique topography, the state's vastness and low population density in rural areas

- Optimizing BEAD locations to avoid overbuilding of privately funded networks and Federal, state, or locally funded locations

Technology Mix

Given the potential high cost associated with deploying fiber infrastructure to remote areas of Montana, MBO explored a flexible combination of fiber optic cable, fixed wireless, and satellite deployment.

Scalability

Montana followed statutory guidelines for evaluating whether use of technology for a given project meets meet the statutory scalability requirements contained in 47 U.S.C. §1702(a)(2)(I)(ii). A "Priority Broadband Project" could meet the statutory definition if it provided broadband service at speeds of no less than 100 megabits per second for downloads and 20 megabits per second for uploads, has a latency less than or equal to 100 milliseconds, **and can easily scale** speeds over time to meet the evolving connectivity needs of households and businesses and support the deployment of 5G, successor wireless technologies, and other advance services.

2025 Program Timeline

June 6, 2025, Policy Update Notice Issued

JULY	AUGUST	SEPTEMBER	DECEMBER

July 7, 2025
Benefit of the Bargain
Round opened

August 13, 2025
Application
Review
Complete

August 22*, 2025
Public Notice

September 4, 2025
Final Proposal
Due

December 2025*
Anticipated NTIA
Approval

July 25, 2025
Benefit of the Bargain
Round closes

August 20*, 2025
Preliminary
Selection

* Dates are estimated and subject to change

Applications Received

Benefit of the Bargain Round closed Friday, July 25, 2025:

- **47 Benefit of the Bargain Round Applications**
  - 9 applications from new entities, 38 applications from previous applicants

- **All technology types represented**
  - MBO received applications proposing Fiber, LFW, ULFW, HFC, LEO, and hybrid solutions
  - Every application requested to be considered priority

- **All Eligible BSLs covered**
  - MBO received an application for every eligible BSL in the state; many applications also proposed to serve CAIs

- **Total Funding**
  - MBO received applications totaling almost $557 M

Broadband Technologies Represented

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

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

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

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

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

Award Selection Process

The Montana Broadband Office followed the processes and procedures outlined in the IPV2 and in alignment with the Policy Notice to review Benefit of the Bargain applications. NTIA mandates a specific process for award selection:

1. **Provisional Selection:** Once negotiation and eligibility review are complete, MBO will provisionally select applicants.

2. **SAC Meeting**: Required by a Special Award Condition (SAC) to discuss BEAD preliminary subgrantee selection outcomes with NTIA for approval to proceed with posting Final Proposal for public comment.

3. **CAC Approval*:** CAC will send recommendations to the Governor to approve provisionally selected applications. The preliminary subgrantee selection outcomes will be shared at the CAC meeting on **August 26, 2025**.

4. **Final Proposal Submission and NTIA Approval:** MBO will submit the Final Proposal, which includes provisionally selected awardees to NTIA by **September 4, 2025**. Once NTIA approves the Final Proposal, MBO will be able to begin executing final awards.

* Approval of applicants is notational until the Final Proposal is approved by NTIA.

Execution, Deployment, & Reimbursement

Once NTIA approves the Final Proposal, MBO will execute final awards and proceed with monitoring and compliance to ensure projects are implemented on time, on schedule, and as intended.

- After execution of grant agreements, MBO will screen projects for NEPA compliance based on BSLs and preliminary route maps and facility locations. Project implementation will not begin prior to completion of NEPA documentation and approvals, per award conditions.

- Subgrantees must deploy the planned broadband network and begin providing services to each customer that desires broadband service within the project area not later than four years after the date on which the subgrantee receives the executed grant agreement from MBO.

- Subgrantees will be able to submit a request for reimbursement after a milestone is met as specified in their grant agreement.

NEPA and BEAD: What to Expect

Streamlined NEPA and permitting activities to support NTIA's goal of issuing approvals **within two weeks** for an estimated 90 percent of BEAD projects and eliminate approximately 3-6 months of environmental processing per project.

- <u>Environmental Screening and Permitting Tracking Tool (ESAPTT)</u>: Required use of salesforce-based ESAPT tool to streamline NEPA review and permitting

- <u>Levels of Review</u>: Categorial Exclusion (CATEX), Environmental assessment (EA), and Environmental Impact Statement (EIS)

Review Process (CATEX)

1. **Subgrantee provides project description and map for NEPA screening and Tribal outreach**

2. MBO issues Notice of Organizations (NOO) and confirms CATEX

3. **Subgrantee completes reviews and submits to MBO**

4. MBO screens for ECs and submits to NTIA

5. NTIA makes final approval

NEPA and BEAD: What to Expect

Review Process (EA)

1. MBO and NTIA determine need for EA

2. NTIA advises on tiered draft EA

3. **Subgrantee sends draft EA to MBO**

4. MBO submits EA to NTIA

5. NTIA makes final approval and drafts Finding of No Significant Impact (FONSI) or determines need for EIS

Reminders:

Plan ahead for timely identification and completion of Tribal permits and Section 106, ESA Section 7 consultations or local/state permits as appropriate. If a project requires EA or EIS approval can take 12-24 months.

National Supply and Labor Considerations

Goals

Promote timely and cost-effective delivery of physical broadband infrastructure to locations across the state as providers begin construction simultaneously or in parallel

Challenges

All 56 states and territories will simultaneously proceed with deployments that will likely strain an already tight demand for supplies and labor by creating high demand for a broadband-capable workforce and:
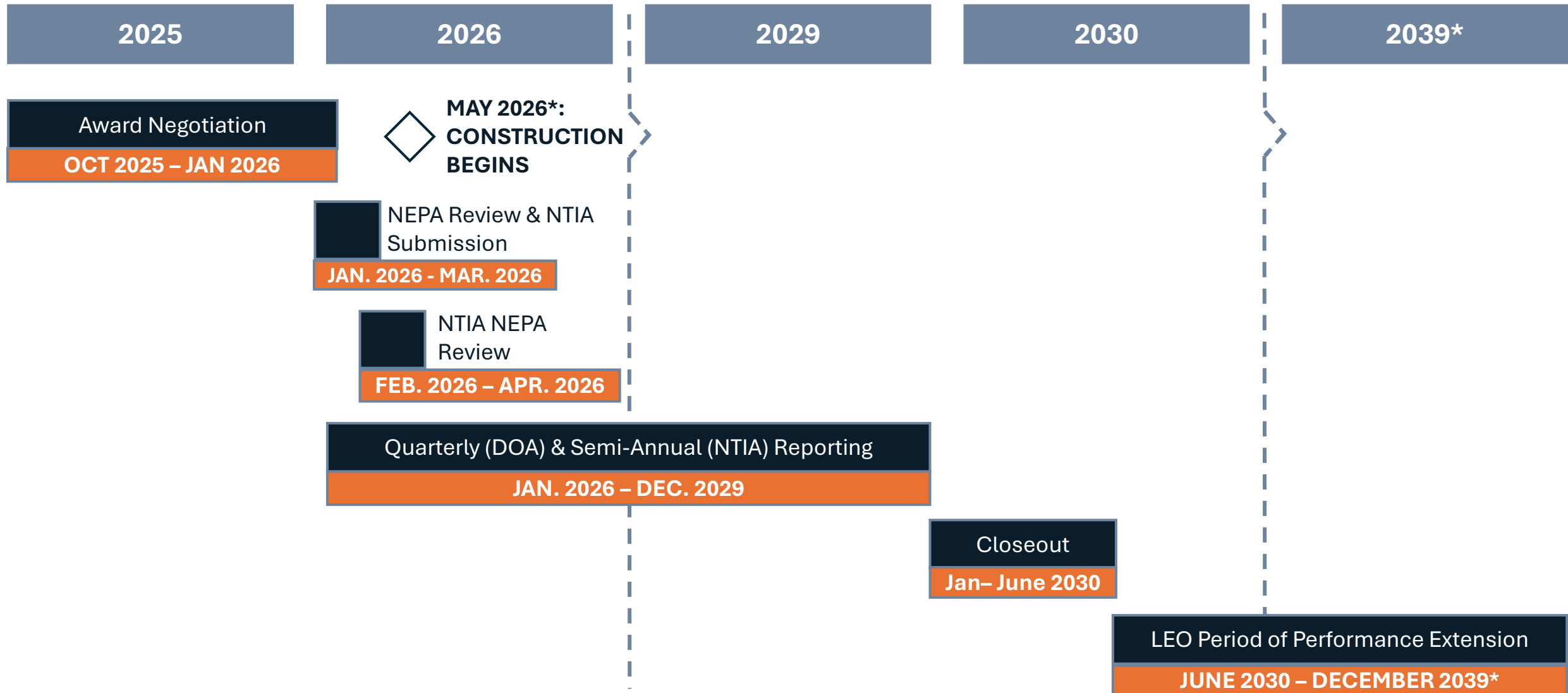- Fiber optic cable
- Construction equipment
- Other specialized equipment
- Certified and skilled labor

Reminders
- Build America, Buy America (BABA) requirements remain
- Prevailing wage requirements and other labor requirements are adjusted in accordance with the Policy Notice. Applicants are only required to certify they comply with all federal labor and employment laws and are no longer required to provide additional reporting for projects that not subject to prevailing wage laws.

DEPARTMENT OF ADMINISTRATION

Ten-Year Program Timeline

2025	2026	2029	2030	2039*

Award Negotiation
OCT 2025 – JAN 2026

◇ **MAY 2026*: CONSTRUCTION BEGINS**

NEPA Review & NTIA Submission
JAN. 2026 - MAR. 2026

NTIA NEPA Review
FEB. 2026 – APR. 2026

Quarterly (DOA) & Semi-Annual (NTIA) Reporting
JAN. 2026 – DEC. 2029

Closeout
Jan– June 2030

LEO Period of Performance Extension
JUNE 2030 – DECEMBER 2039*

Long Run Grants Administration

MBO's Approach to Grants Administration

Portfolio Management
Constructing a comprehensive and robust view of BEAD portfolio inclusive of accomplishments, key outcomes, and information used to assess the overall progress and status of subgrants.

Types of Subgrant Monitoring and Support
- <u>Individual subgrants</u>: Regular meetings with subgrantees, review of progress and financial reports, analysis and recording of information gained from desk reviews and site visits
- <u>Portfolio Management</u>: Review of program-wide data designed to identify program-wide issues from scheduling issues to more complex problems
- <u>Program Support</u>: Support for subgrantees as they address policy, legal, organizational, financial, and technical hurdles. Assistance varies from the publication of fact sheets and papers to onsite subgrant support as well as support in communicating and interacting with other government agencies

LEO Considerations
The grants management framework historically applied to broadband deployment programs is ill suited for LEO. Additional adjustments to account for LEO's unique technology, service structure, and longer performance will be required for these subgrants.

MBO's Approach to Grants Administration

BEAD Monitoring and Compliance
- Pending NTIA Guidance
- Desk reviews, field engineering reviews and inspections, site visits

Reporting
- Quarterly rather than monthly
- Semi-Annual Financial and Performance Reporting

Closeout
- Verification of subgrant completion, final acceptance testing, confirmation of UCC-1 filing, review of final reports and reimbursement requests, disposition of award funding, and any remaining requirements.
    - A checklist will be provided to subgrantees to confirm project completion before releasing the final payment
- MBO will retain BEAD records for at least three years following subgrant closeout

DEPARTMENT OF ADMINISTRATION

BEAD Reimbursement Policy

Reimbursement Policy

- Milestone reimbursement process rather than reimbursements of receipts
  - MBO releasing funds at predefined project milestones per subgrantee grant agreement

Example of MT Reimbursement Form

Broadband in Montana Post BEAD

Broadband Post BEAD

QUESTIONS?