BROADBAND EQUITY, ACCESS, AND DEPLOYMENT

The Department of Commerce’s $42.45B BEAD Program, administered by the NTIA, provides grant funding to states and territories, which in turn will provide subgrants to entities for eligible projects. This funding comes from the November 2021 Infrastructure Bill (IIJA).

GOALS OF THE PROGRAM

The BEAD program intends to expand service in rural areas and states that rank below others on broadband access and deployment. This program is designed to support projects to construct and deploy broadband networks. It will also support planning efforts, including increased capacity in state broadband offices and outreach and coordination with local communities.

   The program prioritizes:
   • Unserved areas (below 25/3 Mbps)
   • Underserved areas (below 100/20 Mbps)
   • Community anchor institutions (1/1 Gbps)

FUNDING OVERVIEW

Each state or territory will be granted a base amount of $100M, plus a needs-based sum of the remaining funds based on federal calculations of underserved areas. US Virgin Islands, Guam, American Samoa, and the Northern Mariana Islands will each receive a base amount of $25M.

Federal Grant: $42.45B

State Allocation: Minimum $100M

Subgrants to Entities
FEDERAL GRANT FUNDS

State-Level Distribution
States may use **no more than 5%** of their funding for planning and pre-deployment activities. **No more than 2% may be used for administration.**

The BEAD Program has a **25% matching requirement** that can be waived in some circumstances.

The $42.45B allocated for BEAD is available **until the funds are expended.**

ELIGIBLE FUNDING ENTITIES

- Each of the 50 US states
- US Virgin Islands
- Puerto Rico
- District of Columbia
- Guam
- American Samoa
- Commonwealth of the Northern Mariana Islands

If a state fails to submit or gain approval for a covered application, a political subdivision or consortium of political subdivisions may submit an application in place of the state.

FUNDING USES

- Broadband deployment to unserved and underserved areas
- Connecting eligible community anchor institutions
- Data collection, broadband mapping, and planning
- Installing internet or Wi-Fi infrastructure or providing reduced-cost broadband within a multifamily residential building
- Priority given to unserved households or locations with high concentrations of families with incomes below 150% of the poverty line
- Broadband adoption (including providing affordable internet-capable devices)
- Additional uses determined necessary by the NTIA
STATE FUNDING PLAN

The BEAD program funding will be dispersed on a state level in three phases:

1. **PLANNING AND COORDINATION**

   Allows states and territories to access up to $5 million each to support planning efforts, including building capacity in state broadband offices and to fund outreach and coordination with local communities and stakeholders.

2. **5-YEAR ACTION PLAN**

   Requires states and territories to submit an initial broadband plan to NTIA. These must be informed by collaboration with local and regional entities and will lay out how each respective state and territory will use the BEAD funding and other funds to bring reliable, affordable, high-speed broadband to all residents. Political subdivisions can submit plans to the state for consideration and comment on the state’s initial proposal before it is submitted to the NTIA.

3. **PLAN IMPLEMENTATION**

   Once the NTIA approves the initial plan, states and territories will be able to access additional funds from their BEAD allocation. They will access the remaining funds upon review and approval of a finalized plan by NTIA.

**COMMUNITY ENGAGEMENT**

The BEAD program seeks to foster collaboration throughout the process. States and territories are encouraged to reach out to all involved parties in the planning stage in order to understand the needs of the community.

**ADMINISTRATIVE EXPENSES**

Not more than 5% of the amount allocated may be used for research and data collection, the development of a preliminary budget for pre-planning activities, outreach, technical assistance, training, consulting and oversight.
States and territories must submit the following in order to gain access to the BEAD program's funds:

1. **Letter of Intent**
   - Existing broadband resources
   - Goal for broadband availability
   - Process to distribute and oversee funding to subgrantees
   - Known barriers to developing and administering a subgrant program
   - Details about any relevant partners
   - Additional capacity required by NTIA, including technical assistance, new hiring, collecting more data
   - How the above needs were identified
   - How the funds will be used to address them

2. **5-Year Action Plan**
   - Detailing investment priorities
   - Alignment of planned spending with economic development, telehealth, and related connectivity efforts
   - Local and regional broadband service needs
   - Proposal of solutions for deploying affordable broadband service
   - Localized broadband deployment data, including locations to prioritize
   - Ascertaining how best to serve unserved locations
   - Identify the needed technical assistance
   - Assess time to build out universal broadband service in the state
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INITIAL PROPOSAL

States may submit only one initial and one final proposal. If the NTIA approves the initial proposal, it will make 20% of the state's allocation available. States are required to coordinate with local and county governments for these proposals. States will have an opportunity to change and resubmit for approval.

- Outlines long-term objectives for deploying broadband
- Identifies steps to support local and regional broadband planning or other ongoing deployment and digital divide efforts
- Describes coordination with local governments and local and regional broadband planning processes
- Identifies existing broadband deployment or digital divide efforts funded by the federal government or the state
- Includes a plan to competitively award subgrants
- Identifies each unserved or underserved location and community anchor institution in the state.

FINAL PROPOSAL

After the state’s initial proposal is approved, the state may submit a final proposal for the remainder of the funding allocation. States are required to align use of these funds with funds available from other federal programs that support broadband deployment and access.

If approved, the state would receive the remainder of its funds. If not, the state will have an opportunity to change and resubmit for approval.

The final proposal must include:

- A detailed plan for how the state will allocate funds for broadband deployment to unserved and underserved locations
- A timeline for implementation
- An oversight and accountability process
- A description of coordination with local governments along with local and regional broadband planning processes.
OBTAINING FUNDING:
SUBGRANTS
States may use the BEAD program funds to competitively award subgrants.

PROGRAM PRIORITIES
- Unserved locations
- Underserved areas
- Community anchor institutions
- Persistent-poverty counties and high-poverty areas
- Speed of the proposed broadband service
- Expediency with which a project can be completed

Unserved/underserved projects can be as small as a single location where the population is at least 80% unserved or underserved. This will help ensure that isolated locations are addressed by the BEAD Program.

ELIGIBLE ENTITIES
States may not exclude from eligibility:
- Cooperatives
- Nonprofit organizations
- Public-private partnerships
- Private companies
- Public or private utilities
- Public utility districts
- Local governments

CROSS-FUNDING AND ELIGIBILITY
These funds are meant to supplement, not supplant a state’s broadband deployment funding. Entities that have previously received government funding to expand broadband service are not excluded from this new funding. Entities that receive this funding will not be excluded from future government broadband funding.

ELIGIBLE USES
Subgrantees must use the funds to deploy broadband networks that provide service:
- No less than 100 Mbps for downloads and 20 Mbps for uploads (100/20)
- Latency low enough to allow real-time interactive applications
- Network outages that average less than 48 hours over any 365-day period
- Provide access in the service area to each customer that desires broadband service
- Offer at least one low-cost broadband service option for eligible subscribers
NETWORK REQUIREMENTS

ACCESS POINTS
Networks will be built with interspersed conduit access points at regular and short intervals with the ability to reach interconnection points to ensure the technical feasibility and financial sustainability of a project.

COMMUNITY AWARENESS
Subgrantees must inform the state and the community once the network is deployed. Subgrantees must also carry out public awareness campaigns in service areas. These are designed to highlight the value and benefits of broadband service in order to increase adoption by consumers.

CONTINUATION OF SERVICE
If, at some point, the subgrantee is no longer able to provide broadband service to locations covered by the subgrant, it must sell network capacity to other broadband service providers or public sector entities at a reasonable, wholesale rate on a nondiscriminatory basis.

FUND MATCHING
States must require subgrantees to provide a 25% match. Matching funds may:

- Be provided by an eligible entity, local government, utility company, cooperative, nonprofit organization, for-profit company, regional planning or governmental organization, a Federal regional commission or authority
- Be in-kind contributions
- May include funds previously allocated in the Families First Coronavirus Response Act, the CARES Act, the Consolidated Appropriations Act, 2021, and the American Rescue Plan Act of 2021

High cost areas as identified by NTIA may be granted an exception from the matching funds requirement.

TAX LIABILITY
The grant funds disbursed by BEAD are considered taxable by the FCC. Entities will need to plan accordingly when estimating their funding needs.
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SUBGRANT APPLICATIONS

Each state and territory must establish a fair and competitive process for selecting subgrantees. They are permitted to tailor their disbursement program to suit their individual needs. The specifics of the application process will be updated when that information becomes available.

SUBGRANTEE PARTICIPATION

Each state and territory is encouraged to invite a broad cross-section of potential subgrantees, including minority-owned businesses and other socially or economically disadvantaged individual-owned businesses to participate in the process of defining the criteria for the subgrants.

CAPABILITY

The following requirements are federally mandated for all subgrantees under BEAD. Applicants must provide the following documentation to demonstrate their capability of completing the project in a timely and competent manner:

FINANCIAL

• Certification that the applicant is financially qualified to fulfill the proposed project, including funds for all costs that exceed the grant.
• An irrevocable standby letter of credit from an eligible bank for no less than 25% of the subaward amount.
• Financial statements from the prior fiscal year audited by an independent certified public accountant. Applicants who have not been audited must submit their financial statements pending an independent audit by a state-designated deadline.
• Business plans and analyses on the project’s sustainability, including cash flow and balance sheet projections, for at least 3 years post targeted completion.

MANAGERIAL

• Resumes for key management personnel and organizational charts detailing parent, subsidiaries, and affiliates.
• Narrative describing readiness to manage a broadband services network: The experience and qualifications of key management, previous projects of similar scope, recent and upcoming organizational changes, and relevant organizational policies.

TECHNICAL

• Certification that the applicant is technically qualified to complete and operate the project and will use an appropriately skilled and credentialed workforce.
• Network design, diagram, project costs, build-out timeline and project milestones, with a capital investment schedule for completion and activation of service fulfilling BEAD goals within 4 years. This must be certified by a professional engineer.
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LEGAL
- Compliance with all applicable Federal, State, Territorial, and local laws.
- For occupational safety and health requirements, subgrantees must commit to worker-led health and safety committees.
- Must provide ownership information

OPERATIONAL
- Applicants that have provided voice, broadband, and/or electric transmission or distribution service for at least 2 years must certify this and the years in operation and whether it has complied with all relevant regulations.
- Applicants new to broadband must demonstrate that they have obtained sufficient operational capabilities through resumes from key personnel, project descriptions and narratives from contractors or other partners with relevant experience, etc.

OTHER PUBLIC FUNDING
Must disclose any other applications the potential subgrantee or its affiliates have submitted or plan to submit, and every broadband deployment project they have committed to that is using public funds, including:
- The Families First Coronavirus Response Act
- The CARES Act
- The Consolidated Appropriations Act, 2021
- The American Rescue Plan of 2021
- Any federal Universal Service Fund high-cost program (e.g., RDOF, CAF)
- Any state or local universal service or broadband deployment funding program

Applicants must disclose:
- The speed and latency of the broadband service to be provided
- The geographic area to be covered
- The number of unserved and underserved locations committed to serve
- The amount of public funding to be used
- The cost of service to the consumer
- The matching commitment, provided by the subgrantee or its affiliates

APPLICANT PRIORITY
If there is more than one eligible subgrant application for an unserved/underserved area, then priority will be given to applicant that demonstrates:
- Minimal cost to BEAD Program
- Affordability
- Fair Labor Practices
- Speed to Deployment
- Any other state criteria
TIMELINE

FEDERAL TO STATES AND TERRITORIES

Each state’s timeline will be unique, but follow the same guideposts. Please note that unless a date is specified, these dates are estimates only.

2022
- NOFO released May 13
- Letter of Intent due July 18
- 5-year plan due 270 days after planning funds received

LATE 2022/2023
- FCC completes its survey maps of unserved/underserved areas
- NTIA notifies each state of estimated funding available
- Initial proposal due 180 days after new DATA maps and notice of funding amounts issued

2023/2024
- Final proposal due 365 days after initial proposal approval

2024-2028
- 4-year implementation period

SUBGRANTS TO ENTITIES

The timeline for subgrant applications will be dependent on the guidelines set forth by that specific state or territory within the federally indicated implementation period. This will be updated as more information is released.
REPORTING: STATE

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<th>Report</th>
<th>No Later Than</th>
<th>State-Level Required Reporting to NTIA</th>
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| Initial | 60-90 days after receipt of funds | • Planned and actual use of funds  
• Process of subgranting  
• Oversight and accountability  
• Any other information required by the NTIA |
| Semi-Annual | 1 year after receipt of funds, repeating semi-annually | • How grant funds were expended  
• Service provided with grant funds  
• Number of locations that were provided broadband  
• Number of locations utilizing the broadband provided  
• Certify state complied with program requirements |
| Final | 1 year after all funds have been expended | • All the information from the semi-annual reports  
• Each report that the state received from subgrantees |

REPORTING: ENTITIES

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<th>Report</th>
<th>Entity-Level Required Reporting to States</th>
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| Semi-Annual | • A list of addresses that will be served  
• Whether each address in the service area is residential, commercial, or a community institution  
• Types of facilities constructed and installed  
• Peak and off-peak actual broadband speeds  
• Maximum advertised speed  
• Non-promotional prices including fees and tier systems  
• Any data required to comply with the standards of the FCC  
• Any other information required by the NTIA or states/territories |
VALUE WIDELITY PROVIDES

Widelity specializes in program and project management. We have provided services to clients seeking funding from multiple jurisdictions and agencies. Our experience in deployment strategy, technology, and supply chain management uniquely qualify us to meet your needs.

Government Funding Consultant Services

- Widelity ensures compliance with Federal requirements
- Widelity handles any Federal Requests For Information (RFIs)
- Submit
- Review
- Approve
- Resubmit
- Rejected

RFIs can slow the process by over a year.

VALUE WIDELITY PROVIDES

- Determine your eligibility
- Organize application materials
- Identify potential issues
- Submit the application
- Support for all post-award compliance and reporting

REIMBURSABLE WITH GRANT FUNDS

The BEAD Program allows up to 5% of grant funds to be used in eligible pre-application expenses.
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WHO WE ARE

Widelity is a Small Business that provides eligible entities Government Funding Consulting Services (GFCS). We write and submit the application, complete any reporting and compliance documentation requirements and support clients to navigate all aspects of government funding programs.

COMPANY DATA & METRICS

- Founded in 2006
- 100+ Personnel
- Processed over 150k documents
- Successfully completed 6k+ RFIs
- Nationwide team and client base

- $390M+ in client reimbursements to date
- Clients on track for $2B+ in reimbursements
- Excellent relationship with federally approved program administrators

PAST PERFORMANCE

Successful Government Contracts:
- Report and Catalog of Installation and Replacement Costs for the Wireless Competition Bureau (FCC) (2020 - 2021)
  - Exceptional CPARS evaluation rating
- Report and Catalog for the Media Bureau for the Broadcast Incentive Auction (FCC) (2013 - 2014)

Successful client-focused initiatives:
- FCC Broadcast Incentive Auction
- FCC Secure and Trusted Communications Networks Reimbursement
- SBA Shuttered Venue Operators Grant (SVOG) Program
- NTIA Connecting Minority Communities (CMC) Program

CONTACT US

We are experts in fulfilling all government regulatory requirements and look forward to supporting you. Please reach out to us today at compliance.info@widelity.com and let's work together to ensure you are in full compliance.

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