ARIZONA
COMMERCE AUTHORITY

BEAD Restructuring Policy Webinar

June 2025

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Important Announcement

- The Subgrantee Application window for Round 2, which was planned for June 3 – July 18, 2025, has been suspended.

- The Arizona Commerce Authority State Broadband Office is reviewing the National Telecommunications and Information Administration (NTIA) [Broadband Equity, Access, and Deployment (BEAD) Program: BEAD Restructuring Policy Notice](#) released Friday, June 6, 2025. We are assessing the potential impacts on Arizona's BEAD program and will provide updates soon.

- Should you have any questions, please don't hesitate to contact our office at broadband@azcommerce.com.

Executive Summary

The National Telecommunications and Information Administration (NTIA) has issued a restructuring of the Broadband Equity, Access, and Deployment (BEAD) Program. **NTIA states this update is designed to maximize broadband coverage, streamline implementation, and ensure cost-effective use of federal funds.**

01 Policy Streamlining
Removes non-statutory requirements from BEAD NOFO, including those related to Labor standards, Climate change reporting, Open access mandates.

02 Tech Neutrality
Adopts a technology-neutral stance, allowing terrestrial wireless, fiber, and LEO satellite solutions to compete equally provided they meet IIJA & NOFO performance and reliability standards.

03 Proposal Revisions
Eligible Entities must submit letter requesting Initial Proposal correction within 30 days of the notice and update subgrantee selection processes to reflect new criteria.

04 Location Optimization
Entities must use federal datasets to update eligible location lists and avoid overbuilding and ensure accurate service commitments.

05 Efficiency & Competition Focus
Introduces a mandatory "Benefit of the Bargain Round" of subgrantee selection to promote undistorted competition and ensure maximum taxpayer return.

06 Compliance & Oversight
NTIA will enforce compliance through proposal reviews, performance benchmarks and ongoing audits.

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Policy Streamlining – Programmatic Changes (1/2)

In accordance with NTIA restructuring, states must eliminate the following non-statutory requirements from BEAD application scoring, subgrantee agreements, and subgrantee reporting requirements.

	Labor, Employment, and Workforce Development	**Climate Change Requirements**	**Open Access/Net Neutrality**	**Local Coordination and Stakeholder Engagement**
Requirements	• To meet statutory requirements, eligible entities must now prioritize projects with a demonstrated record and plans for compliance with federal labor and employment laws by requiring subgrant applicants to certify this compliance.	• Subgrantees must now comply with statutory requirements by implementing NTIA-defined best practices for broadband infrastructure reliability and resilience. • This includes creating risk management plans that address natural disasters (Wildfires, flooding, tornadoes, hurricanes) and cybersecurity measures).	• Subgrantees must still meet statutory requirements for interspersed conduit access points in fiber optic projects, but NTIA has eliminated additional obligations from the 'conduit access points' section that go beyond the statute	• Eligible entities must adopt NTIA's local coordination requirements. • NTIA now requires eligible entities to certify that they have met public comment requirements and have received plans from local political subdivisions before submitting their final proposal to NTIA.
Eliminations	• NTIA removed sections related to fair labor practices and highly skilled workforce, equitable workforce development, job quality objectives, civil rights, and related proposal and reporting needs. • Contracting with small, minority, women's businesses, and labor surplus area firms has also been eliminated.	• NTIA has removed the 'climate resilience' section and related proposal requirements from the NOFO.	• NTIA has removed requirements related to the consumer protections section, which prohibited data caps and unreasonable network management practices, and the interconnection requirements and wholesale access section.	• NTIA has removed the 'local coordination' and 'public notice' sections from the NOFO and their expanded proposal content requirements

Policy Streamlining – Programmatic Changes (2/2)

States must eliminate the following non-statutory requirements from BEAD application scoring, subgrantee agreements, and subgrantee reporting requirements.

Non-Traditional Broadband Providers

Requirements

- Eligible entities must still comply with the statutory requirement ensuring that various entities are not excluded from eligibility for BEAD subgrants.

Eliminations

- NTIA has removed NOFO requirements that favored non-traditional broadband providers by obliging eligible entities to justify awarding grants to traditional providers.
- The Consider All Provider Types section and its associated proposal requirements have been eliminated.

Middle Class Affordability Plan

Requirements

- No additional requirements or compliance measures need to be adopted by eligible entities or subgrantees.

Eliminations

- NTIA has removed the requirement for eligible entities to develop, implement, and update a middle-class affordability plan from the NOFO.
- This non-statutory provision was deemed confusing, arbitrary, difficult to operationalize, and deterred provider participation in the program.

Low-Cost Service Option

Requirements

- BEAD subgrantees must still offer at least one low-cost broadband service option.
- Low-Cost Service Option (LCSO): Subgrantees must propose their own LCSO rates, with NTIA approving only those proposals submitted by subgrantees themselves. The LCSO must meet certain speed (minimum 100/20 Mbps) and performance criteria (latency no more than 100 milliseconds).
- Subgrantees are also responsible for verifying subscriber eligibility for LCSO and may use documentation requirements like those of the Lifeline Program.

Eliminations

- NTIA has removed the 'Affordability and Low-Cost Plans' section.
- NTIA prohibits eligible entities from setting specific rates for these options, which was found to constitute improper rate regulation.
- The definition of 'eligible subscriber' for LCSO has been updated to align with the FCC's Lifeline Program eligibility criteria.

Technology Neutrality

NTIA has eliminated the compliance requirement that prioritized end-to-end fiber projects and introduced several updated compliance requirements.
This allows eligible entities to consider all qualifying broadband technologies, including terrestrial wireless and Low Earth Orbit (LEO) satellite services.

Technology Neutrality

The requirement prioritizing end-to-end fiber projects has been removed, allowing **all technologies meeting statutory speed and latency standards** to compete as Priority Broadband Projects.

Definition of Priority Broadband Project

NTIA has redefined this to include projects providing at least **100/20 Mbps speeds** and scalability for future needs, **supporting 5G and advanced technologies**. An eligible entity shall reject a Priority Broadband Project if the cost of the project is excessive.

Subgrantee Selection

An additional '**Benefit of the Bargain**' round will allow all qualified technologies to compete equally, and previous subaward selections must be reconsidered.

Eliminated Scoring Criteria

Criteria based on fiber preference, **affordable and open access, equitable workforce development, and local and tribal coordination have been removed**. Scoring now emphasizes **cost-effectiveness** and **speed of deployment**.

Cost Considerations

NTIA mandates cost-effective project selection and subgrantees must deploy networks within **four years** without imposing unjust costs to taxpayers. Eligible Entities are **no longer required to establish an Extremely High Cost Per Location Threshold (EHCPLT).**

Compliance with Labor Laws

Subgrantees must **self-certify compliance** with federal labor laws, but **fair labor practices are no longer part of the scoring criteria.**

Optimizing BEAD Locations

To streamline BEAD Program implementation and prevent overbuilding, eligible entities must adhere to the updated guidelines without re-conducting their challenge processes.

Update BEAD-Eligible Locations

- Eligible entities **must use the reason code process** outlined in the Final Proposal Guidance **to remove locations not requiring BEAD funding** including those removed from the FCC Fabric, served by enforceable commitments, or covered by non-subsidized services.

- Entities must add locations no longer served due to a default or change in service area on a Federal commitment.

- Entities must **certify these locations as unserved/underserved** and incorporate them into the BEAD location list before accepting subgrantee applications.

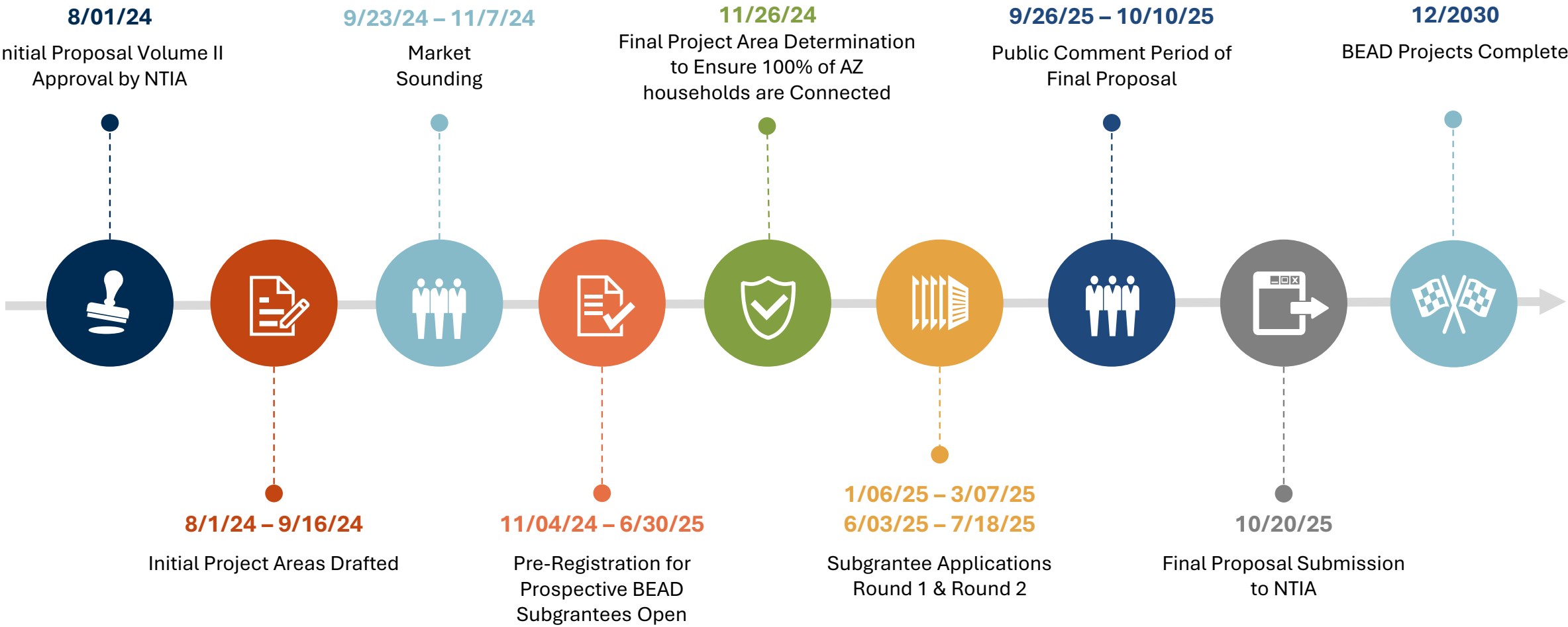## Unlicensed Fixed Wireless Consideration (ULFW)

- With ULFW providers now eligible to compete for BEAD subgrants, entities need to **verify locations served by ULFW networks** to prevent redundancy.

- Entities must **check the FCC National Broadband Map** for ULFW coverage.

- Notify ULFW providers, who have **seven days to submit documentation** proving their service meets BEAD technical standards and can be **maintained for at least four years**. If verified, locations are ineligible for BEAD funding.

Community Anchor Institutions (CAIs) Revisions

- Entities must **revise CAI lists** to align with the IIJA's statutory definition.

- NTIA **revokes the broader NOFO definition** and will narrowly interpret 'community support organization'.

- NTIA will meticulously review CAI submissions and reserves the right to reject designations inconsistent with statutory guidelines.

- These directives are designed to ensure **precise deployment of funds**, stimulate **competitive participation**, and uphold statutory compliance, thereby facilitating efficient and effective broadband expansion.
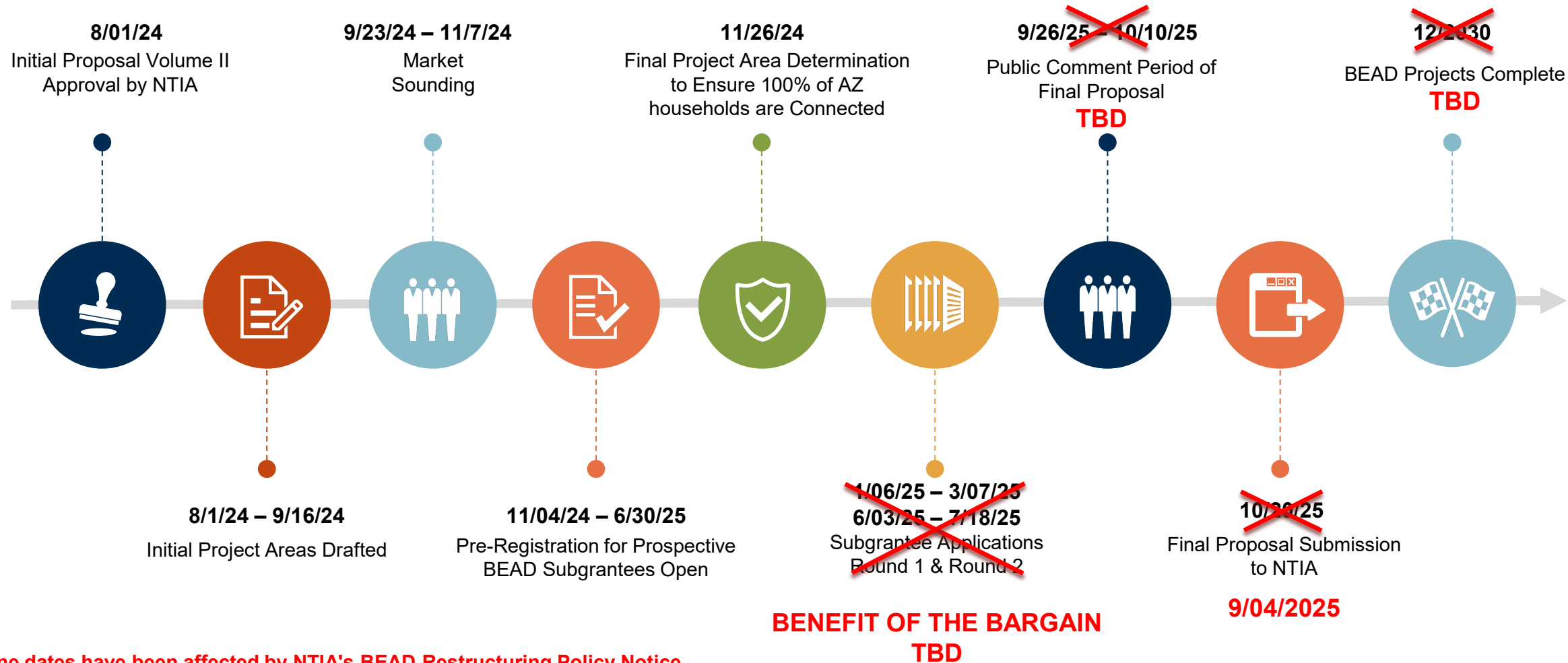
BEAD Program Timeline

BEFORE

8/01/24
Initial Proposal Volume II Approval by NTIA

9/23/24 – 11/7/24
Market Sounding

11/26/24
Final Project Area Determination to Ensure 100% of AZ households are Connected

9/26/25 – 10/10/25
Public Comment Period of Final Proposal

12/2030
BEAD Projects Complete

8/1/24 – 9/16/24
Initial Project Areas Drafted

11/04/24 – 6/30/25
Pre-Registration for Prospective BEAD Subgrantees Open

1/06/25 – 3/07/25
6/03/25 – 7/18/25
Subgrantee Applications Round 1 & Round 2

10/20/25
Final Proposal Submission to NTIA

*Pending NTIA approval

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Next Steps

What's Next

✔ For the latest updates, please monitor the ACA website for key announcements. Additionally, keep an eye on your email for important messages from ACA's Broadband Inbox.
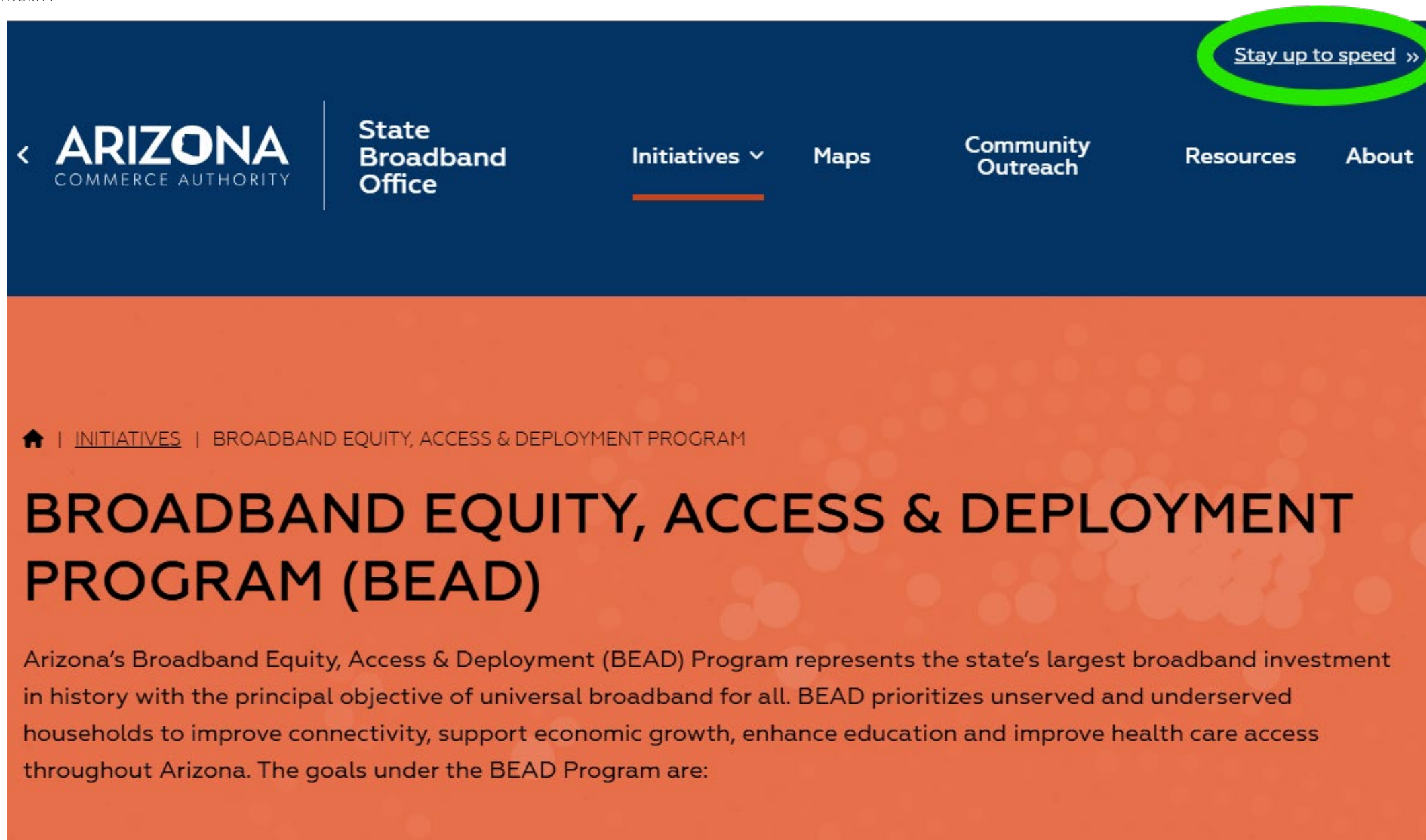
✔ If you have any questions, feel free to contact us at broadband@azcommerce.com.

✔ Sign up to receive email communications from the State Broadband Office using QR code or link: https://www.azcommerce.com/broadband/stay-connected

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State Broadband Office

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🏠 | INITIATIVES | BROADBAND EQUITY, ACCESS & DEPLOYMENT PROGRAM

BROADBAND EQUITY, ACCESS & DEPLOYMENT PROGRAM (BEAD)

Arizona's Broadband Equity, Access & Deployment (BEAD) Program represents the state's largest broadband investment in history with the principal objective of universal broadband for all. BEAD prioritizes unserved and underserved households to improve connectivity, support economic growth, enhance education and improve health care access throughout Arizona. The goals under the BEAD Program are:

https://www.azcommerce.com/broadband/initiatives/bead/

Q&A