



# **BEAD Program Planning**

## ***Local Government Roundtable***

**September 13th, 2023**

**FOR DISCUSSION PURPOSE ONLY**



# Arizona Commerce Authority



- The Arizona Commerce Authority coordinates broadband development activities in partnership with state and local government stakeholders and the private sector to streamline regulatory hurdles and maximize strategic broadband funding for Arizona.
  - ✓ Statutory basis
  - ✓ History and experience
  - ✓ Personnel and capabilities
  - ✓ Middle-mile strategic plan
  - ✓ Arizona Broadband Development Grant Program / Capital Projects Fund
  - ✓ BEAD program

# BEAD Program – Overview (1/2)



- Authorized by Infrastructure Investment and Jobs Act (IIJA)
  - ✓ Broadband Equity, Access, and Deployment (BEAD) Program will provide ~\$42.45 billion for infrastructure planning and implementation
  - ✓ Principal objective: **Universal Broadband Access**
    1. Unserved locations lack reliable Internet with download speeds < 25 Mbps, upload speeds < 3 Mbps, and latency >100 ms
    2. Underserved locations lack reliable Internet with download speeds <100 Mbps, upload speeds <20 Mbps, and latency >100 ms
    3. Eligible Community Anchor Institutions include schools, libraries, hospitals and entities that facilitate greater use of high-speed Internet service by vulnerable populations and have download speed <1 Gbps
    4. Other eligible uses include affordability programs, cybersecurity training, workforce development, etc.
  - ✓ Technology
    - Preference for end-to-end fiber-optic network
    - “Reliable” broadband technologies include cable, DSL, and fixed wireless using licensed spectrum

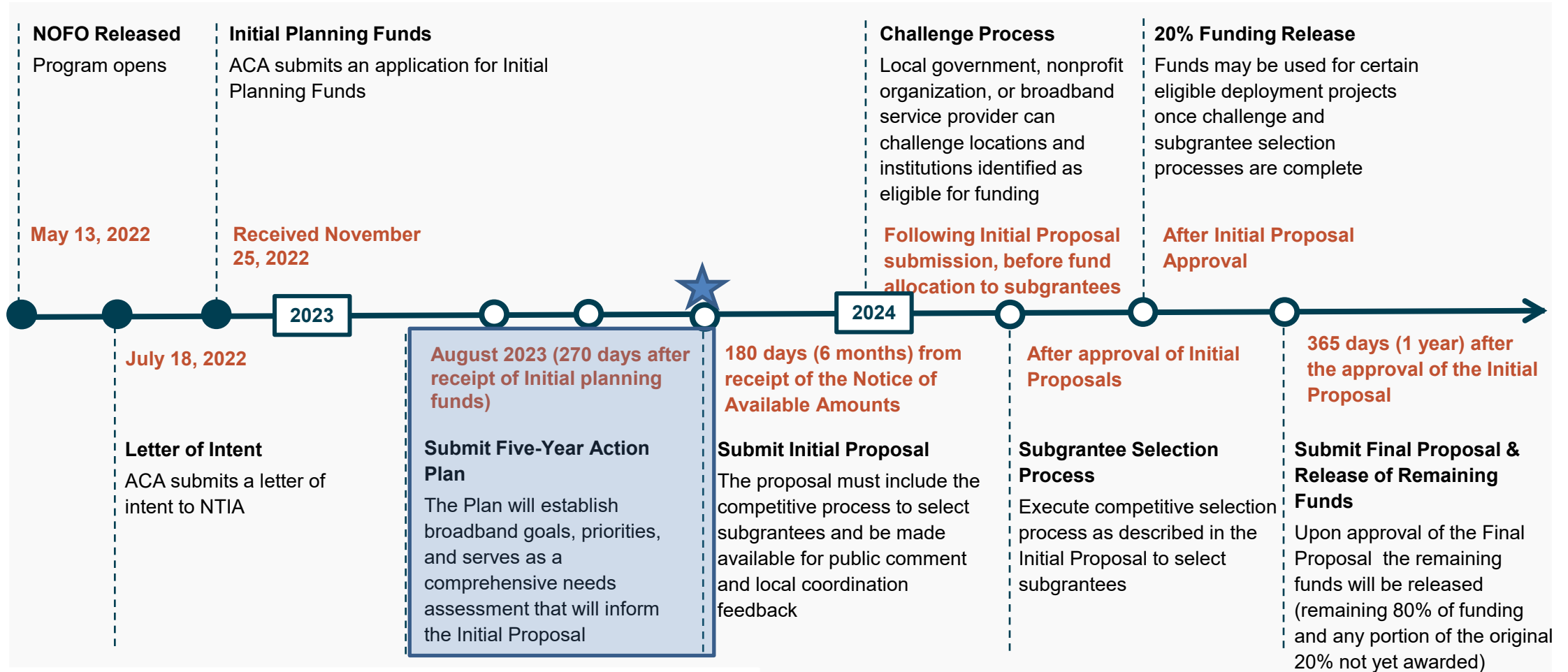
## BEAD Program – Overview (2/2)



- Arizona's BEAD Program:
  - ✓ Largest source of broadband funding ever
  - ✓ Priority will be given to building networks that connect unserved and underserved locations and community anchor institutions
  - ✓ Program allocation is ~\$993 million, allocation based on new FCC map
  - ✓ Program will be implemented as a subgrant program to a variety of entities include private ISPs, non-profits, communities, co-operatives, and others
    - ✓ Subgrants likely to start in end of 2024 or beginning of 2025
  - ✓ Program begins with robust and thorough planning and coordination

# BEAD Program Timeline

The BEAD program has a series of required submissions and milestones which must be completed in order to receive the full funding amounts.



BEAD Program Timeline is approximate unless exact date is specified.

# BEAD Planning Stages (1/2)

## BEAD Five-Year Action Plan

- The Plan was due for submission to NTIA in August 2023
- The Plan should include “high level” strategies for using all funding sources to achieve universal broadband access
- The Plan does not need to make key policy decisions or define a fully executable program
- Stakeholder engagement will comprise a large part of the value of the Plan development exercise
  - NTIA seeks to foster a participatory policymaking process in which all voices have a chance to be heard
  - While local coordination should be ongoing, some policymaking decision windows have to close for the BEAD program to proceed

## BEAD Initial Proposal

- Initial Proposal is due in December 2023
- Will include two “volumes”
  - Volume 1 focuses on defining targetable locations through:
    - Defining a location-granularity list of unserved, underserved, and served locations
    - Mapping existing broadband funding projects
    - Defining and listing community anchor institutions (CAIs)
    - Conducting a challenge process that addresses and verifies all aspects of the eligibility maps’ accuracy
  - Volume 2 defines other BEAD aspects such as subgrantee selection
- Initial Proposal should define a fully executable broadband grant program
  - Feasible plan to achieve universal broadband access

## BEAD Planning Stages (2/2)

### BEAD Initial Proposal – Funding Package

- Arizona can get partial funding in 2024
- Special criteria apply to these early awards
- BEAD program allows 5% of total program funds to be spent on administration
- May include improved mapping and field validation

### BEAD Final Proposal

- Should report on how the Initial Proposal was implemented
- Should contain a complete statewide solution for universal 100/20 Mbps broadband access, which:
  - Names specific ISPs ready to commit to build in return for grant funds
  - Demonstrates geospatially that the BEAD projects, taken together with existing coverage and scheduled builds, will achieve universal broadband coverage
- Program funds may not be sufficient to reach all the underserved areas in the state
- Final Proposal should describe compliance monitoring plans

# BEAD – Local Government Consultation Process



1. Make local governments aware of the BEAD program, objectives, processes, and information gathering requirements
2. Invite local inputs for Action Plan & Initial Proposal, Volume 1 (incl. challenge process)
3. Distribute Action Plan to local governments
4. Post Initial Proposal, Volume 1 (incl. challenge process) for public comment, invite local govt. participation
5. Upon approval, launch BEAD challenge process and activate local govts to collect data
6. Invite inputs about Initial Proposal, Vol. 2, incl. subgrantee selection and streamlining deployment
7. Upon approval, alert local govts to BEAD program launch

*Note: Five-Year Action Plan stakeholder engagement summary will be primarily based on input / feedback received in the roundtable meetings and survey responses.*



# The BEAD Challenge Process



- The BEAD Program targets universal broadband access, so if you have a coverage gap, make sure the ACA Broadband Office knows about it before the BEAD funds start to flow, so the Office can target your unserved and underserved locations
- Definitions:
  - BEAD 1<sup>st</sup> priority: Unserved locations that lack internet service of at least 25/3 Mbps
  - BEAD 2<sup>nd</sup> priority: Underserved locations that have between 25/3 and 100/20 Mbps service
  - BEAD 3<sup>rd</sup> priority: Community Anchor Institutions (schools, libraries, hospitals, community centers) locations that does not have 1 Gbps internet service
  - “Reliable broadband technology”: BEAD only counts (a) fiber, (b) cable, (c) DSL, and (d) fixed wireless using licensed spectrum as making an area qualify as served
- The Initial Proposal, Volume 1 will define an eligible location list. For a sneak peek, check your area in the FCC National Broadband Map (<https://broadbandmap.fcc.gov/home>)
- Ask residents in your area whether they have adequate service
- If your area is wrongly excluded from BEAD eligibility because of inaccurate coverage claims, use the BEAD challenge process to establish your needs

## BEAD Subgrantee Selection



- After the BEAD eligible location list is determined, the ACA will begin to make **subgrant awards** to internet service providers (ISPs) to determine which companies will deploy to unserved and underserved areas across Arizona
- The NTIA expects states to fund as much end-to-end fiber service as possible, but there probably won't be enough funds to deploy fiber everywhere
- Fixed wireless using licensed spectrum is likely to fill in the gaps where fiber is too expensive
- The state can include **local coordination** as a factor in subgrantee selection. If you would like the state to ask ISPs to provide local letters of support, and then use them as a factor in the subgrant application evaluation, please help the state to understand how best to do that.
- Start thinking about how you would desire to see broadband coverage gaps closed. Would you consider writing letters of support for ISPs? Do you have a working relationship with the ISPs already serving your local jurisdiction?

## BEAD High-Cost Area



- A high-cost area “means 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” – incorporating factors include:
  - The remote location of the area
  - The lack of population density in the area
  - The unique topography of the area
  - A high rate of poverty in the area
  - 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
- The NTIA expects states to fund as much end-to-end fiber service as possible, but there probably won't be enough funds to deploy fiber everywhere

*Note: 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.*

# Streamlining Broadband Deployment



- When BEAD subgrantee ISPs begin to deploy, they will need suitable permits / approvals for:
  - Pole attachments
  - Accessing the public rights-of-way
  - Attaching communication equipment to vertical assets / infrastructure
  - Crossing railroads / streams
  - And more
- Permitting and civil works are a major cost driver in broadband deployment projects
- If your area is deployment friendly, you may be better served by the BEAD program. So consider:
  - Streamlining processes as much as you can
  - Let the broadband industry know what you're doing to make permitting easy, reliable and speedy
  - Identify potential barriers to deployment in your area that you can't control, and inform the ACA Broadband Office about them in case they may be able to help

# Next Steps

## Planned Activities



- Survey – promote and participate
- Input / feedback on the policy decisions
- Additional resources
- Feedback / Questions / Additional program information:

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