BEAD FAQ Resources – Updated 10/17/2024

Question: When we apply, must we serve all locations in all the PFAs within that application?
Answer: Each application must propose to serve all unserved and underserved BSLs within at least one Project Funding Area and may include contiguous Project Funding Areas in the same application if all planning details are separately included for each area. Applicants must submit separate applications for any Project Funding Area that is non-contiguous. KOBD will not consider an application eligible for an award if it does not provide qualifying broadband service to all unserved and underserved BSLs and CAIs within at least one entire Project Funding Area. All applications must segregate costs between unserved locations, underserved, and served locations within the entire Project Funding Area so that the incremental costs to provide complete universal service in each area can be compared to the cost to meet the priority unserved locations as required by BEAD guidance.

Question: Will my fiber project be scored against hybrid for BEAD Minimal Outlay?
Answer: Fiber is the preferred technology. The scoring criteria for Priority Broadband Projects is separate from the scoring criteria for Other Last-Mile Broadband Deployment Projects. Priority Broadband Projects will be preferred over Other Last-Mile Broadband Deployment Projects as long as the project cost is under the Extremely High-Cost Threshold. Applications will be scored within their appropriate project category.

Question: How will Alternative Technology be included in KOBD's Volume 2?
Answer: Subject to NTIA's final approval, Alternative Technologies will now be accepted in compliance with NTIA latest guidance on Alternative Technologies. We are updating our volume 2 to include unlicensed fixed wireless and low earth orbiting satellites. This option will only be considered after the first two project categories are unsuccessful.

Question: How long is the low-cost option required for?
Answer: KOBD is required to comply with NTIA's requirements of adhering to the duration of the federal interest period. It is $30 per month for the first two years (inclusive of all taxes, fees and charges). After the first two years, it may increase annually by no greater than the CPI-U rate until the federal interest period ends.

Question: Does low-cost option require me to offer internet for $30 to all eligible locations?
Answer: No, KOBD uses the term "Eligible Subscribers" in its volume 2 when discussing those eligible for low-cost option. Eligible Subscribers is defined in the BEAD NOFO as those only eligible for ACP. NTIA is currently developing a validation tool for this and will release it at a later date.

Question: Is a letter of credit required for each application or at the time of award? If at the time of application, is a "blanket" LoC for all applications acceptable?
Answer: Commitments for a Letter of Credit or Performance Bond on issuers' letterhead are required at the time of application. Additionally; a letter of credit is required for each application per the NTIA. When BEAD awards are contracted, an executed Letter of Credit or Performance Bond is required. See 2.4.11.b on page 43 of Kansas' approved Volume 2. In addition, further NTIA guidance with letter of credit options and requirements can be found at: https://broadbandusa.ntia.gov/funding-programs/policies-waivers/BEAD-Letter-of-Credit-Waiver.

Question: How does KOBD define "total cost to serve"? Is it the sum of requested BEAD funds plus the matching private investment funds? If yes, then how does increasing the private investment match improve the score if this is just the cost to build the locations? If not, then should we think of this scoring criteria as the requested BEAD funds divided by the count of locations served by the project?

Answer: To determine how the "Minimal BEAD Program Outlay" scoring criteria will be applied to applications, KOBD will rely on the BEAD NOFO definition, which is then reiterated in the NTIA-approved KOBD "Scoring Rubric" from Volume 2 (see below). The specific language of "…the specific points or credits awarded increasing as the BEAD outlay decreases…" is relevant. Thus, if increasing the private investment match decreases the federal BEAD dollars requested (aka the "BEAD Program Outlay"), the application score will improve. Put differently, KOBD defines "total cost to serve" as the total cost to serve only using the federal dollars requested in the application.

> Minimal BEAD Program Outlay. The total BEAD funding that will be required to complete the project, accounting for both total projected cost and the prospective subgrantee's proposed match (which must, absent a waiver, cover no less than 25 percent of the project cost), **with the specific points or credits awarded increasing as the BEAD outlay decreases**. In comparing the project's BEAD outlay and the prospective subgrantee's match commitments, Eligible Entities should consider the cost to the Program per location while accounting for any factors in network design that might make a project more expensive, but also more scalable or resilient. (From BEAD NOFO (pg. 43), **emphasis** added).
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> The total amount of BEAD funding required to complete the project area in the application, accounting for both the total projected cost and the applicant's proposed match, which must, without a waiver, cover at least 25% of the project cost, with the specific points awarded increasing as the BEAD expenditure decreases for each location serviced in project area in application. (From NTIA approved KOBD "Scoring Rubric" from Volume 2, emphasis added).

To illustrate this point, take the following example.

- Application A has a total project cost (BEAD program outlay plus private match) of $100. $75 is BEAD Program Outlay and $25 is private match.
- Application B has a total project cost (BEAD program outlay plus private match) of $110. $55 is BEAD Program Outlay and $55 is private match.

In this scenario, Application B would be awarded the 50 pts from the Minimal BEAD Program Outlay scoring criteria, as the BEAD Program Outlay is lower (despite having a higher total project cost).