

BEADA – The \$42.5 Billion Infrastructure Grants

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The new acronym used in the title of this blog refers to the official name of the new \$42.5 billion grant program just approved by Congress last Friday – The Broadband Access, Equity, and Deployment program. Another new acronym is IIJA, for Infrastructure Investment and Jobs Act –



the name of the bill just passed by Congress. Today's blog will talk about a few high-level rules governing the BEADA grants. I'll cover other issues of the IIJA in upcoming blogs – things like middle-mile grants and broadband adoption. Since the following provisions are in the legislation they will be in the grant – but there are always tweaks made for final grant rules that will emphasize some points and downplay others.

- You don't need to rush to be ready to file for BEADA grants. This funding is going to flow between the NTIA and the States before going to specific grant projects. The Act gives the NTIA 180 days to come up with a plan for inviting states to apply for the funding. After the NTIA approves state plans, the states will have to develop and announce grant programs. I find it highly unlikely that there will be any grant applications due to states until the end of 2022, more likely in early 2023. States will get at least \$100 million each, with the rest distributed based upon the number of unserved households in each state. This is a good time to remind those who think that the lousy FCC maps don't matter that the States with the worst FCC maps are going to lose

funding.

- Cross your fingers that your State is competent because there are several crucial steps that states must adhere to before funding is provided.
- As expected, grants must adhere to two key definitions of broadband. Unserved are places with broadband speeds under 25/3 Mbps. Underserved are areas with speeds between 25/3 and 100/20 Mbps. Grants must first go to unserved areas before being used for underserved areas. Funding for anchor institutions is only to be considered after serving underserved areas.
- Grant projects must provide speeds of at least 100/20 Mbps, but faster broadband speeds must be given priority. States must give priority to grants that are deployed in counties with persistent poverty. Projects that are shovel-ready will be given priority. Projects that pledge to pay Davis-Bacon wages will get priority.
- States will likely not award all of the grants immediately, and the Act asks states to provide a 5-year plan for the use of the funds.
- Grants don't have to all go for broadband to unserved and underserved areas. States can use the money for data collection, broadband mapping, and planning. Funding can be used to bring low-cost broadband or WiFi to qualifying multi-family apartments.
- Unlike the recent NTIA grant program, BEADA doesn't give priority to any class of grant recipients. The grants can't exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility – but none get a preference.
- There is a challenge process where incumbent ISPs can challenge the validity of a grant area. Interestingly, the NTIA can override States in these challenges.
- Grant applications must provide at least a 25% matching for the cost of

the project. Matching funds can include CAREs funding and ARPA funding – so hang on to those funds for a while! Matching can also come from state grants.

- Deployed technology must only meet two 9's reliability, meaning that a network can be out for two days per year and still be considered adequate – that's a low standard for the industry.
- Grants must cover every home in a grant coverage area within four years of receiving the grant.
- Grant recipients must provide at least one low-cost broadband option for eligible households. The NTIA is expressly forbidden to regulate rates in any manner.
- Interestingly, any fiber built along highways must include access points at regular and short intervals. This money is not for middle-mile fiber.
- Grant recipients must carry out public awareness programs in grant areas extolling the benefits of better broadband.
- There is plenty of paperwork. Grant recipients must file semiannual reports tracking the effectiveness of the grant funding.

This grant program dwarfs all previous grant programs combined, so there is going to be a lot of money coming to every State. What is still to be determined is how States will administer these grants – and there will be differences. But the legislation provides enough detail for communities and ISPs to start looking at how to be positioned for these grants.