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## BEAD and Middle Mile: Post-NOFO Updates for Anchor Institutions

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SHLB Webinar #40  
BEAD and Middle Mile: Post-NOFO  
Updates for Anchor Institutions

# SPEAKERS

- *Moderator:* **John Windhausen Jr.**, executive director, SHLB Coalition
- **Joshua D. Edmonds**, director of digital inclusion, City of Detroit
- **Claude Aiken**, chief strategy officer/chief legal officer, Nextlink Internet



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# NOFO FOMO: Middle Mile and BEAD

Claude Aiken  
Chief Strategy Officer  
Nextlink Internet

# This presentation is not

- Comprehensive
- The official position of Nextlink, SHLB, etc.
- Legal advice
- Parenting advice

# This presentation is

- A practical look at the BEAD, Middle Mile, and Digital Equity programs
- A tonic against NOFO FOMO

# Big Takeaways for Middle Mile

- Moving more quickly than BEAD
  - Responses due September 30, 2022
  - 2023 for funds availability
- Money will run out quickly
  - \$1 billion for whole country, max project size of \$100 million
  - Program criteria make projects more expensive
- Coordinate!
  - Must get input from state broadband offices on middle mile plans
  - Based on old maps to determine unserved/underserved



# Middle Mile Baseline Criteria

- Operational and technical capability to build/run network
- Support retail broadband
- 30% or more cost share
- Connect to unserved areas, trust lands, or offer carrier neutral wholesale
- Interconnection

# Middle Mile Scoring

- Improve deployment to unserved/underserved or increase affordability in already-served (20 points)
- Nondiscriminatory interconnection in perpetuity (10 points)
- Open access in perpetuity (10 points)
- Facilitate carrier-neutral interconnection or improve resiliency or include direct interconnects to CAls w/in 1000 feet of infrastructure at 1 Gbps symmetrical (10 points)
- Comprehensive solution done in 2 years (10 points)
- Organizational capability (5 points)
- Reasonableness of budget (10 points)
- Cost sharing (5 points for 30-40%, 10 points for 41-50%, 15 points for 50%+)
- Likely need more than 80 points to succeed

# Big Takeaways for BEAD

- Money will be available slowly
  - Map challenges galore: FCC, NTIA, state
  - Back and forth between NTIA and states on plans
  - Think 2024-2025 for funds availability
- Money will run out quickly
  - Millions of currently served locations will be eligible for BEAD subsidy (unlicensed fixed wireless)
  - Program criteria make BEAD projects more expensive
  - No money for anchors in many states, depending on how states set extremely high cost threshold

# BEAD Priorities

- **Fiber, fiber, fiber.** Unless it is too expensive.
- 50 state (plus territories) process subject to much back and forth between states and NTIA.
- Maps will be key determinant of funding allocation and project priorities.
- 3 Priorities
  - **First, unserved projects** – more than 80% of the locations in an “unserved” project must be without reliable broadband service of 25/3 Mbps or better
  - **Second, underserved projects** – at least 80% of the locations must be without reliable broadband service of 100/20 Mbps or 25/3 Mbps
  - **Third, community anchor institutions (CAIs)**

# BEAD Obligations

- Must obtain a Letter of Credit (for no less than 25% of the subgrant award)
- Must deploy 100/20 Mbps to all locations in the project area within four years of award
- Must hit interim milestones per each state
- Must offer at least one “low-cost” broadband service option that remains available for the useful life of the network assets
- Must offer a “middle class affordability plan”
- Must not impose data usage caps on subscribers
- Must conduct public awareness campaigns in their service area
- Must have a: cybersecurity plan, climate resiliency plan, supply chain risk management plan, workforce development plan
- Must Buy American for hard assets
- Must provide **at least** a 25% match, but no match in high-cost areas (definition TBD) – some wiggle room with blessing of NTIA
- Must have a federal lien on assets purchased with federal dollars

# BEAD Scoring

- If only one fiber project, that project wins
- If multiple fiber projects, states must use at least three-quarters of the available scoring point) to primary criteria:
  - Affordability: the prospective subgrantee's commitment to provide the most affordable total price for 1 Gig symmetrical service offering
  - Fair labor practices: the prospective subgrantee's demonstrated record and plans to comply with Federal labor and employment laws
  - Additionally:
    - States also must give weight to speed to deployment
    - States encouraged to give weight to the following additional secondary criteria:
      - Enforceable commitments to equitable workforce development and job quality
      - Open access for the life of the subsidized network
      - Support from local or Tribal governments where the locations are to be served
- Project selection when there are no fiber proposals:
  - If there is only one proposal, it is selected;
  - if there are multiple proposals, they are scored based on roughly same primary and secondary criteria

# SWAG Case Study: Texas

- 108,024 un-served rural local road miles<sup>1</sup>
- Projected cost fiber cost: \$26 per foot<sup>2</sup>
- **100% fiber service cost: \$14.8 billion**
- **Texas projected BEAD allocation: \$2 billion**

1. US DOT 2021 Data. Assumes local rural is 80% unserved, but freeways, expressways, arterial, and collectors are all served with fiber.
2. Unincorporated unserved cost per mile for 2020 CTC feasibility study for Multnomah County, Oregon.

# Important Things for Community Anchors under BEAD/Middle Mile

- Under current prioritization regime, community anchors will likely get \$0 under Category 3 priority of BEAD
- So how do community anchors get funding?
  - Partner, partner, partner
  - Work with NTIA/states to develop more inclusive last mile technology plans for BEAD so last mile so budget goes further
  - Creativity!



# Thank you!

Claude Aiken

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# MODERATED Q&A

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- Crystal City, VA
- Early bird pricing in effect through July 15!

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