



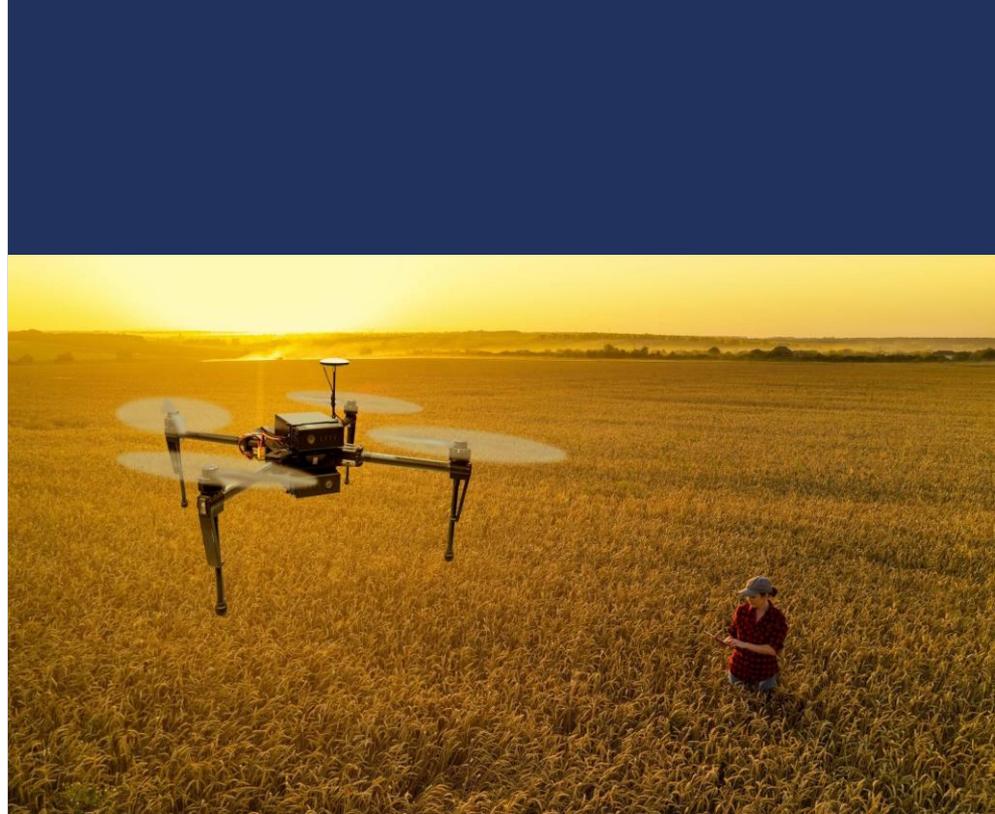
Department of Housing and Community Development

Broadband Equity Access and Deployment (BEAD) Program: Listening Sessions

May 2023



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
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Agenda

Broadband Equity, Access, and Deployment Program (BEAD) 101

Stages of BEAD and Timeline

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Broadband Equity, Access, and Deployment Program (BEAD) 101



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■ BEAD Program: Delivering Universal Broadband Access to Virginians

- Since 2017, Virginia has allocated over \$935 million in state and federal funding to extend broadband infrastructure to over 388,000 locations in 80 cities and counties across the Commonwealth through the Virginia Telecommunication Initiative (VATI).
- The Infrastructure Investments and Jobs Act included \$42.5 billion for state broadband deployment programs under the BEAD Program (Broadband Equity, Access, and Adoption). Specific planning requirements are attached to these funds. Funds will be distributed through a formula allocation.
- These funds, along with continued investment by the Governor and General Assembly in VATI, position Virginia to be the first large state nationally to allocate funds to provide broadband access to all unserved locations. If funds remain beyond this effort, priorities under broadband affordability and adoption can be explored.



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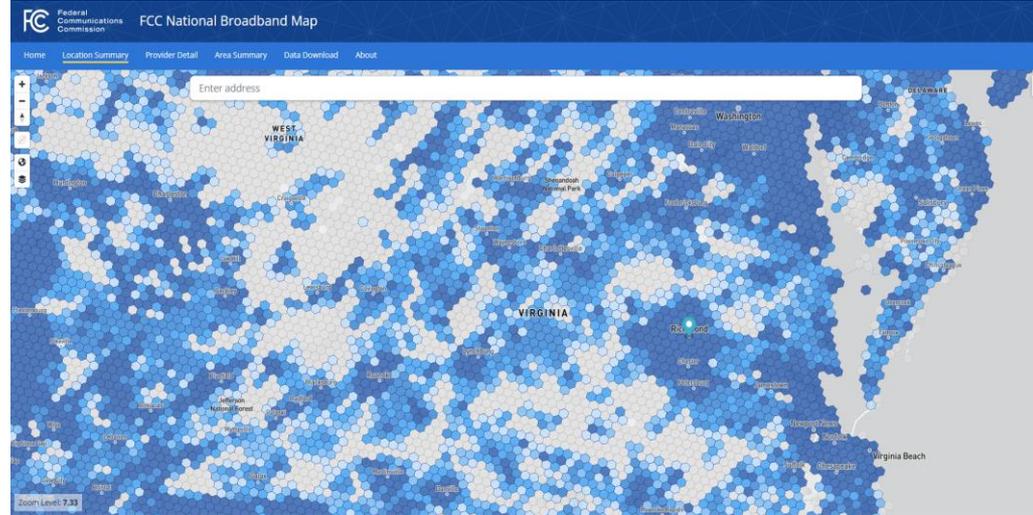
■ What is the Broadband Equity Access and Deployment (BEAD) Program?

- **Background:** The Infrastructure and Investment Act allocated \$42.45 billion in broadband program funding for planning, infrastructure deployment, and broadband adoption (non-deployment) programs. Funds will be distributed through a formula allocation.
- **Purpose:** Provide funding to U.S. states and territories to end the disparity in access to broadband infrastructure and begin to address affordability and adoption programs.
- **What it means for Virginia:** Opportunity to continue Commonwealth investments in broadband expansion (VATI) with federal dollars (Virginia's BEAD allocation), and to explore affordability and adoption programs.

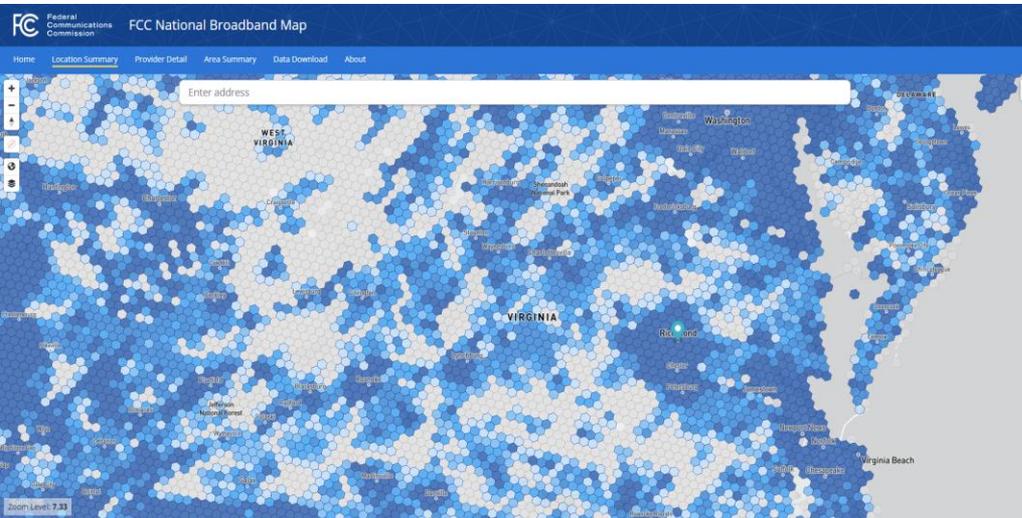


BEAD Funding

- \$42.5 billion available nationally
- Formula based on number of unserved locations in each state/territory
- Each state will receive a minimum initial BEAD allocation of \$100 million.
- Funding by state announced on/before June 30, 2023.
- **FCC unserved locations do not match Virginia mapping data collected through Commonwealth Connection**



Virginia's FCC Map Challenge Effort



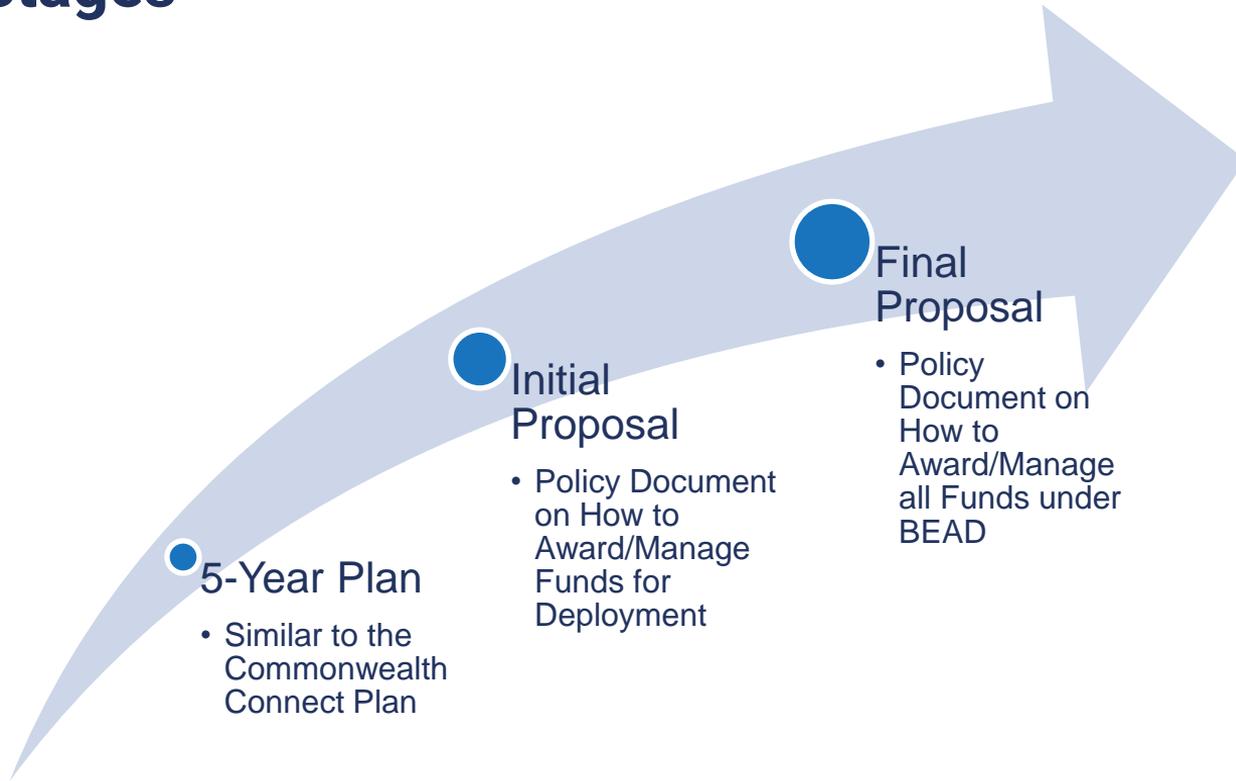
- 1.9M challenges to service assertions accepted (Only 4M nationally accepted)
- Challenges related to (1) differences in submission with state data, (2) line extensions, and (3) non-submission to state mapping process
- Over 400,000 challenges to date upheld (Not necessarily 400,000 newly unserved locations, just one provider's service assertion overturned)

Stages of BEAD and Timeline



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BEAD Stages



- 5-Year Plan**
- Similar to the Commonwealth Connect Plan

- Initial Proposal**
- Policy Document on How to Award/Manage Funds for Deployment

- Final Proposal**
- Policy Document on How to Award/Manage all Funds under BEAD

BEAD Timing – NTIA Timeline

Program Sequencing	Key Dates
NOFO Release/Application Intake Opening	May 13, 2022
Letter of Intent Due	July 18, 2022, by 11:59 p.m. EDT
Request for Initial Planning Funds Due	August 15, 2022, by 11:59 p.m. EDT
Five-Year Action Plan	Within 270 days of receipt of Initial Planning Funds (By August 13, 2023)
Program Fund Allocation and Notice of Available Amounts	After FCC Broadband DATA Maps are made public (By June 30, 2023)
Initial Proposal	180 days to submit after issuance of their Notice of Available Amounts (By December 30, 2023)
State Challenge Process	Challenge: Begin after submission of Initial Proposal and before allocating BEAD funds Final Classification: After resolving each challenge and at least 60 days before allocating grant funds for network deployment
20 Percent Funding Release	Assistant Secretary shall make available to the Eligible Entity 20% of the grant funds when Initial Proposal is approved
Final Proposal and Release of Remaining Funds	No later than twelve (12) months after the date upon which the Assistant Secretary approves the Eligible Entity's Initial Proposal

BEAD Planning Documents Explained



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■ Virginia's Five-Year Plan

Purpose: Conduct stakeholder engagement, needs assessment and set high-level policy priorities and projections.

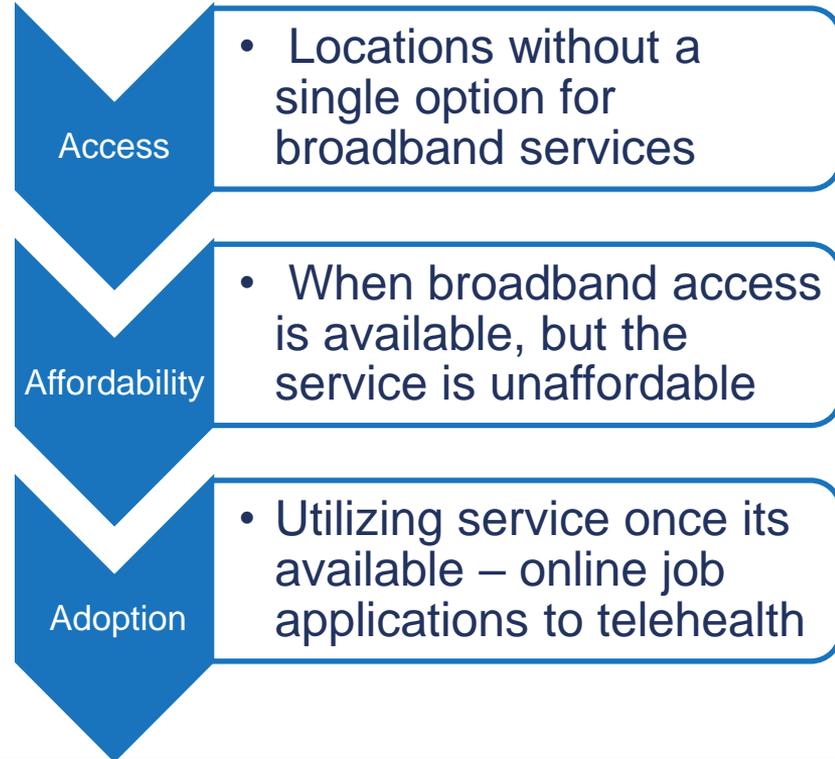
Role in BEAD Process: NTIA provided required template. The template is designed for states and territories with no prior broadband efforts. All states and territories are mandated to complete.



Virginia's Five-Year Plan

- **Top Priority under BEAD:** Reach all unserved locations across the Commonwealth that can be served by cost-effective solutions through the Virginia Telecommunication Initiative and Line Extension Customer Assistance Program.
 - **Caveat, Unserved locations must be based on federal map, not our Commonwealth Connection map**
- **To the extent additional funding is available:** Begin to tackle the challenges of broadband affordability and adoption.
 - Promote full utilization of federal affordability programs – like the \$30/month Affordable Connectivity Program
 - Develop solutions to drive adoption of broadband through introductory digital literacy programs, as well as through more industry specific approaches like telehealth, smart farming, and online entrepreneurship.

*** Prioritization of extending broadband infrastructure to unserved areas is a mandated priority of federal statute*



■ The Initial Proposal

Purpose: Set policy mechanisms that prioritize how and where these approved funds are invested for deployment

Role in BEAD Process: Unlock at least 20% of funds or \$100 million whichever is greater upon approval by NTIA.



■ The Initial Proposal - High Level Process

- Prioritize continued investment in last-mile broadband expansion to unserved areas, prioritizing the cost efficiency and universal focus of those applications.
- Account for new federal mandates imposed through BEAD, including: fair labor practices and climate resiliency among others.
- Utilize the at least 20% of available funds will be released to states after approval of the Initial Proposal, which is not expected before September. **DHCD will request more than 20%, based on existing project demand.**
- Reminder: Each state will receive a minimum of \$100 million initial allocation following the initial proposal.

The Final Proposal *Coming Summer, Early Fall 2024*

Purpose: Report on the progress of deployment under the Initial Proposal and set the remainder of policy priorities under BEAD

Role in BEAD Process: Obtain the Release the remainder of funding not allocated for deployment through the Initial Proposal.



BEAD Compared to VATI



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BEAD Mandated Priorities onto States and Territories in Order

Based on Funding Availability

1st – Reach Unserved Areas, lacking 25/3 internet speeds

2nd - Reach Underserved Areas, lacking 100/20 internet speeds

3rd – Programs that supplement deployment (workforce development)

4th – Connecting Community Anchors and support Broadband Adoption Programs

5th – Other Non-Deployment Uses

These activities can be conducted in tandem, provided anticipated funding can cover all priorities.

State VATI vs. BEAD VATI: Application Process

Virginia Telecommunication Initiative with Multiple Funding Sources

Funding Type	State General Funds	BEAD Funding
Funding Available	\$49.7M in FY24 (July 1, 2023- June 30, 2024)	NTIA to publish amount on June 30, 2023
Application Timeline	Concurrent, anticipated announcement in early 2024	Concurrent, anticipated announcement in early 2024
Awarding Authority	DHCD application review process and Governor awards	DHCD application review process , Governor recommends project awards to NTIA. NTIA is final approver. <i>**Similar to the CPF process in 2021 with US Treasury.**</i>
Eligible Entity (Subgrantee)	Locality	Internet Service Provider

State VATI vs. BEAD VATI: Project Financing

Virginia Telecommunication Initiative with Multiple Funding Sources

Funding Type	State General Funds	BEAD Funding
Federal Requirements	None	Labor Requirements, Climate Resiliency, Environmental Review, etc.
Structure	Public/Private partnership-Grants to units of local government in partnership with broadband providers	Direct grants to broadband providers
Scoring Criteria	State-Controlled, with preferences set in budget language	75% federally mandated, 25% discretionary
Match Requirement	Scored, but not required. VATI funding cannot exceed 80 percent of total project cost	Subgrantee must provide matching funds not less than 25 percent of project costs.

Run on concurrent timelines, but independent processes of one another



Priority Use of BEAD funds: Last-mile Deployment Projects

1. Construction, improvement, and/or acquisition of facilities and telecommunications equipment required to provide qualifying broadband service, including infrastructure for backhaul, middle- and last-mile networks, and multi-tenant buildings.

Deployment: Eligible Non Last-Mile Uses of BEAD Funds

1. Deployment of internet and Wi-Fi infrastructure within an eligible multi-family residential building.
2. Network software upgrades, including, but not limited to, cybersecurity solutions.
3. Training for cybersecurity professionals who will be working on BEAD-funded networks.
4. Workforce development, including Registered Apprenticeships and pre-apprenticeships, and community college and/or vocational training for broadband-related occupations to support deployment, maintenance, and upgrades



Non-Deployment: Eligible Uses of BEAD Funds

1. User training with respect to cybersecurity, privacy, and other digital safety matters.
2. Remote learning or telehealth services/facilities.
3. Digital literacy/upskilling (from beginner-level to advanced).
4. Computer science, coding, and cybersecurity education programs.
5. Implementation of Eligible Entity digital equity plans (to supplement, but not to duplicate or supplant, Planning Grant funds received by the Eligible Entity in connection with the Digital Equity Act of 2021).
6. Broadband sign-up assistance and programs that provide technology support.
7. Multi-lingual outreach to support adoption and digital literacy.
8. Prisoner education to promote pre-release digital literacy, job skills, online job acquisition skills, etc.
9. Digital navigators.
10. Direct subsidies for use toward broadband subscription, where the Eligible Entity shows the subsidies will improve affordability for the end user population (and to supplement, but not to duplicate or supplant, the subsidies provided by the Affordable Connectivity Program).
11. Costs associated with stakeholder engagement, including travel, capacity-building, or contract support.
12. Other allowable costs necessary to carrying out programmatic activities of an award, not to include ineligible costs described below in Section V.H.2 of the BEAD NOFO.”

Looking Ahead & Guiding Principles



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Office of Broadband BEAD Guiding Principles

- Allocate funds and deliver projects to the remaining unfunded unserved locations in the Commonwealth that can be reached through a cost effective solution
- Implement as many VATI elements into BEAD
- Maintain momentum by accelerating submission and deployment of BEAD plans and accessing funds
- Conduct robust stakeholder input to develop broadband affordability and adoption programs for Final proposal

Discussion & Questions



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How do we ensure local coordination remains a priority in a process that directly awards to broadband providers?

How can the Office of Broadband effectively communicate the differences in state general funds and BEAD funds under VATI?

With BEAD having a fiber-optic priority, where should the cutoff be in funding awarded per location to explore alternative technologies?

How can the Commonwealth make smart, long lasting investments in broadband affordability and adoption?

What are your organization's priorities for the BEAD program?



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Continuing the Discussion

Making the BEAD program a success will require a collaborative effort between Virginia state government, localities, internet service providers, and all stakeholders working to ensure universal broadband access, affordability, and adoption in Virginia.

We encourage you to continue the conversation and reach out to DHCD with any thoughts, suggestions, and/or questions you may have.

Please contact us at broadband@dhcd.virginia.gov



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