



STATE OF NORTH CAROLINA

# **Subgrantee Selection Guidance for Last-Mile Broadband Deployment Projects**

BROADBAND EQUITY, ACCESS, AND DEPLOYMENT (BEAD) PROGRAM

Funded by the Infrastructure Investment and Jobs Act

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# 1. REQUIREMENTS OF THE BEAD PROGRAM

The Broadband Equity, Access and Deployment (BEAD) Program was established by the [Infrastructure Investment and Jobs Act](#) (Public Law 117-58) also known as the Bipartisan Infrastructure Law. The BEAD program (BEAD or Program) is administered by the National Telecommunications and Information Administration (NTIA) within the U.S. Department of Commerce and provides funding to all 50 states and territories for deployment of broadband infrastructure to unserved and underserved locations. Eligible Entities in each state are authorized to apply to NTIA for grants under the program.

The NTIA's [Notice of Funding Opportunity](#) (NOFO) for the BEAD program describes the requirements under which it will award grants for the Program. Additionally, on June 6, 2025, the NTIA released its [BEAD Restructuring Policy Notice](#) (Notice). This Notice modifies and replaces certain requirements outlined in the NOFO.

The North Carolina Department of Information Technology (NCDIT) is the designated Eligible Entity for North Carolina to administer the BEAD program. North Carolina's BEAD allocation from the federal government is \$1.53 Billion. The BEAD program is referenced in the following North Carolina Session Laws: Session Law 2022-69, Session Law 2022-74, Session Law 2023-134 and Session Law 2024-55.

In November 2024 the N.C. General Assembly passed [Session Law 2024-55](#) (S.L. 2024-55) outlining requirements for implementation of the Program and the subgrantee selection process by NCDIT and the Broadband Infrastructure Office (office) within the Division of Broadband and Digital Opportunity. The BEAD Restructuring Policy Notice conflicted with several terms, definitions and statutory requirements in North Carolina's SL 2024-55. NCDIT subsequently worked with state lawmakers to align state legislation with the new federal requirements. Section 10.2.(b) of the state legislation, "Consistency with Federal Law", identifies order of precedence in case of conflict pointing to the Infrastructure Investment and Jobs Act (IIJA) and allowing a process to coordinate with the N.C. General Assembly to resolve conflicts. NCDIT has pursued this coordination to align state law with the Notice. In addition, in June 2025 language was added into [House Bill 125](#) (Continuing Budget Operations, version 3) and [House Bill 819](#) (DIT Agency Bill, version 3) to align the state's legislation with the Notice. The new legislative language, "BEAD Deployment Changes," removes clear conflicts and replaces with language "as defined in the IIJA and as interpreted by any subsequent guidance issued by NTIA." This language in H125 passed the N.C. Senate on June 24, 2025. The similar language in H819 passed the NC House on June 25, 2025. Based on the N.C. General Assembly's calendar, these bills will not be addressed by the subsequent chambers before North Carolina opens its BEAD subgrantee selection process. While certain sections of SL 2024-55 are amended by these new bills, much of the S.L. remains intact to further direct North Carolina's implementation of the Program.

As part of the BEAD program, states are required to implement a "Challenge Process" to help identify eligible locations for funding within the program and a subsequent "Subgrantee Selection" process to select grantees for funding under the BEAD program. This process is complete with NTIA approving the challenge data in May 2025. States are required to develop and submit to NTIA an **Initial Proposal Volume I** and **Initial Proposal Volume II**. Initial Proposal Volume I outlines the process to be utilized for identifying unserved and underserved locations and Community Anchor Institutions to be eligible for the BEAD program, including the Challenge Process to validate and finalize eligible locations. North Carolina's Initial Proposal Volume I was approved by the NTIA on April 18, 2024.

Initial Proposal Volume II focuses on how states will implement their Subgrantee Selection processes. North Carolina's Initial Proposal Volume II was approved by the NTIA on Sept. 18, 2024. The BEAD Restructuring Policy Notice of June 6, 2025, requires states to submit a letter to NTIA within 30 days of the new Notice to confirm that they will modify their previously approved subgrantee selection processes to conform to the terms of the Notice. North Carolina submitted this letter to the NTIA on June 27, 2025, to request a correction of Initial Proposal Volume II to conform with the Notice. No other changes to Initial Proposal Volume II are allowed by NTIA at this time. This letter was approved by the NTIA on July

7, 2025. North Carolina will run its Subgrantee Selection process to conform with the new Notice. Items such as the number of rounds to be held and timing of roll-out are adjusted to meet the new requirements.

This **Subgrantee Selection Guidance** document does not outline all the requirements of the BEAD program contained in the many authoritative documents discussed above. The intent of this guidance document is to:

- Provide a summary of the Subgrantee Selection process for North Carolina and work completed to date that informs this process.
- Provide further details for processes in the original Initial Proposal Volume II that were not fully defined in that document.
- Provide clarity for items that may be ambiguous between the original draft of Initial Proposal Volume II and folding in of the new Policy Notice.
- Outline requirements for submission of application materials for BEAD grant applications.

The NTIA may continue to provide clarification of its requirements and continues to release additional Frequently Asked Questions and guidance on various issues. North Carolina may provide additional clarifications to this guidance document via Frequently Asked Questions documents or publish further clarifications.

### **Disclaimer**

The office reserves the right to amend this guidance pursuant to feedback from potential applicants, state legislative changes amending the governing law or changes in federal requirements. The information contained in this document is not legal or professional advice. While we are available to answer questions and will attempt to help you resolve any concerns, we cannot provide legal advice to applicants, and you should consult with professional advisors concerning specific matters relevant to your application.

## **2. TIMING OF SUBGRANTEE SELECTION**

Following the Subgrantee Selection Process each state must submit a Final Proposal to the NTIA that outlines the tentative project awards for the state with data provided on the status of each BEAD location. NTIA subsequently reviews the Final Proposal and must approve tentative awards before states may enter into subgrantee agreements with preliminary awardees.

North Carolina has 90 calendar days from the publication of NTIA's BEAD Restructuring Policy Notice (June 6) to comply with the obligations outlined in the Notice and submit a Final Proposal to NTIA that reflects the results of North Carolina's Subgrantee Selection Process. Final Proposals are due to NTIA by Sept. 4, 2025. This deadline replaces any deadline in place prior to the publication of the Notice. In addition, each state must post its Final Proposal for public comment for seven days prior to the Sept. 4 submission deadline. NTIA will subsequently complete its review of the Final Proposal within 90 calendar days of submission. Tentative project awards require approval by the NTIA before contracting.

## **3. PREQUALIFICATION OF POTENTIAL APPLICANTS**

Prequalification is an important step in the BEAD application process detailed in NCDIT's Initial Proposal Volume II, serving as the first phase in the selection of subgrantees. The primary objective of this rigorous process was to collect the required information for assessing the eligibility of the Potential Applicants for BEAD funding at the organizational level. As part of prequalification, NCDIT required that Potential Applicants provide necessary information that can be utilized for all BEAD infrastructure deployment project applications.

The prequalification focuses on eleven specific qualifications including Financial Capability, Managerial Capability, Technical Capability, Compliance with Applicable Laws, Operational Capability, Ownership Information, Public Funding Information, Fair Labor Practices and Highly Skilled Workforce, Environmental and National Historical Preservation, Build America, Buy America Act (BABA) and Cybersecurity and Supply Chain Risk Management Compliance. Potential Applicants were required to submit information for each element to document that they meet the requirements and to demonstrate the ability to successfully deploy and sustain any future broadband infrastructure projects awarded under North Carolina's BEAD program.

North Carolina launched its initial BEAD prequalification process on Sept. 16, 2024, with responses due Nov. 1. Participation in this prequalification window was optional. This goal of this early prequalification window was to provide flexibility for broadband providers and ample opportunity to complete the qualification process. With Hurricane Helene hitting North Carolina in late September 2024, the prequalification deadline was extended to Feb. 3, 2025, to accommodate competing demands as providers worked to restore service impacted by the disaster.

NCDIT then relaunched its prequalification window on May 30, 2025, as the state moved closer to the Subgrantee Selection Process, with materials due June 30. However, following release of the BEAD Restructuring Policy Notice with the new Subgrantee Selection timeline, NCDIT subsequently re-released requirements for the prequalification window to align with the new BEAD timing and to remove items no longer required for the program.

The final BEAD prequalification window was reopened on June 20, 2025.

**The deadline to submit applications/information to prequalify was 11:59 p.m. on July 7, 2025. To align with the new subgrantee selection timeline, all broadband providers that wish to participate in the BEAD program were required to submit their prequalification materials by the July 7 prequalification deadline.**

## 4. BEAD ELIGIBLE LOCATIONS

The Infrastructure Investment and Jobs Act requires each Eligible Entity to determine the locations and community anchor institutions within its jurisdiction that are eligible for BEAD funding and conduct a challenge process to validate and finalize those eligibility determinations. The IIJA and the BEAD NOFO provide NTIA discretion to oversee the challenge process during two key phases: challenge process review, when NTIA reviews and may modify the challenge process proposed by Eligible Entities, and challenge results review and approval, when NTIA reviews and may modify the final eligibility determinations made by Eligible Entities following the challenge process. In addition, the BEAD Restructuring Policy Notice contains directives on further modifications to BEAD eligible locations.

### A. BEAD Challenge Process

The details of North Carolina's challenge process are detailed in Initial Proposal Volume 1. North Carolina launched its challenge process on September 3, 2024. Challenge types and evidentiary standards were consistent with NTIA standards and NC's Initial Proposal Volume I. In late 2024 North Carolina received an extension of 90 days for the process due to the impacts from Hurricane Helene which hit the state in September of 2024. Following the challenge window North Carolina implemented its BEAD Challenge Rebuttal Phase which ended on Feb. 20, 2025. North Carolina submitted its final data from the challenge process to NTIA on April 3, 2025. On May 8, 2025, the NTIA approved North Carolina's BEAD state challenge process results. This data set included 171,573 unserved and underserved eligible broadband serviceable locations (BSLs) and 1,215 Community Anchor Institutions. **CostQuest BSL fabric v4 is utilized for North Carolina's BEAD data set.**

## B. Modifications to BEAD Eligible Locations prior to Subgrantee Selection

To comply with the BEAD Restructuring Policy Notice as well as to account for additional state awards made in North Carolina since completion of the challenge process, the BEAD eligible locations data set approved by the NTIA on May 8 was further modified as follows:

- From March through early June 2025 NCDIT awarded projects for last-mile broadband deployment to unserved and underserved BSLs across the state through Round 2 of its Completing Access to Broadband (CAB) program. This program is funded with American Rescue Plan Act State and Local Fiscal Recovery Funds and Capital Project Fund dollars. The updated BEAD dataset includes removal of CAB program Round 2 awards, impacting 60,747 unserved and underserved BSLs from the original BEAD post-challenge locations.
- Removal of 7,016 eligible locations that are not present in v6 of the BSL fabric, and transferal of these locations to the non-BEAD eligible list under NTIA reason code 3.
- No modifications were made based on federal defaults subsequent to confirmation received from NTIA that no recent federal defaults were found that would still need to be incorporated at this time.
- North Carolina received no data submissions from unlicensed fixed wireless (ULFW) providers following posting of the notification to providers for submission of evidence that BEAD funding is not required for relevant locations where they currently report service.
- Removal of 139 eligible Community Anchor Institutions in the community support subcategories below, to align with the new NTIA restructured Community Anchor Institution definition.
  - Correctional Facilities
  - Cultural Sites: Aquarium
  - Cultural Sites: Museum
  - Historic Sites
  - Visitors Centers
  - Welcome Centers

This updated data set was submitted to NTIA on June 27, 2025, for approval and NTIA approved the data set on July 7, 2025. In addition, subsequent to submitting locations to NTIA, an additional 50 locations were removed in Burke County due to a locally funded broadband project.

The final data set for BEAD includes: 103,760 eligible Broadband Serviceable Locations (56,088 unserved and 47,672 underserved locations) and 1076 eligible Community Anchor Institutions.

## C. Modifications to BEAD Eligible Locations prior to submission of Final Proposal

NTIA's [BEAD Final Proposal Guidance for Eligible Entities](#) provides guidance to states on how to account for the status of every BEAD eligible location in submission of the Final Proposal, including locations that do not require BEAD funding using the seven non-service codes from the NTIA. Any changes in status of a location to a non-BEAD location must include evidence for the change.

States must remove locations that have been removed from Version 6 of the FCC fabric (reason code 3), which NCDIT has already done. In addition, locations may be reflected as "no BEAD" locations for the following reasons:

- Reason code 1: location should not have broadband service
- Reason code 2: location does not need mass-market broadband service
- Reason code 3: location has been removed from the latest version of the FCC Fabric

- Reason code 4: location is already served by an enforceable commitment
- Reason code 5: location is already served by nonsubsidized service (privately funded network)
- Reason code 6: other reasons
- Reason code 7: the Eligible Entity is financially incapable of serving a location

North Carolina has already implemented changes to the BEAD eligible locations utilizing some of the reason codes above and is continuing to identify those locations that may still need to be modified from BEAD-eligible to non-BEAD eligible. In limited cases, stakeholders may submit information and required evidence to NCDIT to support the change of an eligible location to a non-BEAD or “no BEAD” location. For reason code 5, these locations must pertain to the submitting entity's own service area and must be recorded as served in the current published National Broadband Map. Multiple evidence types for this category are encouraged for consideration. Additional information will be provided on the [ncbroadband.gov](http://ncbroadband.gov) website on how to participate in the submission of data for a current BEAD eligible location to be considered as a non-BEAD eligible location.

## 5. BEAD PROJECTS FOR SUBGRANTEE SELECTION

This Subgrantee Selection Process will select last-mile broadband deployment projects to serve unserved and underserved BEAD-eligible locations and eligible Community Anchor Institutions. Subgrantees must provide service to unserved or underserved locations at speeds of not less than 100 Mbps for downloads and not less than 20 Mbps for uploads and latency less than or equal to 100 milliseconds. For BEAD-eligible Community Anchor Institution locations, subgrantees must provide service with a speed of not less than 1 Gbps for downloads and uploads and latency less than or equal to 100 milliseconds.

This process is detailed in North Carolina's Initial Proposal Volume 2. North Carolina submitted a letter to the NTIA on June 27, 2025, to request a correction of Initial Proposal Volume II to conform with the BEAD Restructuring Policy Notice. This letter was approved by the NTIA on July 7, 2025. Other processes within the original Initial Proposal Volume II have been modified to comply with requirements of the new BEAD restructuring. The information below provides guidance on how NCDIT's Subgrantee Selection Process is modified to comply with the new requirements.

As part of compliance with the 90-day window outlined in the Notice, only one primary round of applications will be received for North Carolina's Subgrantee Selection Process. This application window will include all technology types eligible to apply and include the “Benefit of the Bargain” opportunity discussed in NTIA's Notice.

### A. Project Areas

Consistent with the GREAT and CAB Programs administered by the Broadband Infrastructure Office and discussed in Initial Proposal Volume II, BEAD applicants will submit projects within individual counties.

The eligible unserved and underserved Broadband Serviceable Locations (BSLs) within each county can be found on [NC One Map](#) in the NC BEAD Planning Tool, as well as the eligible Community Anchor Institutions. This tool provides the relevant data in a [map view](#) and as [downloadable data](#).

These BSLs are derived from Version 4 of the fabric for the FCC's Broadband Data Collection (BDC). When submitting a proposed BEAD project, applicants may propose to serve any eligible unserved and/or underserved locations in the county. Project locations must be submitted as a CSV file listing the BSL location IDs within the proposed project. Each BSL is also tied to the corresponding hexbin. Projects must be located within or on county boundaries and cannot go outside the county. Within the



county, project areas do not need to be contiguous, and non-contiguous locations may be submitted either as part of a larger project or grouped into separate, smaller projects. Applicants are permitted to submit more than one proposed project in a county, with the following requirements:

- Multiple projects submitted by a single applicant must be mutually exclusive (non-overlapping locations with one another). Applicants shall not apply for the same location in more than one application.
- Applicants must be prepared to implement all submitted project proposals within the county concurrently, as any combination of projects may be accepted for the same contracted buildout period.

Pursuant to the NTIA Restructuring Policy Notice, Eligible Entities are no longer required to establish an Extremely High-Cost Per Location threshold. Applicants will not need to designate “outlier” locations within a project area. Applicants will develop project areas by selecting the BSLs and corresponding hexbins they propose to serve.

Pursuant NTIA requirements and NC’s BEAD legislation, service to unserved locations is a priority, followed by underserved locations and then Community Anchor Institutions.

## **B. Tribal Consent**

In reviewing BEAD-eligible locations, be aware that NTIA will not fund deployment projects on Tribal Lands that do not receive Tribal Consent as required by the NOFO, Section IV.B.9.b.15. As discussed in the BEAD NOFO, projects deploying broadband to unserved or underserved locations on Tribal Lands require proof of the Tribal Government’s consent to such deployment. Resolutions of Final Consent must be submitted by the Eligible Entity with the Final Proposal. Subgrant applicants are not required to have already obtained Tribal Consent at the time of application.

If Tribal Consent is not obtained in time for Final Proposal submission, the Eligible Entity can request a deadline waiver (but not a waiver of the Tribal Consent requirement). If the waiver is approved, the funds for the projects overlapping with Tribal Lands will not be released until the Resolution of Tribal Consent is obtained. The Eligible Entity must submit the Resolution of Tribal Consent to NTIA as soon as possible after NIST transmits approval of the Final Proposal. Eligible Entities may not finalize subawards for these projects until Tribal Consent is obtained and reviewed by NTIA.

## **C. Priority and Non-Priority Projects**

All projects and corresponding technology types must meet the technical requirements outlined by the NTIA and offer service at or above 100 Mbps download and 20 Mbps upload and latency of less than or equal to 100 milliseconds. In addition, the Infrastructure Investment and Jobs Act requires Eligible Entities to prioritize funding for “priority broadband projects.” The restructuring notice defines a priority broadband project as follows:

***Priority Broadband Project**—The term “Priority Broadband Project” means a project that provides broadband service at speeds of no less than 100 megabits per second for downloads and 20 megabits per second for uploads, has a latency less than or equal to 100 milliseconds, and can easily scale speeds over time to meet the evolving connectivity needs of households and businesses and support the deployment of 5G, successor wireless technologies, and other advanced services.*

Within the project applications, any applicant may request that its application be treated as a Priority Broadband Project regardless of the technology used. Applicants are required to indicate whether they consider their individual project to be “Priority” or “Non-Priority” project in the BEAD Proposed Project Data Template. Evidence of technical capacity to meet the definition of Priority Broadband Project is required by applicants when submitting the Project Technical Plan and Evidence Submission for each project. Upon evaluating the application materials, NCDIT will determine whether an application for an



individual project is in fact a Priority Broadband Project or non-Priority Project based on these technical parameters and the information provided.

## **D. Project Costs and Matching Funds**

Within each project application, applicants must indicate the Total Project Cost, the proposed matching funds and the grant funding requested (BEAD Outlay). Applicants should propose matching funds of not less than 25% of the total project cost for the project submitted. Applicants may also provide a higher percentage of matching funds. In some limited cases, including potentially for locations not included in any initial applications, NCDIT may seek a waiver of NTIA's non-federal match requirement. Waivers must be approved by the NTIA.

Subgrantees may only use federal award funds and non-federal cost share for allowable costs under the BEAD program. Allowable cost and ineligible costs are described in the NTIA's NOFO. Costs ineligible for the BEAD program may not be paid for with matching funds committed to an award.

In general, per the NTIA's NOFO, eligible uses of funding in connection with last-mile broadband deployment projects include the following:

- 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.
- Long-term leases (for terms greater than one year) of facilities required to provide qualifying broadband service, including indefeasible right-of-use (IRU) agreements.
- Deployment of internet and Wi-Fi infrastructure within an eligible multi-family residential building.
- Engineering design, permitting, and work related to environmental, historical and cultural reviews.
- Personnel costs, including salaries and fringe benefits for staff and consultants providing services directly connected to the implementation of the BEAD program (such as project managers, program directors, and subject matter experts).
- Network software upgrades, including, but not limited to, cybersecurity solutions.
- Training for cybersecurity professionals who will be working on BEAD-funded networks.
- 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.

In addition in recent published FAQs, the NTIA has provided the following clarification regarding middle mile costs: as noted in Section IV.B.5.b. of the NOFO an "Unserved Service Project" or "Underserved Service Project" may include Middle Mile Infrastructure in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of a project providing service to an unserved location, underserved location, or eligible Community Anchor Institution.

While NCDIT is only requiring submission of the Total Project Cost at the time of application, detailed information on budget and costs for individual projects will be required from applicants for all projects recommended for award.

## **E. Project Timelines**

Per the NTIA's NOFO: as required by IIJA, all subgrantees must deploy the planned broadband network, regardless of the technology utilized, and be able to perform a standard installation for each customer that desires broadband services within the project area not later than four years after the date on which the subgrantee receives the subgrant from NCDIT. For purposes of this requirement, a standard installation is the initiation by a provider of fixed broadband internet access service within 10 business days of a request with no charges or delays attributable to the extension of the network of the provider.

BEAD subgrantees may charge standard installation fees to subscribers on the BEAD-funded network but may not require subscribers to make modifications to their own or surrounding property or charge fees for the same in connection with installation of broadband services funded by the BEAD program.

NCDIT is not requesting a project timeline at the time of application. Detailed information on project timelines for individual projects will be required from applicants for all projects recommended for award. Due to the large volume of broadband work underway in North Carolina as a result of current broadband investments in the state, speed to deployment is not being considered as a scoring criteria under the revised BEAD scoring rubric.

## **F. Project and Technical Information**

As part of North Carolina's BEAD prequalification process and as detailed in the BEAD Prequalification Guidance, potential applicants must demonstrate technical capability to carry out potential projects. Applications are considered for applicants that have passed the prequalification requirements. Applicants must then submit information detailing their project and the related technical information in two primary documents: the BEAD Proposed Project Data Template; and the Project Technical Plan and Evidence Submission.

Ultimately, per the BEAD NOFO and Notice, prospective subgrantees need to present a network design, diagram, project costs, build-out timeline, milestones for project implementation, and a capital investment schedule certified by a professional engineer. This certification should confirm that the proposed network can deliver broadband service that meets the performance requirements to all locations served by the project. The Professional Engineer Certification Requirement is partially waived as described: The requirement that a prospective subgrantee submit a "capital investment schedule evidencing complete build-out and the initiation of service within four years of the date on which the entity receives the subgrant" that is "certified by a professional engineer" is waived. A professional engineer is still required to certify the remaining elements of the Professional Engineer Certification Requirement. The prospective subgrantee must still submit the aforementioned capital investment schedule to avail itself of the waiver, but the schedule does not require Professional Engineer certification. The professional engineer making certifications in connection with the Professional Engineer Certification Requirement may be licensed in any of the 56 Eligible Entities.

To comply with the timeline required by the BEAD Restructuring Policy Notice, the detailed information above will be required from applicants for all projects recommended for award.

## **6. LOW-COST SERVICE OPTION**

BEAD subgrantees must offer not less than one low-cost broadband service option for eligible subscribers. As required by the IJA and the NOFO, applicants must propose a Low-cost Service Option as part of their application. The Low-cost Service Option must offer speeds of at least 100/20 Mbps and latency performance of no more than 100 milliseconds. Applicants that already offer a low-cost plan that meets these service requirements may satisfy the Low-cost Service Option requirement by proposing to offer their existing low-cost plan to eligible subscribers. Applicants must describe their low-cost service offering in the Project Technical Plan and Evidence Submission document for each project submitted.

The term "Eligible Subscriber" means any household seeking to subscribe to broadband internet access service that is eligible for the FCC's Lifeline Program. BEAD subgrantees are responsible for verifying Low-cost Service Option eligibility and may ask potential subscribers to provide the same documentation necessary to confirm eligibility as is required under the Lifeline program.

Subgrantees must offer a Low-cost Service Option throughout the 10-year federal interest period, or in the case of a low Earth orbit subgrant, the 10-year period of performance. If an applicant seeks the

flexibility to change the cost of the Low-cost Service Option over time, then it must state the methodology it will use to set the Low-cost Service Option in the future (e.g., tied to inflation or changes in the FCC's urban rate benchmark, etc.) in its subgrant application.

## 7. EVALUATION, SCORING, DEDUPLICATION AND NEGOTIATION

The NTIA's BEAD Restructuring Policy Notice defines the primary scoring criteria for the last-mile deployment projects as follows: in deciding among competing applications covering the same general project areas, Eligible Entities must choose the option with the lowest cost based on minimal BEAD program outlay. The NTIA's FAQsV10 also includes the following clarification: when scoring competing Priority Broadband Projects and competing non-Priority Broadband Projects, the Notice directs Eligible Entities to prioritize "minimal program outlay," which focuses on the overall cost to the BEAD program. Eligible Entities can balance a variety of factors in deciding among competing applications, including cost per location, cost per project, and the combination of proposals with the lowest overall cost to the program. Eligible Entities also have significant flexibility when deciding among proposals that are cost-competitive (i.e. within 15% of one another). Eligible Entities have discretion to weigh cost-competitive proposals based on three criteria: speed to deployment, speed of network, and prior identification or selection.

### A. North Carolina's Scoring Rubric

In compliance with the Policy Notice, NCDIT will select the combination of project proposals with the lowest overall cost to the Program. This may involve selecting a proposal that is the lowest-cost option for a given set of BSLs or is part of the combination of selected projects with the lowest overall cost to the Program. When comparing competing proposals, the NCDIT will assess the total BEAD funding that will be required to complete the project (i.e., the total project cost minus the applicant's proposed match) and the cost to the Program per location (i.e., the total BEAD funding that will be required to complete the project divided by the number of BSLs the project will serve). NCDIT is not considering speed to deployment as a secondary scoring criteria. In addition, "prior identification or selection" as discussed in the Notice is not relevant to North Carolina as the state had not previously run a subgrantee selection round.

Priority Broadband Projects will receive prioritization for award followed by Non-Priority Projects.

### B. Deduplication

NCDIT will preliminarily assign projects for award for Priority Projects with non-overlapping project areas (BSLs) where the cost of the proposed project is not excessive. NCDIT will then start the deconfliction process for applications that propose to serve overlapping Project Areas, beginning with the highest-ranking application, where the proposed project cost is not excessive. NCDIT will repeat the process with the next highest-ranking application until all locations have been preliminarily assigned. NCDIT may also offer applicants the opportunity to reduce their proposed costs for projects with excessive costs. (An excessive cost threshold has not been set by NCDIT but will be assessed based on comparable and competing projects.)

### C. Subsequent Selection Rounds and Direct Negotiations

After the initial subgrantee selection, NCDIT may conduct additional application rounds or direct negotiation to achieve universal BEAD service coverage. NCDIT will choose whether to conduct additional rounds or direct negotiations on a county-by-county basis. NCDIT may launch time-limited bidding rounds where no applications were received, or preliminary assignments made for unserved or underserved BSLs or Community Anchor Institutions. These rounds will allow applicants to submit cost

proposals for individual BSLs or a group of BSLs. If proposals are rejected, NCDIT may negotiate directly with the original applicant or other applicants preliminarily awarded or serving nearby or adjacent locations.

Alternatively, NCDIT may bypass additional rounds and negotiate directly with prequalified applicants. In cases where no prequalified applicant has expressed interest in an area, NCDIT may prioritize direct negotiation with prequalified applicants with infrastructure in the area based on FCC Broadband Data Collection service data. NCDIT will prioritize negotiations with preliminary Priority Broadband Project awardees in these areas.

Incentives may include reducing or waiving the match requirement (subject to approval by NTIA) or additional funds. NCDIT may reject any proposal where the project cost is excessive or significantly increases the cost of the program.

## 8. TENTATIVE AWARDS

After preliminarily assigning awards for as many BSLs as possible across the state, award recommendations will be submitted to the NTIA as part of North Carolina's Final Proposal. The Final Proposal will be posted for a 7 day public comment period on Aug. 27. Public comments may then be incorporated into the Final Proposal before submission of the Final Proposal to NTIA on Sept. 4. NTIA will subsequently complete its review of the Final Proposal within 90 calendar days of submission. Tentative project awards require approval by the NTIA before contracting.

NCDIT will notify applicants of preliminary assignment as soon as possible during the evaluation process. Additional details on individual projects will subsequently be required from applicants for all projects recommended for award including the following items discussed previously: network design, diagram, project costs and budget, build-out timeline, milestones for project implementation, and a capital investment schedule, with certain items requiring certification by a professional engineer.

In addition, **upon notifying applicants of preliminary assignments within this subgrantee selection window**, applicants will be required to provide one of the following:

1. Letter of Credit – applicants must submit a letter from a qualifying bank or a United States credit union committing to issue an irrevocable standby letter of credit. This is not the actual Letter of Credit but just a broad commitment letter.
2. Performance Bond – applicants are required to submit a letter from a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570 committing to issue a performance bond to the prospective subgrantee. The letter shall at a minimum provide the dollar amount of the performance bond. This is not the actual executed performance bond but rather just a commitment letter.

## 9. GRANT AGREEMENTS AND FIXED AMOUNT SUBAWARDS

Upon approval by NTIA of preliminary awards submitted in the Final Proposal, NCDIT will work with approved applicants on collection of remaining materials conditional for contracting and subsequently enter into grant agreements with subgrantees. Relevant Letters of Credit or performance bonds will be required before entering into a grant agreement. See Appendix A for more detailed information about the Letter of Credit and conditional waiver. Grants will be administered and monitored by the Broadband Infrastructure Office.

All subgrantees that receive BEAD program funds for network deployment must deploy the planned broadband network and begin providing services to each customer that desires broadband services

within the project area not later than four years after the date on which the subgrantee receives the subgrant from the Eligible Entity. Service must be maintained throughout the 10-year federal interest period or period of performance.

### A. Fixed Amount Subawards

Session Law 2024-55 Section 10.2.(d) authorizes the BEAD subgrants as “fixed amount subawards for purposes of the federal requirements within the meaning of the [Policy Notice on Tailoring the Application of the Uniform Guidance to the BEAD program](#) issued by the NTIA.” 2 CFR 200 defines a fixed amount subaward as “a type of grant or cooperative agreement pursuant to which the Federal agency or pass-through entity provides a specific amount of funding without regard to actual costs incurred under the Federal award. This type of Federal award reduces some of the administrative burden and record-keeping requirements for both the recipient or subrecipient and the Federal agency or pass-through entity. Accountability is based primarily on performance and results.”

This type of agreement is different from the cost-reimbursement subaward, whereby subgrantees document and justify every incurred expense and then seek reimbursement.

Prior to entering into an agreement, subgrantees are required to provide detailed project budgets to 1) justify the fixed amount, 2) show a total project cost so the office can later verify that the required 25% match has been satisfied, and 3) ensuring costs are eligible based on Session Law 2024-55 Section 10.2.(a)(12) and (13).

These project costs must incorporate adequate pricing data to justify network design and construction. Payments for this type of agreement are released based on achieving pre-determined milestones set by the office in the grant agreement. Milestones will include but not limited to the following: 1) meeting specific administrative requirements such as NEPA compliance, 2) construction related activities such as permit/easement acquisition, and 3) actual broadband deployments. The subgrantee must be prepared that the office will still require periodic reporting, financial monitoring, site visits, and other means to ensure compliance with applicable rules. In addition, the office may withhold a certain percentage of the grant award until completion of the project to include but not limited to validation of broadband access to all locations and submittal of required final grant reporting documents.

## 10. APPLICATION INFORMATION AND SUBMISSION

### **Deadline:**

The deadline for submission of all application materials is **July 30, 2025, at 11:59 p.m.** Late responses will not be considered.

### **Submission in Enterprise Business Services (EBS) System:**

Applications for BEAD projects must be submitted through the Enterprise Business Services (EBS) system, the online grants management system for the Broadband Infrastructure Office. (*Note: this process is different than submission of prequalification materials which were submitted through the BIO Data Exchange.*)

### **Enterprise Business Services (EBS) System Instructions:**

The following two documents provide information on how to utilize the online grants management system (EBS).

- [Instructions for How to Access the Enterprise Business Services \(EBS\)](#)

This document outlines steps needed to request access and obtain credentials for use of the EBS system. When requesting credentials, the organization name for which you request credentials should be the same legal entity that prequalified for participation in the BEAD program.



If you do not currently have access to the EBS system, please note that the process to receive credentials may take more than a week. Therefore, to submit a timely proposal, you must begin the process of seeking access to EBS well in advance of the deadline noted above. The following document outlines how to login to EBS and how to navigate and submit an application within the system.

- [BEAD Program Application Instructions for EBS](#)

#### **Required Application Materials for each Project:**

- 1. EBS Project Application Form:** Applicants must create a project application within the EBS system for each project. Applicants must fill out certain project information directly into the EBS form for the relevant county and project (NCDIT BEAD program). Note: the Company Name listed in the EBS Form should be the same legal entity that prequalified for participation in the BEAD program.
- 2.** The documents below must also be uploaded into the EBS system for each project application being submitted. These documents should provide information specific to the proposed project. A brief explanation of each item follows below:
  - a.** [BEAD Proposed Project Data Template](#)
  - b.** Project Technical Plan and Evidence Submission (by technology type):
    - [Project Technical Plan and Evidence Submission – Fiber](#)  
[Instructions for Project Technical Plan and Evidence Submission – Fiber](#)
    - [Project Technical Plan and Evidence Submission – Hybrid Fiber-Coaxial](#)  
[Instructions for Project Technical Plan and Evidence Submission – HFC](#)
    - [Project Technical Plan and Evidence Submission – Licensed Fixed Wireless](#)  
[Instructions for Project Technical Plan and Evidence Submission – LFW](#)
    - [Project Technical Plan and Evidence Submission – Unlicensed Fixed Wireless](#)  
[Instructions for Project Technical Plan and Evidence Submission – ULFW](#)
    - [Project Technical Plan and Evidence Submission – Low Earth Orbit](#)  
[Instructions for Project Technical Plan and Evidence Submission – LEO](#)
  - c.** Supporting documentation required by the Project Technical Plan and Evidence Submission document
  - d.** [BEAD Certifications](#)

#### **BEAD Proposed Project Data Template (Excel):**

This document is provided in Excel and contains a worksheet to capture required project information, a worksheet to capture data on BSLs included in the project and a worksheet to capture any Community Anchor Institutions included in a project. The Read Me tab includes instructions for completion of the worksheets. Applicants should utilize the [NC BEAD Planning Tool](#) to download relevant location data for these worksheets. Instructions on how to download data is included in the “Download Help” document within the BEAD Planning Tool. For projects recommended for award, much of the information in this workbook is data required to be included in the Final Proposal to NTIA and will be posted with the Final Proposal for public comment, including the Project Description. Also note – this template is where an applicant indicates if they want the project to be considered a Priority Project.

### **Project Technical Plan and Evidence Submission (by technology type) (Excel)**

These templates capture the required technical documentation for each proposed project as well as evidence to demonstrate the scalability of the infrastructure in the specific project. Applicants should use the template that corresponds to the technology type for the project being submitted (Fiber, HFC, LEO, LFW, ULFW). Instructions for each template are also included as a Word document. Supporting documentation required by the Project Technical Plan and Evidence Submission document should be uploaded directly to EBS.

### **BEAD Certifications (MS Word, to be submitted as a pdf)**

This document includes various certifications required from applicants regarding compliance with the BEAD program. The document should be signed by an authorized representative for the applicant who has the authority to agree to these certification statements. The certification document should be signed and uploaded to EBS as a pdf.

Confidentiality: If applicants have formed a good faith opinion that any portion of the application is confidential or proprietary, please mark such portions as “CONFIDENTIAL.” Such marking should appear at the top and bottom of the relevant pages in boldface type. Automatically marking every page of your proposal is not sufficient. Data fields in the BEAD Proposed Project Data Template that are required for inclusion in the Final Proposal (such as Total Project Cost, Total Match, BEAD Support per Location, etc.) should not be marked confidential as they will need to be posted as part of the required public comment period for the Final Proposal.

## **11. APPENDIX A**

The Letter of Credit and the [conditional waiver \(link\)](#) requirement are a form of financial security meant to protect taxpayer funds by ensuring that subgrantees have the capability of fulfilling the broadband deployment obligations. **This is not the same as the 25% match requirement or used to satisfy this requirement.**

The **conditional waiver** provides four flexible alternatives such as 1) using a credit union for a letter of credit, 2) using a performance bond, or 3) using a milestone-based measure to reduce performance bonds or Letter of Credit amounts. Alternative 4 is a reimbursement-based option for costs incurred like existing NCDIT broadband deployment programs. Session Law 2024-55 Section 10.2.(d) authorized the BEAD grants as “fixed amount subawards for purposes of the federal requirements within the meaning of the [Policy Notice on Tailoring the Application of the Uniform Guidance to the BEAD program](#) issued by the NTIA.”

**The office incorporated all of the alternatives into the approved Initial Proposal Volume 2; however, in accordance with the authorized state legislation (S.L. 2024-55) the office will not utilize alternative 4 for the BEAD program.**

In accordance with the approved Initial Proposal Volume 2 and BEAD Restructuring Policy Notice, if an applicant utilizes:

1. The Letter of Credit option – applicants must submit a letter from a qualifying bank or a United States credit union committing to issue an irrevocable standby letter of credit. This is not the actual Letter of Credit but just a broad commitment letter.
2. The performance bond option – applicants are required to submit a letter from a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the U.S. Department of the Treasury Circular 570 committing to issue a performance bond to the prospective subgrantee. The letter shall at a minimum provide the dollar amount of the



performance bond. This is not the actual executed performance bond but rather just a commitment letter.

It is strongly encouraged that applicants discuss these letters with the qualifying bank or United States credit and/or the bond holding company. The actual Letter of Credit or performance bond will be required before entering into a grant agreement.

\*Please review the section on Fixed Amount Subawards for more information.