

June 27, 2025

Courtney Dozier
Acting Director
Broadband Equity, Access and Deployment Program
National Telecommunications and Information Administration

Re: June 6, 2025 BEAD Restructuring Policy Notice and IP Correction

Dear Mrs. Dozier,

The NC Department of Information Technology (NCDIT), on behalf of the State of North Carolina, submits this letter to request an Initial Proposal (IP) correction pursuant to the June 6, 2025, BEAD Restructuring Policy Notice (Notice). This letter requests incorporation of the terms of the Notice into our IP. NCDIT confirms that it must modify its previously-approved subgrantee selection process to conform to the terms of the Notice. It will also take all other actions needed to conform the implementation of its BEAD award to the requirements contained in the Notice. NCDIT will not submit a budget modification to accompany this IP correction request at this time.

With this letter, NCDIT is also resubmitting its list of BEAD eligible locations per the Optimizing BEAD Locations section of the Notice. Appendix A outlines updates made to these locations.

We appreciate NTIA's coordination with North Carolina as we implement our subgrantee selection process. We would like to use this letter as a chance to notify you of a few additional items in relation to roll out of our BEAD Program.

- North Carolina Session Law 2024-55 designates NCDIT as the administrator of the BEAD Program and outlines certain requirements for implementation of the BEAD Program. The new Notice does create conflicts with several terms, definitions and statutory requirements in the Session Law. NCDIT has been working with state lawmakers to align our 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 NC General Assembly (NCGA) on cases of conflict. NCDIT has pursued this coordination to align state law with the Notice.

In addition, language was added into House Bill 125 (Continuing Budget Operations) and House Bill 819 (DIT Agency Bill) 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 Senate this week. The similar language in H819 passed the House this week. Based on the NCGA's calendar, these bills will not be addressed by the subsequent chambers at this time. Nevertheless, we believe these votes demonstrate that both chambers have indicated consent with this

path to move forward with the Subgrantee Selection processes consistent with the new Notice.

- North Carolina is unique to the majority of states in that with our allocation of almost \$1B in American Rescue Plan Act funding appropriated by our NC General Assembly for last-mile broadband infrastructure programs, we have been implementing those programs first based on their December 31, 2026 deadlines. We have not yet launched our subgrantee selection.
- The Broadband Infrastructure Office within NCDIT has developed and administered numerous last-mile infrastructure programs and is working expeditiously to launch the subgrantee selection process under the modified rules. The revised timeline for completing our full subgrantee selection process puts a tremendous strain on our broadband providers to develop accurate and sustainable projects within this short window. It is unclear if we will receive project applications for all 103,810 BEAD eligible locations.
- NTIA's Notice of Funding Opportunity (NOFO) allows 12 months for submission of the Final Proposal following the Assistant Secretary's approval of the Initial Proposal. North Carolina's IPV2 was approved on September 18, 2024. If the NTIA is considering allowance of the 12-month window North Carolina would appreciate being afforded those extra two weeks. Similarly, if the NTIA would consider allowing the public comment period to occur concurrently with the submission of the Final Proposal (FP) to NTIA, those additional 2 weeks to complete the FP would be helpful to our state. We ask you to please consider these options as we continue to coordinate with you. We want to ensure we have time to receive, evaluate and tentatively award projects for our state and ensure the best investment of taxpayer dollars.

Thank you for your partnership as we work to efficiently identify connectivity solutions for North Carolina and reach the intended goals of the BEAD Program.

Sincerely,

A handwritten signature in dark ink, appearing to read "Maggie Woods". The signature is fluid and cursive, with the first name "Maggie" written in a larger, more prominent script than the last name "Woods".

Maggie Woods
Interim Policy Director
Director, Office of Digital Opportunity
Division of Broadband and Digital Equity

Appendix A – Optimizing BEAD Locations

On May 8, the National Telecommunications and Information Administration (NTIA) approved North Carolina's BEAD 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 was utilized for this data set.

The data set approved on May 8 has now been modified to comply with updated BEAD policies 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 as well as Capital Project Fund dollars. The updated BEAD dataset includes removal of CAB 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 (CAIs) in the community support subcategories below, to align with the new NTIA restructured CAI definition.
 - Correctional Facilities
 - Cultural Sites: Aquarium
 - Cultural Sites: Museum
 - Historic Sites
 - Visitors Centers
 - Welcome Centers
- NOTE: Four faith-based community support organization CAI's were kept in North Carolina's eligible CAI list due to the fact that we only included faith based sites that were either registered participants in statewide programming that involved offering digital opportunity and other resources to vulnerable populations from these sites, or were otherwise documented to be independently and actively conducting these broadband opportunity activities, such as computer labs, wifi, and workshops for the community.
- North Carolina is currently in the process of investigating our remaining eligible locations and soliciting input from external stakeholders, in order to identify non-BEAD eligible locations under reason code 1. No changes are reflected in our

dataset due to reason code 1 at this time, but any locations identified with sufficient evidentiary documentation will be reflected in data accompanying North Carolina's BEAD final proposal.

To accompany this letter North Carolina is submitting its updated BEAD eligible locations based on the parameters outlined above in three attached csv files:

- BEADEligibleLocations_Unserved.csv (56,099 locations)
- BEADEligibleLocations_Underserved.csv (47,711 locations)
- BEADEligibleCAI_Locations.csv (1,076 locations)