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Illinois
Department of Commerce
& Economic Opportunity
OFFICE OF BROADBAND
JB Pritzker, Governor

UNIVERSITY OF ILLINOIS SYSTEM

Closing the Digital Divide in Illinois

BEAD 101: Introduction to the Broadband Equity, Access, and Deployment (BEAD) program in Illinois

July 12, 2024

Today's Agenda

What is BEAD?

Introduction to the BEAD Program

- Overview of the BEAD program

- Key terms and definitions related to the BEAD program

- Goals and impact of the BEAD program

How does Illinois Office of Broadband (IOB) intend to administer BEAD in Illinois?

Introduction to BEAD-funded Connect Illinois Round 4

- Overall timeline of Connect Illinois Round 4

- Details on the Connect Illinois Round 4 Subgrantee Process

How can I get involved?

Participation in BEAD

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What is BEAD?

Introduction to the Broadband Equity, Access, and Deployment (BEAD) Program

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BEAD is a $42B federal grant program that aims to bring high-speed internet to all Americans

$42.45 billion
Funds provided for BEAD

The Broadband Equity, Access, and Deployment (BEAD) Program is a federal grant program that aims to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure where high-speed internet is currently unavailable

Program highlights

Eligible entities

- All 50 States, District of Columbia, and Puerto Rico
- Other Territories: U.S. Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands

Example eligible uses of funds

- Planning for the deployment of high-speed Internet, including conducting research, collecting data, outreach, and training
- Deploying or upgrading Internet in unserved or underserved areas
- Improving service to community anchor organizations
- Installing Internet and Wi-Fi in multi-unit residential buildings
- Workforce development programs and vocational training

Source: BEAD Program Info Sheet

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Before we discuss further, let's define a few concepts and terms

Broadband Serviceable Location (BSL)

Per the Federal Communications Commission (FCC), a **small business / residential location in the United States where mass-market fixed broadband Internet access service is / can be installed**[1]

Unserved location

BSL that has **no broadband access** OR lacks access to reliable broadband with **25/3 Mbps speeds**

Underserved location

BSL that have access to 25/3 mbps speeds, but lacks access to reliable broadband with **100/20 Mbps speed** OR latency is greater than 100 ms

Served locations

A BSL that has access to reliable broadband with **100/20 Mbps speeds** and less than 100 ms latency

Community Anchor Institution (CAI)

An entity that **facilitates greater use of broadband service by vulnerable populations** (e.g., schools, libraries, hospitals)[2]
CAIs with less than 1 Gbps/1Gbps are eligible for BEAD funding

1. Satellite is excluded. For fixed wireless, providers cannot use all unlicensed spectrum
2. Details on Illinois' definition of CAIs can be found in Connect Illinois Initial Proposal Volume I

Source: Connect Illinois Initial Proposals, BEAD NOFO, FCC Broadband Data Collection Consumer Information

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What are the goals of BEAD?

The BEAD Program awarded Illinois $1.04 billion to connect all unserved and underserved locations to broadband over the next 5 years

Ensure universal coverage across all un/underserved locations in the state, maximizing deployment of end-to-end fiber, and only using non-fiber where fiber costs are extremely high[1]

Prioritize projects providing broadband access to unserved and underserved locations and community anchor institutions, Wi-Fi equipment for Multi-Dwelling Units (MDUs) then other digital equity and inclusion priorities[2]

Run subgrantee selection process within one year of approval of the Initial Proposal, and complete implementation within four years of receipt of funds[3]

Focus on improving broadband affordability through a low-cost broadband service option, and a middle-class affordability plan[4]

1. Page 14 of BEAD NOFO, on the definition of Priority Broadband Project
2. Page 33 of BEAD NOFO, on the allocation of grant funds
3. Page 65 of BEAD NOFO, on deployment deadlines and benchmarks
4. Page 42-46 of BEAD NOFO, on inclusion of affordability in the BEAD scoring criteria

Source: BEAD NOFO

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Why does BEAD matter to Illinois residents?

Today, many Illinoisans cannot access high-speed internet service, barring them from essential online services and the 21st century digital economy

BEAD funds will help build infrastructure so that every Illinoisan who wants high-speed internet can subscribe to internet service through a provider
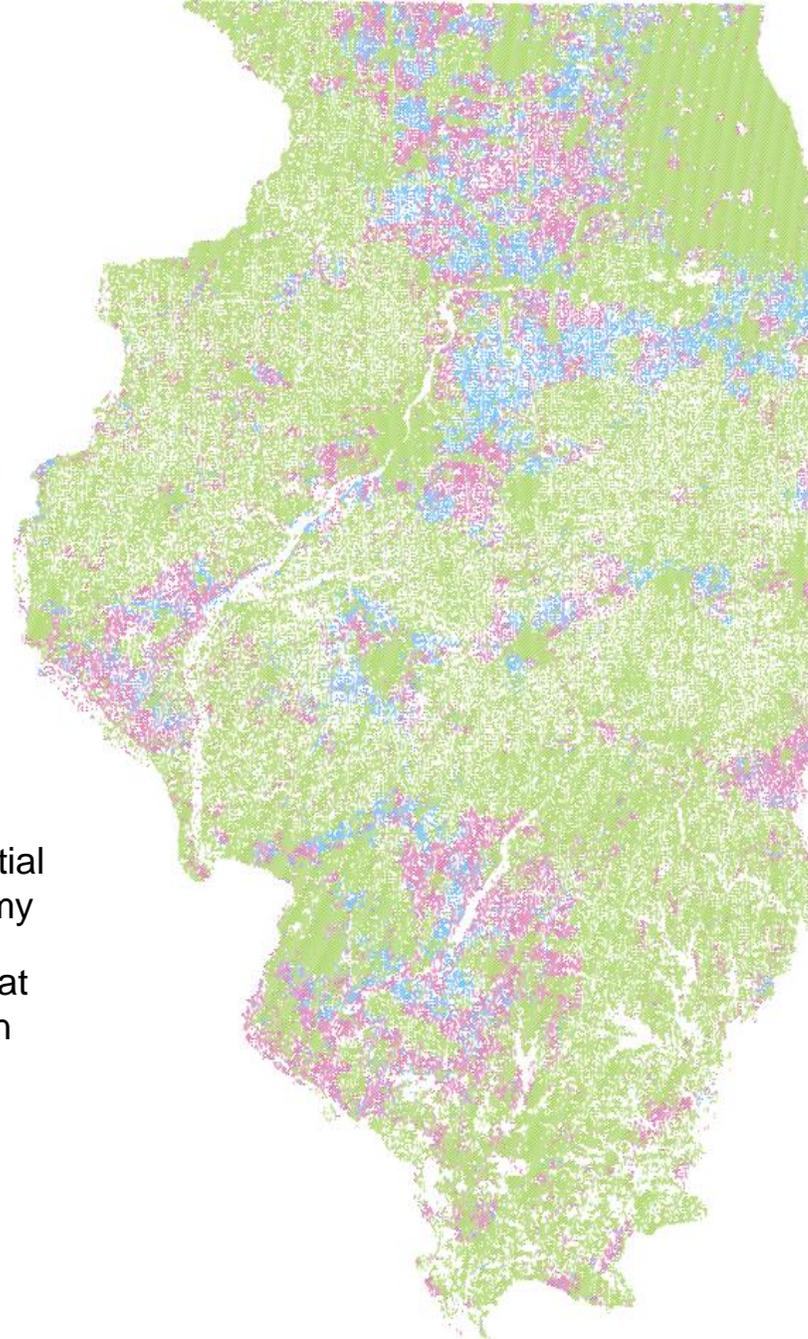
Broadband service availability in Illinois
(as of January 23, 2024)

~4.2M
Total BSLs

~107K (3%)
Unserved BSLs
(locations with speed below 20/3Mbps)

~62K (1%)
Underserved BSLs
(locations with speed above 20/3Mbps and below 100/20Mbps)

~4.0M (96%)
Served BSLs
(locations with speed above 100/20Mbps)

Note: Changes from the Connect Illinois BEAD Challenge Process **will be incorporated after** the Challenge results are approved by NTIA

Source: Current eligible BSL list is based on Broadband Availability Data last updated on Jan 23, 2024, after the exclusion of BSLs that received prior federal, state, or local funding. Changes from the Connect Illinois BEAD Challenge Process will be incorporated after the Challenge Process has concluded.

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As defined by NTIA, a BEAD project may build ("deploy") broadband infrastructure, which can provide high-speed internet service

Some Illinois locations do not have broadband infrastructure available that can provide high-speed internet service

The BEAD program will award funds to internet service providers (ISPs) to **build ("deploy") this infrastructure to locations that do not have broadband infrastructure today**

Examples of broadband connection types
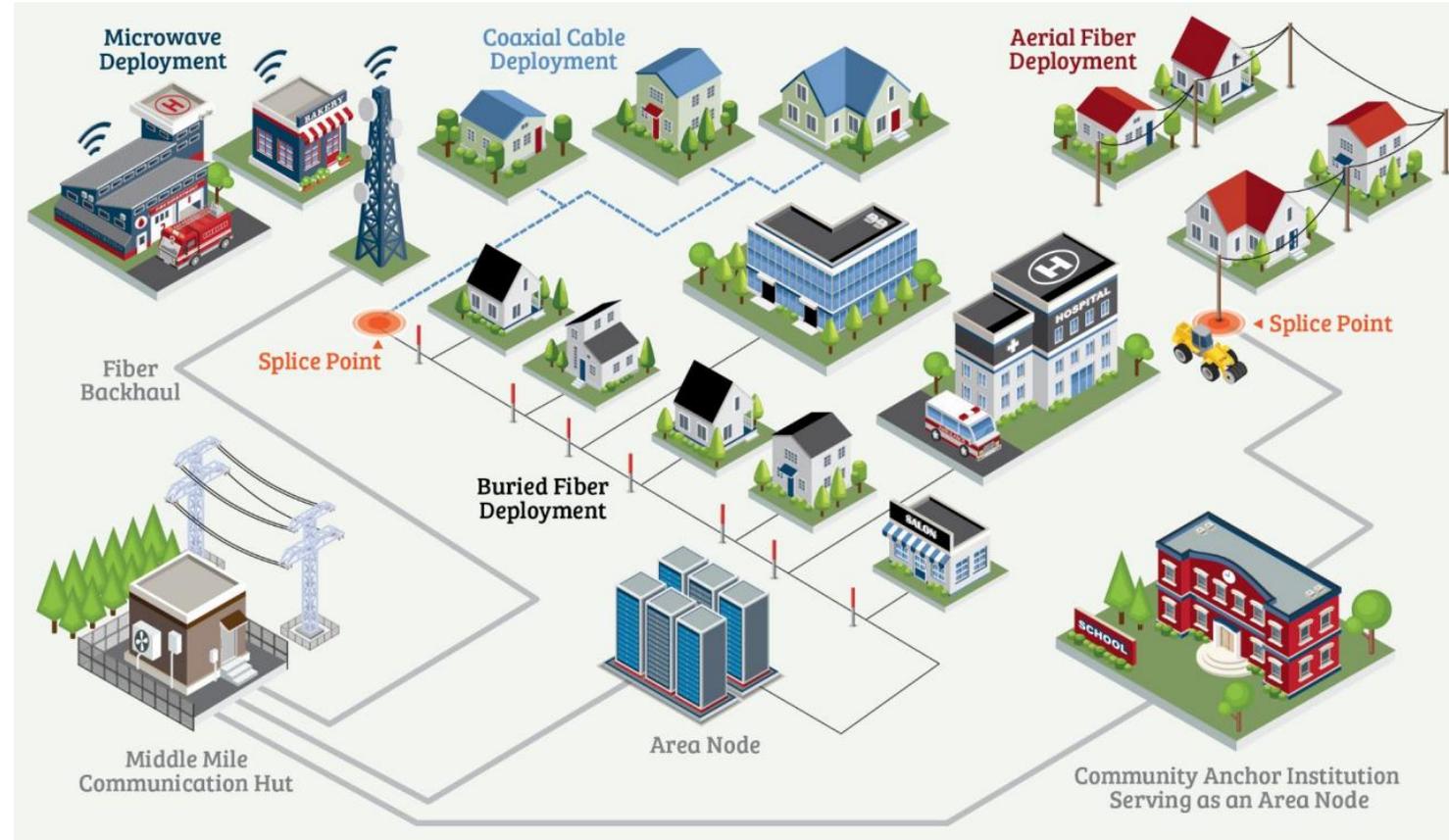
As stated in the BEAD NOFO, BEAD funds are eligible to build out broadband for unserved BSLs, underserved BSLs, and certain CAIs
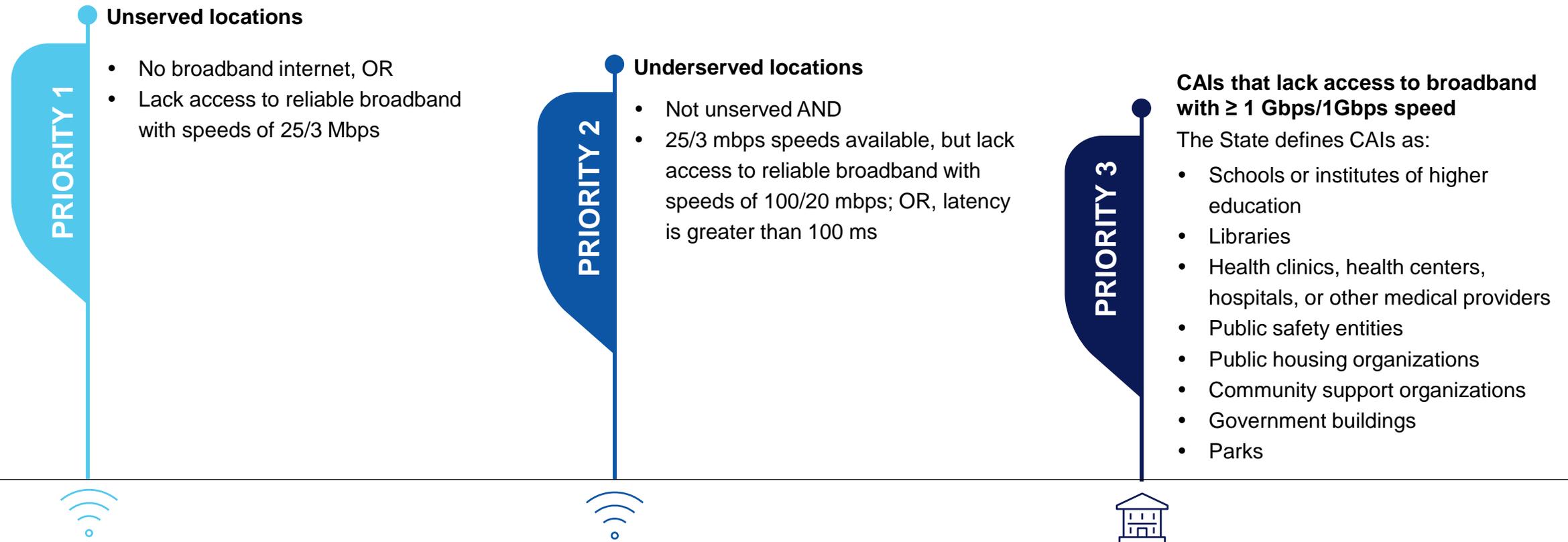
⚠ If there are insufficient funds available to fund deployment to all unserved, underserved, or eligible Community Anchor Institutions (CAI) locations, BEAD requires projects be prioritized within each of those categories based on a strong preference for projects in high poverty areas or persistent poverty counties

PRIORITY 1

Unserved locations

- No broadband internet, OR
- Lack access to reliable broadband with speeds of 25/3 Mbps

PRIORITY 2

Underserved locations

- Not unserved AND
- 25/3 mbps speeds available, but lack access to reliable broadband with speeds of 100/20 mbps; OR, latency is greater than 100 ms

PRIORITY 3

CAIs that lack access to broadband with ≥ 1 Gbps/1Gbps speed

The State defines CAIs as:

- Schools or institutes of higher education
- Libraries
- Health clinics, health centers, hospitals, or other medical providers
- Public safety entities
- Public housing organizations
- Community support organizations
- Government buildings
- Parks

Source: Connect Illinois Initial Proposal Vol. 2, BEAD NOFO

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Preliminary timeline of the BEAD process – *subject to change*

We are here

Due 7/18	**2023**	**2024**	Approved 6/13	**2025**	Due 6/13	**2029**

Project completion due 4 years from fund receipt

Letter of Intent
Notifies Illinois' intent to participate in BEAD

Five Year Action Plan
Establishes Illinois' broadband goals and priorities

Initial Proposal
Describes how the BEAD-funded Connect Illinois Round 4 will select subgrantees to deploy broadband

Subgrantee Selection
Competitively selects subgrantees to receive BEAD fund awards to deploy broadband in Illinois

Final Proposal
Describes results of subgrantee selection process for NTIA approval

4-year implementation
Disburses BEAD funds to subgrantees to build broadband infrastructure upon approval of Final Proposal

Source: NTIA BEAD Information Sheet, BEAD NOFO

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How does BEAD impact you and what can you do?

	How does BEAD affect me?	What do I need to do to benefit from BEAD?
Internet Service Providers (ISPs)	ISPs can apply for BEAD grants to fund broadband deployment projects	Apply for BEAD grants during the subgrantee process
Residents	Residents can subscribe to high-speed internet once an internet provider has deployed broadband to your location using BEAD funds	No action is required – however, you can visit the IOB webpage to learn more about the BEAD program
Local Governments	Local governments can apply for BEAD grants directly if you are capable of deploying and providing broadband service Your constituents may subscribe to high-speed internet once ISPs complete deployment using BEAD funds	No action is required – however, you can: • Support ISPs in their BEAD applications (e.g., letter of support) and/or implementation (e.g., permits) • Apply for BEAD grants independently or through a partnership
Community Organizations & Non-Profits	Subscribers you serve may be eligible for a low-cost plan that will be offered by all internet providers who participate in BEAD Eligible Community Anchor Institutions can subscribe to high-speed internet if an internet provider deploys broadband to your location using BEAD funds Non-profits can apply for BEAD grants directly if you are capable of deploying and providing broadband service	No action is required – however, you can: • Raise awareness of the BEAD program and its opportunities (e.g., low-cost internet plans) • Apply for BEAD grants independently or through a partnership • Visit the IOB webpage to learn more about the BEAD program
Contractors	Contractors may access contracting opportunities with ISPs deploying BEAD projects	Look out for BEAD-funded contracting opportunities

Source: BEAD NOFO

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DOCUMENT INTENDED TO PROVIDE INSIGHT BASED ON CURRENTLY AVAILABLE INFORMATION FOR CONSIDERATION AND NOT PRESCRIBE SPECIFIC ACTION

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How does IOB intend to administer BEAD in Illinois?

Introduction to BEAD-funded Connect Illinois Round 4

Illinois' Initial Proposal Volume II was approved by NTIA on June 13, 2024, outlining Illinois' plan for implementing BEAD funds

What does this mean for Illinois?

- NTIA has approved Illinois' plan to conduct the subgrantee process

- The State can start the subgrantee process once NTIA approves the results of the challenge process to finalize the locations eligible for BEAD funds

Biden-Harris Administration Approves Illinois, Oregon, and Puerto Rico's "Internet for All" Initial Proposal

FOR IMMEDIATE RELEASE
June 13, 2024

News Media Contact
NTIA, Office of Public Affairs

Two States and Puerto Rico Requested Access to BEAD Funds Totaling Over $2 billion

WASHINGTON – The Department of Commerce's National Telecommunications and Information Administration (NTIA) has approved Illinois, Oregon, and Puerto Rico's Initial Proposals for the Broadband Equity, Access, and Deployment (BEAD) program, a cornerstone of the Biden-Harris Administration's "Internet for All" initiative.

This approval enables Illinois, Oregon, and Puerto Rico to request access to funding and begin implementation of the BEAD program—a major step towards closing the digital divide and meeting the President's goal of connecting everyone in America with affordable, reliable, high-speed Internet service.

Today's action allows the entities to request access to:

- **Illinois:** More than $1 billion
- **Oregon:** More than $688 million
- **Puerto Rico:** More than $334 million

Source: Biden-Harris Administration Approves Illinois, Oregon, and Puerto Rico's "Internet for All" Initial Proposal, NTIA

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The BEAD Challenge Process is intended to help the State validate which locations are eligible for BEAD funds

What was the BEAD Challenge Process?

The BEAD Challenge Process, which began in February 2024, allowed organizations to **challenge the State's broadband map if any of the displayed locations did not correctly list its broadband availability**, such as technology, speed, or latency
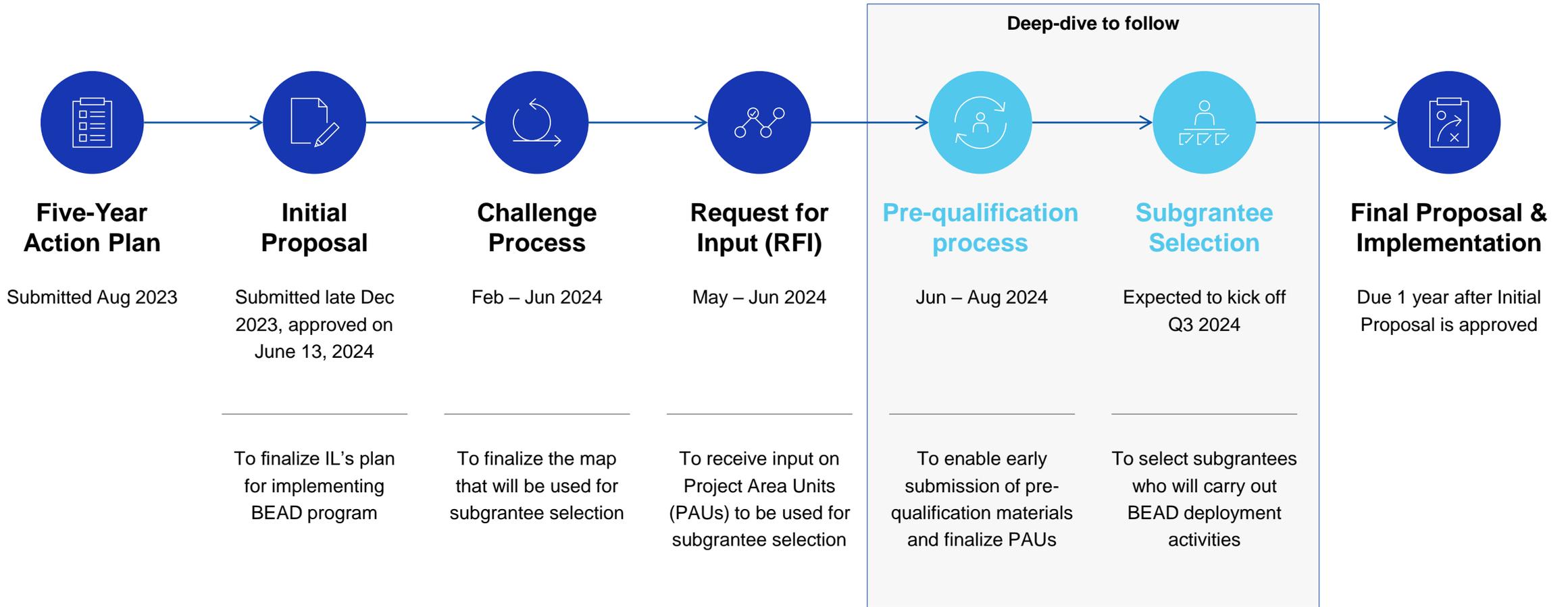
What was the result of the Challenge Process?

The Challenge Process allows the State's broadband map to **accurately reflect Illinoisan homes' or organizations' access to broadband**

This information in turn helps accurately understand **which locations are eligible for BEAD funding**
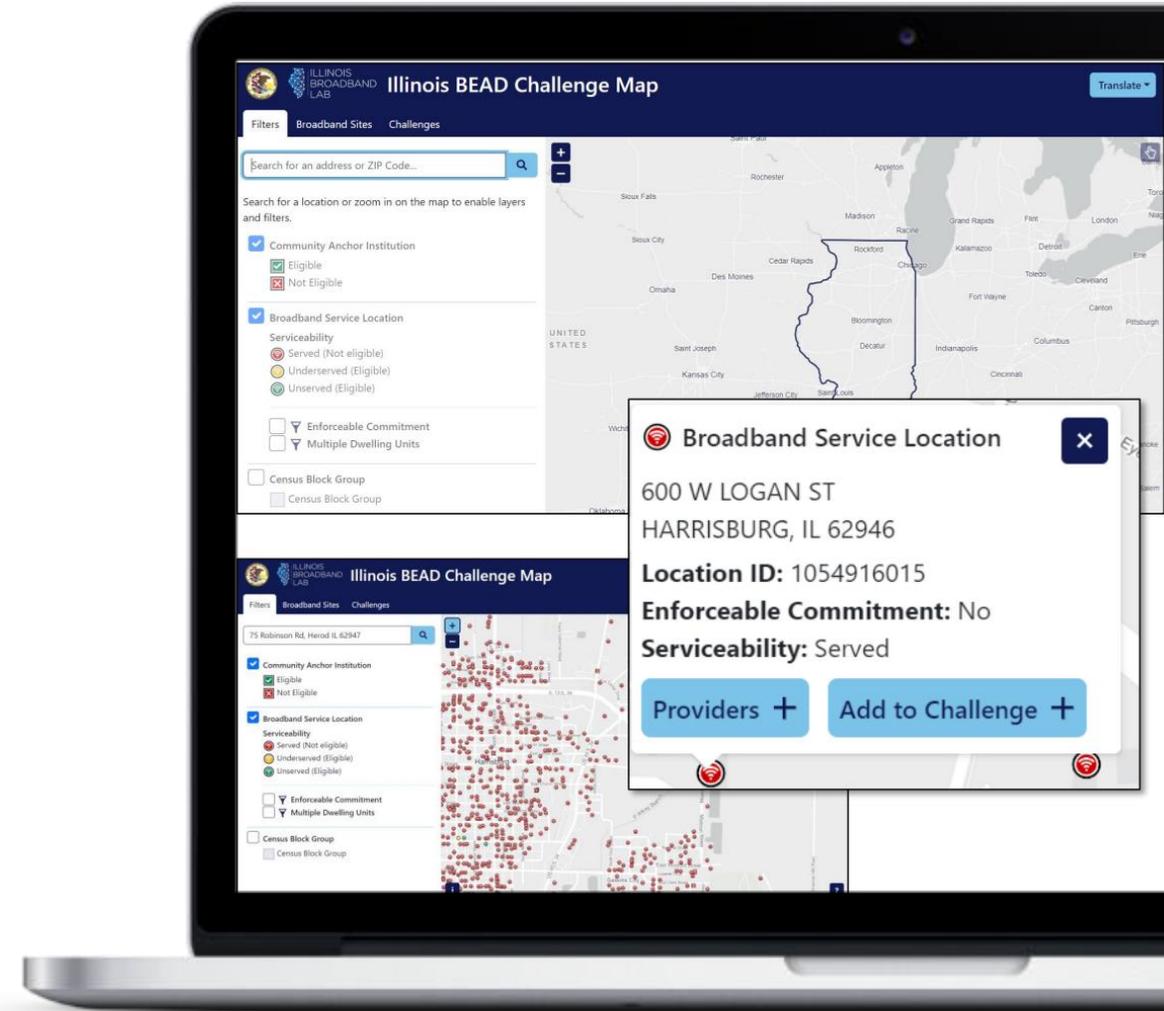
Overview of the BEAD-funded Connect Illinois Round 4 timeline

PRELIMINARY TIMELINE - SUBJECT TO CHANGE

Deep-dive to follow

Five-Year Action Plan	**Initial Proposal**	**Challenge Process**	**Request for Input (RFI)**	**Pre-qualification process**	**Subgrantee Selection**	**Final Proposal & Implementation**
Submitted Aug 2023	Submitted late Dec 2023, approved on June 13, 2024	Feb – Jun 2024	May – Jun 2024	Jun – Aug 2024	Expected to kick off Q3 2024	Due 1 year after Initial Proposal is approved
	To finalize IL's plan for implementing BEAD program	To finalize the map that will be used for subgrantee selection	To receive input on Project Area Units (PAUs) to be used for subgrantee selection	To enable early submission of pre-qualification materials and finalize PAUs	To select subgrantees who will carry out BEAD deployment activities	

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Key concepts for the BEAD-funded Connect Illinois Round 4

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Project area units and hard-to-serve project area units

3-wave subgrantee selection approach

Pre-qualifications process to help ensure all participants meet BEAD qualification requirements
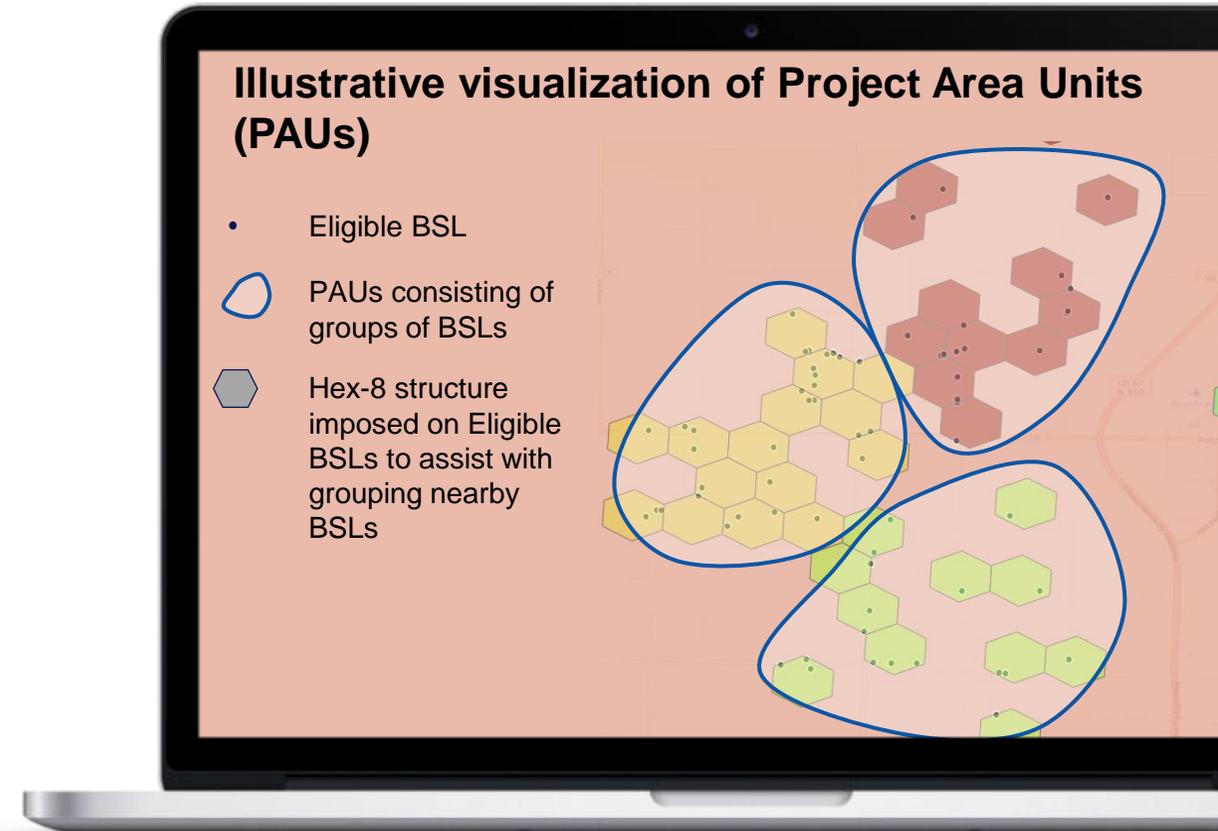
1

PAUs: Connect Illinois Round 4 will use Project Area Units (PAUs) as the basis for BEAD projects

A **Project Area Unit** is a collection of unserved and underserved locations eligible for inclusion as "building blocks" within an application that:

- Cannot be broken into a smaller collection of unserved / underserved locations

- Do not overlap

- Collectively contain all unserved and underserved locations and eligible CAIs in the state

Project Area Units will be finalized and published prior to the start of the subgrantee selection process

Illustrative visualization of Project Area Units (PAUs)

- Eligible BSL

- PAUs consisting of groups of BSLs

- Hex-8 structure imposed on Eligible BSLs to assist with grouping nearby BSLs

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PAUs: When applying for BEAD funds during the subgrantee process, providers can select PAUs to create a project area

(i) Guidelines for selecting project areas

- Applicants may pick any number of project area units to form a project area, but cannot use any fractional project area unit

- Project area units within a project area are not required to be contiguous

- Potential subgrantees must select which project area units are **"must-include"** when they submit their application

Illustrative project area

- ● Unserved
- ● Underserved
- ⬡ Project area units in provider proposal
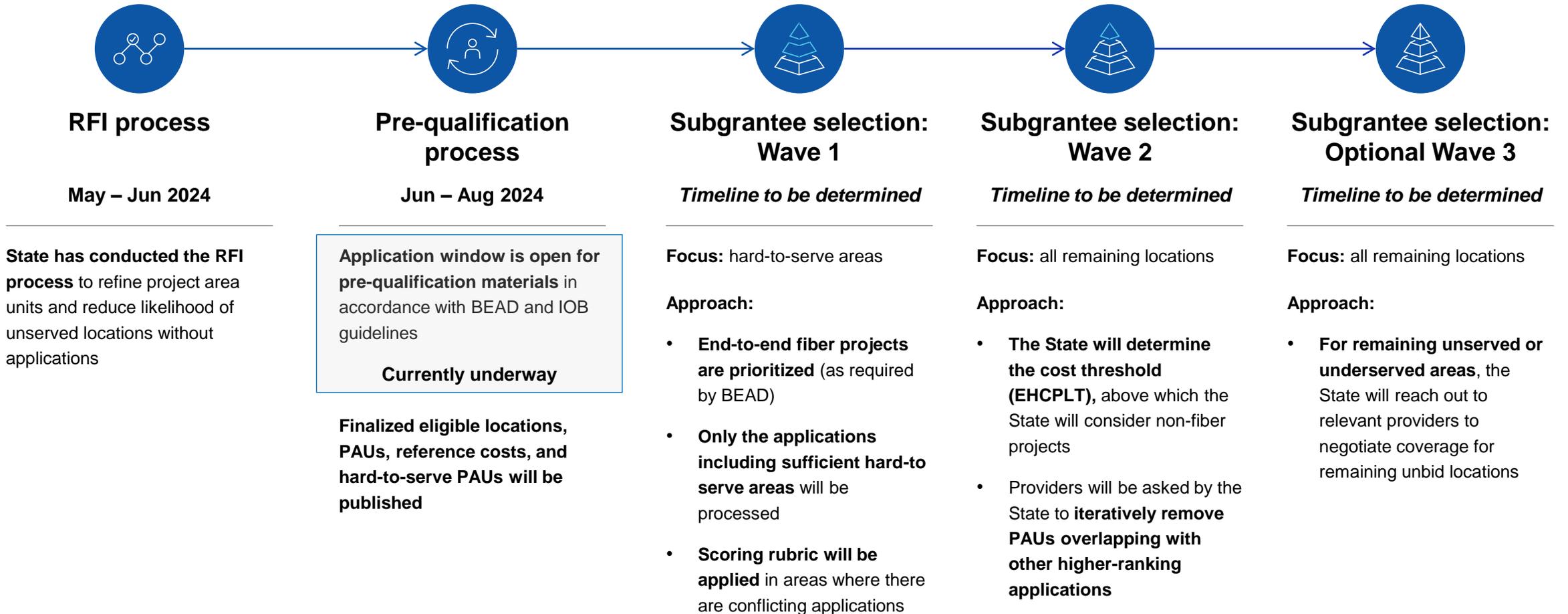- ⬣ Must-include project area units
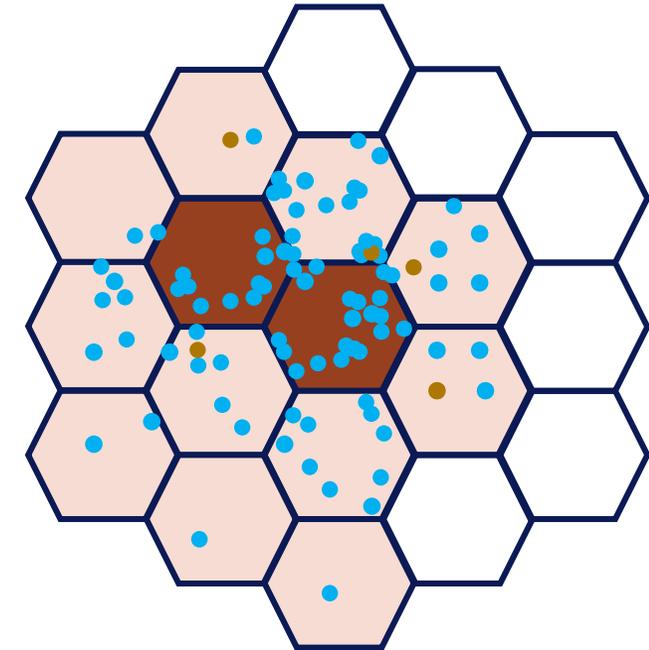
3 waves: The subgrantee process consists of up to three waves to determine BEAD awardees, starting by focusing on hard-to-serve PAUs

AS OF JULY 11, 2024   PRELIMINARY TIMELINE - SUBJECT TO CHANGE

We are here

RFI process	Pre-qualification process	Subgrantee selection: Wave 1	Subgrantee selection: Wave 2	Subgrantee selection: Optional Wave 3
May – Jun 2024	**Jun – Aug 2024**	*Timeline to be determined*	*Timeline to be determined*	*Timeline to be determined*

State has conducted the RFI process to refine project area units and reduce likelihood of unserved locations without applications

Application window is open for pre-qualification materials in accordance with BEAD and IOB guidelines

Currently underway

Finalized eligible locations, PAUs, reference costs, and hard-to-serve PAUs will be published

Focus: hard-to-serve areas

Approach:

- **End-to-end fiber projects are prioritized** (as required by BEAD)

- **Only the applications including sufficient hard-to serve areas** will be processed

- **Scoring rubric will be applied** in areas where there are conflicting applications

Focus: all remaining locations

Approach:

- **The State will determine the cost threshold (EHCPLT),** above which the State will consider non-fiber projects

- Providers will be asked by the State to **iteratively remove PAUs overlapping with other higher-ranking applications**

Focus: all remaining locations

Approach:

- **For remaining unserved or underserved areas**, the State will reach out to relevant providers to negotiate coverage for remaining unbid locations

Note: Timeline is tentative based on currently available information and may change subject to NTIA approval of the BEAD Challenge Process results

Source: Connect Illinois Initial Proposal Vol. 2

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The pre-qualification process is currently underway and is a strongly encouraged step in the overall qualification process for BEAD

Connect Illinois Round 4 review process of BEAD Program subgrantee qualifications

AS OF JULY 11, 2024   **INFORMATION BASED ON STATE DECISION**   **PRELIMINARY TIMELINE - SUBJECT TO CHANGE**

Strongly encouraged   Mandatory

Note: All BEAD subgrantees must meet qualification requirements to participate and receive BEAD funds

Currently underway
Strongly encouraged & non-punitive

Pre-qualification period

Prospective subgrantees submit **non-project specific qualifications**

- Allowed to submit some or all qualifications

Receive feedback or approval of submitted materials

Application Period

Prospective subgrantees submit **project-specific qualifications**

Must submit any non-project related qualifications not approved during the pre-qualification period

Prior to Final Proposal

Provisionally selected awardees **submit mandatory revisions**

Provisionally selected awardees **submit any remaining qualification materials** necessary to meet State & BEAD requirements

Prior to Grant Agreement

Provisionally selected awardees **submit an irrevocable standby letter of credit or alternative per BEAD letter of credit waiver** (based on IV.D.2.a.ii of BEAD NOFO)

Awardees may also need to submit additional qualification materials requested from the State

Note: Timeline is tentative based on currently available information and may change subject to NTIA approval of the BEAD Challenge Process results

Source: Connect Illinois Initial Proposal Vol. 2

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Next Steps for the Pre-qualification Process

Upon NTIA approval, additional details will be made available ahead of the Subgrantee Process, including finalized eligible locations, PAUs, and other information

View the pre-qualification process website

Learn more about the process, view announcements and updates, and download relevant materials on the IOB pre-qualification website

Read the Pre-qualification Submission Guidebook

Download the submission guide for full details and FAQs of the pre-qualification process

Download and fill template attachments

Download the *Disclosure Template for Other Broadband Projects* and the *Certification Template* from the IOB website

Submit your response before July 9 (priority) or July 23 (regular)

Submit your pre-qualification materials via the submission form

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How can I get involved?

Participation in BEAD

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How can you get involved?

Questions? Reach out to: broadband@Illinois.gov

1 **For anyone wanting to stay informed:**

Sign up to become an Illinois Office of Broadband Partner and receive updates on the BEAD Program (https://bit.ly/IOBPartner)

2 **For Illinois community organizations, non-profits, and local governments:**

Link up with broadband providers looking to serve your community and demonstrate partnership through letters of support

3 **For prospective applicants of the BEAD-funded Connect Illinois Round 4:**

Prepare to apply for BEAD funds to cover unserved and underserved communities

4 **Visit the Illinois Office of Broadband's website** to learn more

https://dceo.illinois.gov/connectillinois/bead.html

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