



STAFF REPORT

Meeting Type: SandyNet Advisory Board
Meeting Date: 8/20/2025
From: Gregory Brewster
Subject: BEAD Update

BACKGROUND / CONTEXT:

In March 2025, Clackamas Broadband eXchange (CBX) invited the City of Sandy to jointly file an application to pre-qualify to participate in Oregon's version of the Broadband Equity and Access Deployment (BEAD) program. Pre-qualification was a pre-requisite to qualifying to bid in the upcoming BEAD application. CBX hired a consultant to assist with navigating and submitting the BEAD prequalification paperwork.

Back in March 2025, BEAD was defined as a large pool of funds that were to be handed down to individual States and be awarded to bidders for broadband deployments that were in accordance with rules set by the National Telecommunications and Information Administration (NTIA). Those funds were destined to be used to deploy broadband to unserved areas, or areas that could not achieve 25Mbps download and 3Mbps upload. Those rules favored fiber optic deployments and investments.

Prequalification for Oregon closed in May 2025, and both CBX and SandyNet were officially prequalified to participate in the program. Shortly after the prequalification window closed, the NTIA issued notice that it intended to change its previous rules. The Oregon Broadband Office halted the BEAD program, awaiting new changes to the rules from the NTIA.

When the new NTIA rules were issued, the Oregon program was revised to allow for both satellite and fixed wireless internet providers to participate in the program. An expedited prequalification window was reopened. Other notable changes to the program included the removal of the requirement to service all unserved locations within a block and a larger focus on reducing the cost for each passing. These changes posed serious questions and concerns over the viability of participating in the project, and how to distribute and bring down costs for smaller fiber deployment areas.

Near the end of July, CBX exited the process, and determined that it was no longer viable to participate in the BEAD program, removing the City of Sandy from the process as well.

KEY CONSIDERATIONS / ANALYSIS:

The drastic changes to the program from NTIA introduced many unknowns and added new risks to the process. CBX and SandyNet attempted to seek reimbursement for areas that were already under consideration and overlapped with BEAD areas, as well as finding smaller deployment areas where costs could become competitive with those at were expected from satellite companies.

The rules also introduced uncertainty towards the level of accountability towards bidders using specific mediums. Specific clarification that would mitigate those risks was not provided, explained or may not have existed prior to CBX's exit from the program.

As more funds were spent on the BEAD application and CBX's prospects of winning an area diminished, the application process became uneconomical for its potential payoff. After the NTIA's rule changes, some major roadblocks were still not removed, which ultimately prevented any possibility of submitting a successful application. It is worth noting that those rules and others were relaxed by the NITA after CBX had exited the application process.

CONCLUSION

While SandyNet Staff are disappointed by the exiting of the program and the changes that were made to the program, it still has many other ventures and avenues both alone and with CBX that will continue to grow its fiber footprint and reach unserved areas. No funds were spent by SandyNet or the City during this process.