



STAFF REPORT

Meeting Type: SandyNet Advisory Board
Meeting Date: 7/16/2026
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 participate in Oregon's version of the Broadband Equity and Access Deployment (BEAD) program. Prequalification was a prerequisite to qualifying to bid in the upcoming BEAD application/award process. 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 March 2025, and both CBX and SandyNet were jointly 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 (OBO) halted the BEAD program, awaiting new changes to the rules from NTIA.

When the new NTIA rules were issued, the Oregon program was revised to now allow for satellite and fixed wireless internet providers to participate in the program. An expedited prequalification window was reopened for newly allowed providers to give notice to OBO. 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 determined that it was no longer viable to participate in the BEAD program and exited the process. This also removed SandyNet from the process as well. The drastic changes from the NTIA introduced too many unknowns for CBX. Additionally, some requirements like the need to provide a letter of credit were difficult to produce before the deadline. It's worth noting that the letter of credit requirement was laxed shortly after CBX discontinued their application.

In April 2026, OBO announced that Astound had won the zone for Oregon Trail School District 46 with \$14,176,928.55 in BEAD funding. On June 22, 2026, OBO announced that Astound had rejected the project. CBX received communication on OBO that there would be a second round of awarding to fill the now vacant areas. At that time, Both SandyNet and CBX began to revisit the BEAD project and its

potential. On July 8, 2026, OBO announced that Amazon LEO had been awarded and accepted 2,047 of the available 2,049 Broadband Service Locations (BSL's) for the entire school district. According to the OBO website, Amazon LEO is set to receive \$1,266,000 for those sites.

DISCUSSION / ANALYSIS:

It is disappointing that SandyNet was unable to participate in the re-award process for the Oregon Trail School District area. SandyNet had hoped that the exit of Astound would have granted those who had previously prequalified the opportunity to bid.

Both SandyNet and CBX are actively working on fiber optic deployments that service unserved areas. These projects are outside of the BEAD program and use SLFRF funds. The overlap with BEAD would have enabled both parties to offer the same passings as Astound with a similar cost per service passing.

To SandyNet, the re-awarding of the area to Amazon LEO will result in \$12,910,928.55 less funding being distributed as compared to Astound's award. It is not exactly clear what will happen to those now unused funds, or how the weighing during the first and second award process resulted in 99.9% coverage under a second awardee at only 10.3% of the cost.

Finally, Starlink was awarded 180 locations during the first round of BEAD applications, and it must be assumed that they only selected locations that they knew they could service. It is unclear to SandyNet how the technologies between Starlink and Amazon LEO differ so much that Amazon LEO can serve all but two BSL's within the Oregon Trail School District, especially at this time, when its direct and more mature competitor has only 180 locations selected out of the entire area.

Finally, it is worth noting that many of those 2,047 BSL's are under substantial tree cover making it difficult or impossible for those homes to obtain the proper amount of open sky to deliver reliable internet service. During the FCC's RDOF 904 reverse-auction from 2020, many BSL's preliminary awarded to an LEO satellite company, but never fully awarded. After they were relinquished, they were later absorbed under BEAD.

Now, this project differs in many ways: the rules and funding come from the NTIA instead of FCC; There are new companies performing these same kinds of LEO deployments; technologies have changed and improved; and there is history that shows that providers need to show that they can perform these projects at an acceptable level before receiving funding.

While the NTIA still needs to approve the new awardees by OBO, SandyNet does not believe there will be another round of awards and hopes that those unserved BSL's will become properly served at the end of the project.

CONCLUSION:

SandyNet considers its participation in the BEAD project completed. SandyNet Staff will now need to consider how they will respond to additional LEO satellite companies in its ARPA/SLFRF areas that are still under construction.