



BEAD Ad Hoc Webinar and Technical Assistance Session

De-Obligation

January 15, 2025



VIRGINIA DEPARTMENT OF HOUSING
AND COMMUNITY DEVELOPMENT
Partners for Better Communities

Overview of De-Obligation Guidance

NTIA's Guidance to Virginia

Final Proposal Guidance 1.2

- *Pages 87-90*
 - https://www.ntia.gov/sites/default/files/2025-01/bead_final_proposal_guidance_v1.2.pdf

Overview of De-Obligation Guidance

Virginia's Guidance to Applicants

[Policy Notice on Identification and De-Obligation of Non-BSLs](#)

Updated on December 2, 2024 to reflect new federal guidance

Additional information and process instructions at dhcd.virginia.gov/bead (Summarized Below)

DHCD will publish a list of BEAD-eligible locations that are served in V5 of the FCC's Broadband Map that are unlikely to require special construction costs by no later than January 17.

DHCD is inviting submissions for additional de-obligations until January 24. The primary emphasis is on Reason Code 1, but submissions on other reason codes are allowed. DHCD will review these submissions and publish a consolidated list ASAP afterwards. Submissions by January 24th must be made using the prescribed template and evidence requirements. Specific evidence files must be submitted for each location (See Policy Notice for required evidence).

■ ■ Why can't Virginia automatically de-obligate locations?

- Challenge Process Results must be used for the application process
 - *Per NTIA's Challenge Process Approval Email*
- Any de-obligations must come from the BEAD applicant and approved by Virginia's OOB
 - *Per NTIA Guidance that States and Territories are the reviewer of challenges and de-obligations and cannot be the submitter of such challenges or de-obligations*
- The only allowed automatic de-obligation is if an enforceable commitment is present
 - *Page 36, Section ii.3. of the BEAD NOFO*

■ Why are we doing this mid-stream?

Approximately ~14,270 locations in the ~133,000 BEAD Eligible Locations are listed as served by reliable broadband service in Version 5 of the FCC's Nat. Broadband Map and likely do not require a special construction cost to reach their location.

An estimated several thousand additional locations in the ~133,000 BEAD Eligible Locations are Mischaracterized or Not Broadband Serviceable Locations.

Per previous slide, submissions for de-obligation must come from the applicant.

■ ■ Why should you (BEAD Applicants) care?

Identified Mischaracterized and Non-BSLs DO need to be included in your location ID number list, but DO NOT need to be budgeted for into your BEAD application

Applicants which have accurately identified mischaracterized and Non-BSLs will have a advantage in the application process.

- This is THE reason to identify these locations!

If an applicant knows that 20% of locations in a ZCTA should be de-obligated, the location ID numbers for these locations should be included in the ZCTA portal to meet the 95% minimum, but the applicant does not need to budget for these locations, thus the advantage.



Examples of Mis-Characterized BSLs and Submission Examples, Reason Code 1, R



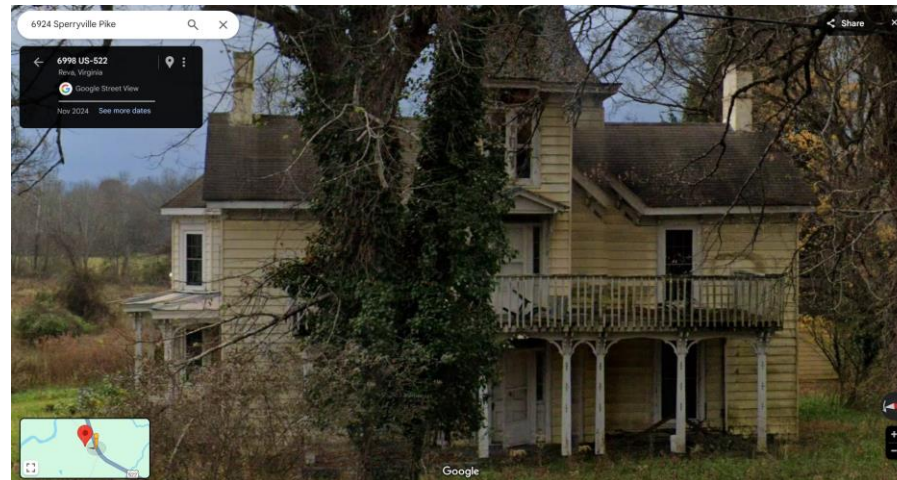
Random BSL on an island in a swamp.

Example of Location Filed in the Submission Template

Data Title	location_id	classification	reason	non_bsl_code	location_type	evidence_type	provider_id	program	Notes
	<i>Insert the Location ID number from the list of BEAD eligible locations</i>	<i>category classifying the location as unserved (0) or underserved (1) from the approved Challenge Process location list</i>	<i>Insert the reason code for the mischaracterized BSL</i>	<i>If reason code is "1", then enter the Non-BSL Code</i>	<i>If reason code is "2", then enter the Location Type (E = Enterprise, C = CAI, or P = Government Property)</i>	<i>If reason code is 1, 2, or 5, indicate the evidence type.</i>	<i>Insert the 6-digit provider ID number provided by the FCC.</i>	<i>If reason code is 4, enter the funding program acronym according to page 93 of NTIA's final proposal guidance v1.2.</i>	<i>(Optional) If needed, additional notes explaining why the location should not receive service through a BEAD project. Do not include linebreaks. Only applicable for reason codes '1' and '6'. Leave empty for all other reason codes</i>
Notes									
Example 1	1081756084	0	1	R		P	N/A		

Examples of Mis-Characterized BSLs and Submission Examples, Reason Code 1, B

Uninhabitable Structure

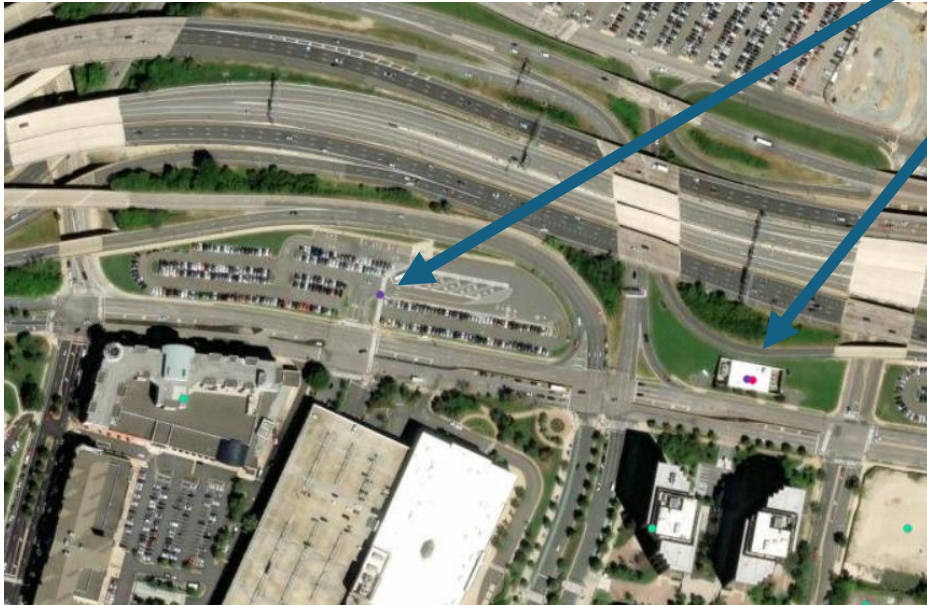


Google Street View of Non-Residential Structure



Examples of Mis-Characterized BSLs and Submission Examples, Reason Code 1, U

Parking Lot (No Longer a BSL in V5, which you can point out to us as a reason code)



Non-Residential Structure



Google Street View of Non-Residential Structure

Examples of Mis-Characterized BSLs and Submission Examples, Reason Code 1, U



Home covered by VATI FY23

Barn technically on a different parcel, but still a barn





Examples of Mis-Characterized BSLs and Submission Examples, Reason Code 1, M

RV (Pretend it was purple and BEAD Eligible)



■ ■ If my company serves locations that are BEAD eligible, what's the advantage of this de-obligation process?

If a company already serves locations that are BEAD eligible, there are two options in the application process.

1. The applicant applies for BEAD in the ZCTA and submits the locations for de-obligation.
2. The applicant submits a low-to-zero-dollar application for these locations.
 - In this scenario, the served locations must be BEAD Compliant (NEPA, BABA, NHPA, etc).
 - There is no scoring advantage to this method. (The number of locations submitted in a ZCTA application ($\geq 95\%$) will still be used to evaluate cost efficiency)

■ ■ Are Community Anchor Institutions eligible for the same de-obligation?

- Yes, applicants may submit Community Anchor Institutions (CAIs) for de-obligation under the same criteria listed in the Policy Notice.
- Note: De-obligations submitted for CAIs based on existing service must note that service is available at the gigabit symmetrical level (1000/1000).

■ ■ Do BEAD applicants have to submit all de-obligations now, or can additional de-obligations be submitted when we submit BEAD applications in CAMS?

Applicants can submit locations for de-obligation in their applications through CAMS even if they weren't included in an applicant's January 24th submission or the final de-obligation list by the Virginia OOB.

The intent of the January 24th deadline to provide locations for de-obligation review by the Office of Broadband is an attempt to standardized de-obligations across all applicants.

However, this does not preclude an applicant from including these locations, or additional locations for de-obligation, in their BEAD application in CAMS.

■ ■ What should BEAD applicants in Virginia do next before January 24?

1. Re-read this presentation and the BEAD Policy Notice on this topic
2. Review BEAD-eligible locations in your to-be application areas and determine if any may qualify for de-obligation as a mischaracterized or Non-BSL under any reason code outlined in the Policy Notice.
3. Complete the submission template and submit these locations, along with the required evidence, to broadband@dhcd.virginia.gov by January 24th

■ ■ What should BEAD applicants in Virginia do next, after these lists are published?

1. Review the de-obligation lists posted by the Virginia Office of Broadband
2. Consider adoption of these de-obligation lists
 - Applicants without technical capabilities to filter these de-obligation lists to only the BEAD eligible locations in your ZCTA applications should submit these entire, state-wide de-obligation lists as a part of your CAMS application.
3. Factor de-obligations into your ZCTA application budgets appropriately
 - You don't have to budget for proposed de-obligations, but the location IDs for proposed de-obligations must be included in the ZCTA portal for each single and bundled applications to meet the 95% location minimum.
4. Continue to review BEAD eligible locations in your potential application areas and consider submitting additional locations for de-obligation in your CAMS application.

■ ■ What if a BEAD Applicant submits a location for De-Obligation, but the Va OoB doesn't accept it?

- In this situation, the applicant probably didn't budget to serve this location.
- The Va OoB will work with the applicant to determine the cost to serve this location.
- If the cost to serve is reasonable, the Va OoB will ask the applicant to reach the location with the 10% budget contingency that is required to be taken by all applicants when applying for BEAD.
 - *Note, this may happen pre-Final Proposal submission, or during project delivery.*