

New Jersey BEAD Program: Subgrantee FAQ

New Jersey Office of Broadband Connectivity (OBC)

As of October 14, 2026

This document is intended solely to assist recipients in better understanding the New Jersey Broadband Equity, Access, and Deployment (BEAD) Program. It is meant to complement the National Telecommunications and Information Administration's (NTIA) federal [BEAD FAQ](#), which is regularly updated. OBC will add to this FAQ document as the program moves forward.

1. Subgrantee Agreement

1.1. After we sign, can we withdraw individual broadband serviceable locations, also called BSLs?

As of the most recent [NTIA BEAD FAQ publication on V23](#) (see 9.9, 9.10, and 9.11), States and Subgrantees may mutually agree to remove a location following execution of the Subgrant Agreement. This process requires the Subgrantee to provide evidence demonstrating that the location's service requirements have been met and that the location is no longer eligible for BEAD funding.

Please refer to [NTIA's Reason Code Guidance](#), which covers allowable situations and requirements for withdrawing a broadband serviceable location from BEAD.

1.2. What happens if NTIA changes its guidance after we sign?

If a future requirement materially changes the approved scope, schedule, cost, risk allocation, milestones, clawback, payment terms, or security obligations, the parties shall promptly negotiate a written amendment, schedule adjustment, or other equitable implementation permitted by the Federal award before remedies attach, except where Federal law requires immediate compliance.

1.3. What happens if we find that some locations cannot be built?

We expect you to identify feasibility constraints as early as you can during planning and pre-deployment. If you later determine that specific locations cannot be built because of documented technical, environmental, permitting, or access limitations, notify OBC promptly. Any proposed change is subject to OBC review and approval, and a material change may require an amendment to your Award/Subgrantee Agreement. Finding infeasible locations does not by itself extend your timeline or relieve you of a milestone.¹

¹[NTIA's Using BEAD Non-Service Reason Codes During the Period of Performance](#)

1.4. Are we required to provide a letter of credit or a performance bond?

You must provide the security required by your Subgrantee Agreement (SGA). For non-LEO projects, the agreement permits a compliant irrevocable standby letter of credit or a performance bond, subject to BPU approval and the applicable amount and form requirements.

The required instrument must be submitted within thirty (30) days after execution of the SGA and maintained as required by the agreement. LEO capacity subgrants have separate security requirements. Refer to your project-specific terms for the approved instrument, amount, and conditions for reduction or release.

1.5. What is OBC's process for review and cure before it imposes remedies for noncompliance?

BPU will provide written notice describing the noncompliance and follow the notice, cure, and enforcement provisions of your SGA.

Under the SGA's payment provisions, you will generally have a reasonable opportunity of at least thirty (30) days to cure the identified noncompliance before BPU withholds or delays payment on that basis. This opportunity does not apply where the noncompliance is incapable of cure or immediate action is required by applicable law or federal directive. Payment remains subject to milestone completion and all other applicable payment conditions.

If the issue remains unresolved after the applicable cure period, BPU may require additional corrective action or impose remedies authorized by the SGA, including withholding payments, reducing the award, suspension, termination, or recovery of funds. BPU will follow any applicable notice, hearing, or appeal requirements.

2. Disbursement and Milestones

2.1. What does a fixed amount subaward mean for me?

Your award establishes a fixed amount tied to defined project milestones. Payments are based on verified completion of those milestones rather than reimbursement of individual cost elements.

You must still use grant funds for eligible project purposes and maintain the financial records required by your SGA. Payment requests must include the required milestone evidence, eligible-cost support, match documentation, certifications, and other supporting information. A fixed amount award does not eliminate financial oversight, documentation, or audit requirements.

2.2. How and when will I be paid?

Payments are made after BPU verifies completion of the applicable milestone and confirms compliance with the environmental, reporting, financial, and program requirements applicable to that payment.

Submit payment requests according to the schedule in your SGA. Where permitted by the agreement, you may submit requests more frequently than quarterly when milestones have been completed and may include multiple completed milestones in one request.

A reporting or payment-request interval does not create an entitlement to payment before the applicable milestone and payment conditions have been satisfied.

2.3. Is the six-month disbursement window fixed?

The applicable disbursement period depends on your approved security arrangement and SGA. For the 10% performance-bond option described in the SGA, disbursement periods may not exceed six months, and payments must align with verified milestone achievement.

This scheduling requirement does not waive milestone verification or other payment conditions. Contact OBC promptly if your anticipated milestone schedule may prevent you from meeting the applicable disbursement schedule.

2.4. What are the requirements to receive the initial 10% payment tied to EHP permitting?

You must complete the Environmental and Historic Preservation (EHP) permitting process both to receive the initial 10% payment and to begin construction. No construction activities may begin under the BEAD Program until this step is complete.

To complete this step, submit all required EHP permitting information through the Microsoft Forms that OBC previously provided. OBC will upload that information into the ESAPTT portal to obtain NTIA's NEPA decision. Receipt of a NEPA decision granting clearance is the final step: it triggers the initial 10% reimbursement payment and allows construction to begin under the BEAD Program.

For a walkthrough of this process, see the [video](#) on our NJ BEAD [Resources page](#).

2.5. Will OBC have a predictable timeline for reviewing and paying reimbursement requests?

Your SGA provides that BPU will review each disbursement request and its supporting documentation. Allow up to thirty (30) calendar days for BPU's review and approval. No payment will be disbursed until BPU verifies that the expenses are eligible and adequately documented.

2.6. What determines whether a project is complete for release of the final 10% retainage payment?

In accordance with NTIA's BEAD Program requirements, you must fully complete your project within four (4) years of the Effective Date of your SGA, unless the deadline is extended by written amendment. Your project must be deployed and implemented in compliance with all applicable terms, conditions, requirements, and limitations of your SGA and the Notice of Funding Availability (NOFA), and as proposed and represented in your application. While carrying out the project, you must implement protections and supply chain risk management measures consistent with federal and state guidelines.

Before the project is complete, you must obtain all certifications, licenses, permits, and approvals necessary to operate the project, and otherwise satisfy all requirements necessary to operate it.

You must also certify, and provide evidence, that your locations meet the BEAD Program technical requirements. Broadband service delivered over the funded network must provide speeds of at least 100 Mbps download and 20 Mbps upload to broadband serviceable locations, and at least 1 Gbps download and 1 Gbps upload to community anchor institutions. At least 95 percent of latency measurements during testing windows must be at or below 100 milliseconds round-trip time. Outages on the funded network may not exceed an average of 48 hours over

any 365-day period, except in the case of a natural disaster or a force majeure event as defined in your SGA. For more detail, see NTIA's BEAD Performance Measures Policy Notice.²

2.7. Under what circumstances may BPU withhold the initial disbursement after we execute the SGA and satisfy the applicable conditions? [NEW as of 10/14/26]

Your SGA states that BPU “may” disburse up to 10% of the award because the initial advance is optional and must be requested by the Subgrantee. The word “may” does not give BPU an additional reason to withhold the payment once the applicable requirements have been met.

You may request the initial disbursement after you complete the EHP reviews, receive all EHP approvals, and acquire all required permits. See 2.4 for the EHP process and 2.8 for permit requirements.

As with any payment under your SGA, BPU may withhold or delay payment if you do not comply with the terms of the SGA, applicable law, or BEAD Program requirements. BPU will follow the notice and cure process described in 1.5.

2.8. Does “all required permits” mean only the permits for the work covered by the initial disbursement, or all permits for the entire project? [NEW as of 10/14/26]

Consistent with NTIA’s guidance on local permitting, you must obtain all required permits, easements, authorizations, and environmental clearances prior to initiating construction or deployment activities for the applicable project segment or phase. While all permits for the entire project footprint do not need to be secured prior to the initial project launch, no physical construction or ground disturbance may begin in a given area until all necessary local, state, federal, and tribal approvals for that specific area or phase are fully secured. See Section 5 for detailed permitting obligations.

3. Reporting

3.1. What reports are due, and how often?

Quarterly reports are due four times a year. Reports are due January 15, April 15, July 15, and October 15. These dates are set to align with the State's Semi-Annual Report cycle and to give you time to prepare. Beyond those, you will submit reporting to show that locations have been passed, to request disbursements, to complete annual performance certifications, and to provide other information as OBC requests. OBC will share more detail on the specific reports and templates in the coming weeks.

²[NTIA's Performance Measures for BEAD Last Mile Networks Policy Notice](#)

3.2. Why are quarterly reporting deadlines set at fifteen (15) days after the end of the reporting period? [NEW as of 10/14/26]

Under the SGA, quarterly financial and eligible-use monitoring reports and interim performance reports are due within fifteen (15) days after the end of each quarter. Semiannual reports are due January 30 and July 30.

The fifteen (15)-day reporting window allows OBC, as the State Broadband Office, time to review submitted reports, address any deficiencies through the curing process, and report the required data to NTIA within applicable deadlines. Subgrantees should plan their internal reporting processes to meet the established deadlines and contact OBC as early as possible if they anticipate difficulty submitting reports on time.

3.3. Will we receive notice and an opportunity to cure a reporting failure before BPU imposes remedies? [NEW as of 10/14/26]

Yes. The payment provisions of your SGA apply to reporting failures in the same way they apply to other noncompliance. Before BPU withholds or delays payment, it will provide written notice describing the alleged noncompliance, and you will have a reasonable opportunity of at least thirty (30) days to cure it.

This cure opportunity does not apply where the noncompliance is incapable of cure or immediate action is required by applicable law or federal directive. For more on how BPU handles review, cure, and remedies, see 1.5. (Refer to page 46 of the SGA pdf)

4. Environmental and Historic Preservation (EHP)

4.1. Which costs can we incur before National Environmental Policy Act (NEPA) clearance?

Before NEPA clearance, only non-ground-disturbing, pre-construction costs are eligible. These are limited to planning, administrative, and analytical work that does not commit the project to a specific build or cause environmental impact.

Eligible costs may include project planning and management; environmental and engineering studies that support the NEPA review; preliminary design and non-invasive data collection; and legal, accounting, and compliance costs.

Costs that are not eligible before clearance include any ground-disturbing or construction activity and the procurement or installation of network facilities or materials.

As a general rule, if a cost advances physical construction or narrows the environmental alternatives, it is not allowable before NEPA clearance.

4.2. For the endangered species items (2.a.1 and 2.a.2), will I work directly with the U.S. Fish and Wildlife Service (USFWS) and the National Marine Fisheries Service (NMFS), or will the State handle that consultation?

You (the Subgrantee) will work directly with USFWS and NMFS. As a condition of your subgrant and the BEAD General Terms and Conditions, you must timely prepare any required NEPA documents, complete the required consultations, obtain any required permits, adhere to the applicable statutory deadlines in 42 U.S.C. § 4336a(g), and provide a milestone schedule

identifying specific deadlines for completing consultations, completing the NEPA and Section 106 reviews, and submitting any Environmental Assessment or Environmental Impact Statement (BEAD General Terms and Conditions, Sections 13.B.2 and 13.B.3).³

The State will not handle the consultations. As joint lead agency, OBC certifies the sufficiency of your NEPA documentation by independently reviewing your drafts and verifying that they meet NEPA requirements and then submits that documentation to NTIA through ESAPTT for review and approval (Section 13.B).

As a reminder, construction cannot begin and no BEAD funds can be disbursed to you for a project area until all applicable EHP permitting requirements for that area are complete and NTIA has issued the necessary decision document that meets NEPA requirements (Section 13.A).

4.3. Which pre-implementation activities are allowed before we receive NEPA clearance?

The limited activities identified in Section 13.E of the [BEAD General Terms and Conditions](#) may proceed only as permitted by the controlling federal requirements and authorized in writing under your SGA. See Section 4.1 for examples.

Do not assume that an activity is authorized solely because it appears on the federal list. Obtain the required written authorization before proceeding.

5. Permitting and approval

5.1. Do we need local permits in hand before construction begins?

Yes. You may begin construction in an area only once every federal, state, and local permit for that area has been obtained.

5.2. What should we do if a local jurisdiction delays or denies a permit?

Report permitting status to OBC on a consistent cadence. You remain responsible for obtaining every permit your project requires. Tell us as soon as you anticipate or encounter a delay or denial, and send along the supporting documentation or correspondence from the permitting authority.

Consistent with the NTIA Terms and Conditions, OBC is engaging with local jurisdictions and permitting offices to help them prepare for the volume of BEAD permit applications and to reduce systemic delays.

5.3. Are railroad, New Jersey Department of Transportation (NJDOT), or federal land permits handled differently under BEAD?

No. These permits are treated the same as any other approval your project needs. You are responsible for securing all required permits, approvals, and authorizations under applicable federal, state, and local law.

³NTIA, [General Terms and Conditions for the Broadband Equity, Access, and Deployment \(BEAD\) Program § 13 \(Nov. 18, 2025\)](#).

5.4. Which permits are we responsible for obtaining?

You are solely responsible for obtaining every permit, approval, and authorization needed to complete the proposed work, including all applicable federal, state, and local approvals. The State does not secure permits or approvals on your behalf.

6. Timeline Expectations

6.1. How should we handle supply chain delays?

Build realistic procurement assumptions into your project schedule and manage supply chain risk actively. If you experience a documented disruption, OBC may consider a reasonable schedule adjustment consistent with BEAD Program requirements and your Subgrantee Agreement. Where allowable, you may use pre-award costs to move eligible preparatory work forward, such as early procurement or planning, to reduce the risk of delay. Using pre-award costs does not waive a milestone or guarantee schedule relief.

6.2. What if a permitting delay puts a milestone date at risk?

Notify OBC as soon as you see the risk, with documentation of the delay.

6.3. When does the period of performance begin?

Your period of performance begins on the effective date of your SGA.

6.4. Will BPU consider documented delays outside our reasonable control when determining whether the project is progressing at a rate that warrants a reduction of the Grant Amount?

BPU will review documented delays and proposed corrective actions under the SGA and applicable federal requirements. Notify OBC promptly and provide the cause, affected milestones, anticipated duration, mitigation efforts, and proposed recovery schedule.

A documented delay does not automatically entitle you to an extension or prevent an award reduction. BPU will follow the applicable consultation, notice, and corrective-action provisions of the SGA. Deployment extensions require BPU and NTIA approval

6.5. How does BPU define force majeure for the BEAD Program?

Force Majeure means an event beyond the affected party's reasonable control that could not have been prevented or overcome through reasonable diligence, excluding ordinary weather and lack of financing. The affected party shall provide prompt notice, mitigate impacts, and resume performance. BPU shall evaluate the request reasonably and consistently with the NOA; unresolved disputes follow the Grant Agreement's dispute process, and any deadline extension remains subject to Federal approval.

7. Proof of Passing

7.1. How are performance measures validated, and what happens if we fall short of the required standards?

NTIA's Policy Notice⁴ sets out the performance metrics that apply to your network, including speed, latency, and service availability.

⁴[NTIA's Performance Measures for BEAD Last Mile Networks Policy Notice](#)

7.2. What counts as a location being passed?

A location is passed when qualifying broadband service is available there and can be installed and activated within ten (10) business days of a request, at no cost to the subscriber beyond standard installation or service charges.⁵

The service must meet the applicable NTIA performance requirements, including required speeds and latency, and must be capable of being delivered to the location on request. The test is availability, not whether the location currently has an active subscription.

8. Communication and support

8.1. Where can I find the federal BEAD program FAQ?

NTIA maintains a program-wide BEAD FAQ that covers the federal rules and definitions in detail. This OBC FAQ complements it with New Jersey guidance rather than repeating it. NTIA's current version [NTIA BEAD FAQ publication on V23](#). Where the two documents differ, the federal requirements and the terms of your subgrant agreement control.

8.2. Who do I contact with questions?

Contact the New Jersey Office of Broadband Connectivity (OBC) with any questions about your award requirements or project-specific schedule. Email broadband@bpu.nj.gov and include "BEAD" in the subject line.

8.3. How often will OBC check in with us?

Communications from OBC will become more frequent as the deployment process gets under way.

8.4. How will we hear about guidance updates?

Look for updates by email and on the OBC website at nj.gov/connect. Additionally, stay tuned for the OBC newsletter, as well as monthly touchpoints that will start up again this fall. To update your contact information, email broadband@bpu.nj.gov.

8.5. How do we escalate an issue?

Raise the issue with OBC at broadband@bpu.nj.gov, with "BEAD" in the subject line, and we will route it to the right staff.

9. Federal and State Compliance Requirements

9.1. How will OBC handle prevailing wage for the BEAD Program?

Subgrantees and their contractors must comply with applicable New Jersey prevailing wage requirements. The New Jersey Department of Labor and Workforce Development (NJDOLE) administers and enforces those requirements.

⁵[47 CFR § 1.7001 - Scope and content of filed reports.](#); [47 U.S. Code § 641 - Definitions](#)

OBC monitors compliance with the SGA and will coordinate with NJDOL regarding identified concerns. Any grant-related corrective action, including withholding payments, will follow applicable law and the SGA's notice-and-cure provisions.

[Contact NJDOL](#) for questions about prevailing wage applicability, rates, and payroll requirements.

9.2. What documentation does OBC require to demonstrate Build America, Buy America (BABA) compliance?

OBC follows NTIA's Build America, Buy America ([BABA](#)) requirements and applicable waivers. You must maintain documentation demonstrating compliance, including manufacturer or supplier certifications and supporting records consistent with NTIA's requirements and your SGA.

Provide this documentation to OBC, BPU, or federal oversight authorities upon request.

9.3. How will OBC monitor the Federal interest in real property and equipment used for the project?

For all equipment used for the BEAD Program that you submit for reimbursement, you must comply with the requirements in Section 52.C of NTIA's [BEAD General Terms and Conditions](#). You must also maintain records for that real property and equipment that indicate the applicable Federal interest.

9.4. Do programs such as Lifeline, E-Rate support for eligible community anchor institutions, or successor consumer-assistance programs count as prohibited additional federal broadband service subsidies?

OBC has not yet received a decision from NTIA on this question. OBC will share NTIA's guidance with Subgrantees as soon as it becomes available.

9.5. How do the Uniform Guidance requirements in Exhibit G apply to a fixed amount subaward? [NEW as of 10/14/26]

OBC has updated the language in Exhibit G to provide clarification. It now states "The Grantee agrees to adhere to the requirements of 2 C.F.R. Part 200 (Uniform Guidance), subject to all applicable program-specific waivers, adjustments, and policy notices issued by the NTIA for the BEAD Program, including modifications governing fixed-amount subawards, cost principles, procurement standards, and audit rules."

In other words, the Uniform Guidance applies to your subgrant as modified by NTIA's BEAD Program requirements. See 2.1 for more information.

Key NTIA Guidance Documents

The following are the federal documents that govern the BEAD Program and subgrants. Where this FAQ and a federal document differ, the federal requirement and the terms of your Subgrantee Agreement control.

1. [BEAD General Terms and Conditions](#): The binding award terms for the BEAD Program. Section 13 sets the environmental and permitting conditions that flow down into your

Subgrantee Agreement, including what must be complete before construction begins and before funds are disbursed.

2. [BEAD Program FAQs](#): NTIA's program-wide questions and answers on federal rules and definitions, reissued by version number as guidance develops. Check the current version for anything this FAQ does not address.
3. [BEAD Notice of Funding Opportunity \(NOFO\)](#): The foundational program rules, covering eligibility, network performance and service obligations, and deployment deadlines. Later policy notices modify parts of it, so read it alongside the notices below.
4. [BEAD Restructuring Policy Notice \(June 6, 2025\)](#): Restructured subgrantee selection through the Benefit of the Bargain round and eliminated several earlier program requirements. This notice explains why current program terms differ from the original NOFO.
5. [Policy and Waiver Notices](#): The running index of NTIA notices and programmatic waivers that change BEAD requirements over time. Start here when you need to confirm whether a rule has been updated.