



**Broadband, Equity, Access, and
Deployment Program (BEAD)
Initial Proposal, Volume II
Change Summary
Public Comment and Final Version**

Arizona Commerce Authority

August 2024

Summary of Changes

The State Broadband Office of Arizona has announced the approval of its Initial Proposal Volume II for the Broadband Equity, Access, and Deployment (BEAD) Program by the National Telecommunications and Information Administration (NTIA) on August 1, 2024. This summary highlights the key revisions made to the document from its initial public release in December 2023 to its final approval in August 2024, with a focus on updates pertinent to BEAD funding applicants and policy adjustments within the BEAD Program.

Important revisions have been made in the section detailing the selection process for projects and subgrantees receiving BEAD funding. The State Broadband Office has reaffirmed its commitment to the pre-defined project areas approach and adjusted some scoring criteria for the priority and non-priority projects.

In the section on the mandatory low-cost service option, the State Broadband Office has provided additional clarification for those applications that demonstrate the baseline maximum monthly rate of \$30 to be unsustainable or unreasonable. The State Broadband Office will review waiver request with stipulation that the cost of the low-cost plan should not surpass \$50 per month for applicants who can successfully justify the unsustainability of the \$30 per month rate.

These revisions to the BEAD Initial Proposal Volume II reflect the State Broadband Office's responsiveness to feedback received and its ongoing collaboration with NTIA to ensure the BEAD Program effectively meets the needs of its applicants and aligns with policy objectives.

Section 2.4 – Deployment Subgrantee Selection (Requirement 8)

- **Post Application Assessment** – The State Broadband Office clarified that each application will be evaluated according to a specific rubric corresponding to the technology it aims to provide. For example, applications proposing end-to-end fiber solutions will be assessed using the priority project rubric. Whereas applications that present other forms of reliable broadband, qualifying broadband, or alternative technologies will be evaluated using the non-priority project rubric.
- **Prioritization and Scoring Process** – The State Broadband Office reaffirmed that method to distribute subgrants will be competitive, ensuring that the subgrantee selection process will be equitable by implementing measures to prevent collusion, bias, conflicts of interest, and arbitrary decisions. The allocation of minimal BEAD program points will be awarded on a graduated scale, unless noted otherwise. Additionally, the State Broadband Office removed the reference that the Office intends to modify scoring criteria for “Round 2” applications.

The State broadband office added new scoring tables to address scoring for grant amount to project cost, cost reasonableness, and resiliency specifically for priority projects. Similarly, on three additional tables were added, mirroring the structure for non-priority projects, covering grant amount to project costs, cost reasonableness, and resiliency.

- **Definition of Eligible Project Areas** - The State Broadband Office further clarified that it plans to identify and refine draft project areas for the BEAD Program's broadband deployment initiatives across the state, making these drafts available for public feedback on their website. After incorporating input from prospective subgrantees and stakeholders, the Office will finalize the project areas ahead of the first round of application submissions. This process is designed to foster competition, streamline procedures, and ensure comprehensive broadband coverage for unserved and underserved areas. Up to 75 project areas are expected to be established, with applicants having the option to combine adjacent areas into one application or submit separate applications for different areas.

Applicants will choose from pre-determined project areas for their applications, with the flexibility to either bundle areas together or apply for several distinct project areas separately.

- **Ensuring Minimum Financial Capability** – The State Broadband Office reaffirmed that during the prequalification stage, applicants must confirm their ability to fulfill the project responsibilities, ensure they have sufficient funds to cover any project expenses beyond the grant amount, and adhere to all requirements, including service milestones. The State Broadband Office will provide a benchmark cost for each project area to aid applicants in evaluating their financial readiness. Applicants must also submit a signed statement from an authorized executive, attesting to their financial capacity to execute the project successfully.

Section 2.12 – Low-Cost Broadband Service Option (Requirement 16)

- **Low-Cost Broadband Service Options Definition** – The State Broadband Office added a rationale for the \$50 per month cap for the low-cost plan and that this limit was set based on feedback from Arizona service providers and the recognition that, while higher than the \$30 standard, it's still affordable for many consumers. This increase aims to allow service providers to maintain high service quality and reliability, extend their services to unserved and underserved areas, and encourage significant investments in broadband infrastructure, resulting in better speed, performance, and customer satisfaction.

Note: the \$50 per month cap for low-cost broadband service may be subject to change due to the removal of the Affordable Connectivity Program. Currently in discussion with NTIA, any changes will be communicated to Stakeholders.