

## Arizona BEAD Program FAQs: Pre-Registration

### 1. What is the BEAD Program?

- Funded by the Bipartisan Infrastructure Law, the [Broadband, Equity, Access and Deployment \(BEAD\) Program](#) is a federal grant program that aims to get all Americans online by funding partnerships between states or territories, communities, and stakeholders to build infrastructure in order to increase adoption of high-speed internet.
- BEAD prioritizes unserved locations that have no internet access or that only have access under 25/3 Mbps and underserved locations only have access under 100/20 Mbps.

### 2. What is the funding amount awarded to Arizona?

- Arizona has been awarded \$993.1 million in federal funding to build infrastructure and expand internet access in rural and historically underserved communities.

### 3. What are the requirements regarding BEAD Funding<sup>1</sup>?

- The BEAD Program rules require states to prioritize funds in the below order:
  - Unserved Locations (available service is 25/3 Megabits per second [Mbps] or less)
  - Underserved locations (available service is at least 25/3 Mbps but less than 100/20 Mbps)
  - Community Anchor Institutions (CAI) to gigabit symmetrical service (1,000/1,000 Mbps)

### 4. Who can apply for BEAD funding? Are there matching fund requirements for BEAD eligible applicants?

- Per the National Telecommunications and Information Administration (NTIA), any State of the U.S., the District of Columbia, Puerto Rico, American Samoa, Guam, the U.S. Virgin Islands, and the Commonwealth of the Northern Mariana Islands are considered "Eligible Entities" under the BEAD program and may apply for funding.
- According to Section III. B of the [BEAD Notice of Funding Opportunity \(NOFO\)](#), every Eligible Entity involved in deployment activities must contribute a minimum of 25% of the project costs as matching funds. Matching funds are not necessary for regions classified as "high-cost areas." These are unserved areas where the expense of deploying

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<sup>1</sup> The BEAD Program requirements and rules referenced herein are sourced from the [BEAD NOFO](#).

broadband service exceeds the average deployment cost in unserved areas across the United States.

**5. What is the timeline? Specifically, how long is the Pre-Registration window open?**

- Arizona's [Initial Proposal Volume II](#) was approved on August 1, 2024. The Arizona Commerce Authority has one year, until August 1, 2025, to submit the BEAD Final Proposal.
- The Pre-Registration period is open from November 4, 2024, to April 29, 2025. The BEAD Subgrantee Application window will open on January 6, 2024.

**6. What is Pre-Registration? Is Pre-Registration Required?**

- Pre-Registration is mandatory for applicants who plan to participate in the BEAD program.
- The information collected during Pre-Registration can apply to all future applications, including multiple project applications, as it is intended to collect information that applies at an applicant/organization level.

**7. What information will be requested as a part of the Pre-Registration?**

- The ACA provided guidance to Potential Applicants regarding how they can provide the requested information as part of Pre-Registration process.
- The information required will include financial capability, managerial capability, technical capability, compliance with applicable laws, operational capability, ownership information, public funding information, fair labor practices and highly skilled workforce, Environmental and Historical Preservation (EHP) and Build America and Buy America Act (BABA) compliance, cybersecurity compliance and supply chain risk management compliance, history as a business servicing and working in the State of Arizona, and current SAM.GOV registration and valid Unique Entity ID (UEI).

**8. How do I participate in Pre-Registration? When will the ACA finalize the Project Areas?**

- The [Arizona Commerce Authority BEAD Grantor Portal](#) has helpful information all [Potential Applicants](#) should review for participating in Pre-Registration.
- The ACA may update the Initial Project Areas based on the Market Sounding results to make sure all eligible unserved and underserved households are connected through BEAD funding.
- The Project Areas will be finalized prior to the launch of the BEAD Subgrantee Application window in January 2025.

**9. If a Potential Applicant gets an "incomplete" during the Pre-Registration process, can it cure its response form to get a "complete"?**

- Yes, during the Pre-Registration review period, the ACA Pre-Registration reviewers will assist the Potential Applicants in resubmitting their response form and/or providing additional information in case of incomplete responses, provided that these Pre-Registration response forms are submitted prior to the close of the Pre-Registration phase.
- Any Pre-Registration response forms submitted after the Pre-Registration phase will not be reviewed or processed. The Applicants who failed to submit the Pre-Registration response forms in time will not be able to participate in the Project Application.

**10. Will a consolidated audit report at the parent company/holding company for all affiliates be permissible or does each applying legal entity need to be broken out separately by its own individual audit report?**

- The ACA strongly encourages the Potential Applicant to provide audited financials of each legal entity that is applying.
- However, if the Potential Applicant chooses to provide a consolidated audit report at the parent company/holding company for all affiliates, that is acceptable.
- In such cases, the Potential Applicant will be required to provide certification, stating that the parent company/holding company providing the financial information will be financially responsible for the obligations of its affiliates under any future BEAD contract.

**11. If an applicant was established in 2024, is not a publicly traded entity, and does not yet have audited financials, would it be acceptable to provide the audited financial statements from each of its member organizations?**

- If the Potential Applicant is not a publicly traded company and has not been audited during the ordinary course of business, they should submit unaudited financial statements for the prior three fiscal years. In addition, they must certify that audited financial statements prepared by an independent certified public accountant from the prior fiscal year will be provided prior to receiving any subgrants.
- This requirement applies to all Potential Applicants that are not publicly held, including those that have solely operated an electric transmission or distribution service.
- If Potential Applicant's financial history is less than three years, include quarterly or semi-annual statements for partial years including the current year.
- As mentioned in the [BEAD NOFO](#), "...subgrantees may be able to, or required, to demonstrate their capabilities in a variety of manners. A newly established special purpose vehicle established by a consortium of entities may point to the capabilities and experience of those entities in support of its application" ([NOFO IV.D](#)).

**12. If individual financial statements are not individually audited for the last 3 years for an entity/affiliate, how should that be handled? Do they have to be audited prior to the submission?**

- As per Section 4.2.1.2 - Audited Financial Statements in the Pre-Registration guidance document, if the Potential Applicant has not been audited during the ordinary course of business, they should submit unaudited financial statements for the prior three fiscal years. In addition, they should certify that audited financial statements from the prior fiscal year will be provided by an independent certified public accountant prior to receiving any subgrants.

**13. Do applicants need to include a Letter of Support from counties in Arizona during the Pre-Registration phase?**

- No, ISPs are not required to include a Letter of Support during the Pre-Registration phase, but it is encouraged to submit one as early as possible. Counties are allowed to submit Letters of Support for multiple ISPs to entice competition within their county, but it is not required during the Pre-Registration phase.

**14. For Section 2.6.7 of the ACA BEAD Pre-Registration Application, titled FCC-Regulated Entity Information, the form requests that the Potential Applicant lists any FCC-regulated entity in which the Potential Applicant's organization owns 10% or more of the stock, whether voting or nonvoting, common, or preferred. If the Potential Applicant is not a publicly held company but owns over 50 FCC-regulated ILECs across its operational footprint, should those entities be listed in the FCC-Regulated Entity Information section? Additionally, would a corporate organization chart detailing all regulated entities and their positions within the corporate structure be sufficient, or is it necessary to upload a table with the specific column headings as outlined in the response form?**

- Yes, according to 47 CFR part 1.2112(a)(1)-(7), full disclosure of both direct and indirect ownership interests is required if your organization holds more than 10% ownership interest in them. If any of the specified FCC-regulated entities meet the criteria outlined in 47 CFR part 1.2112(a)(1)-(7), their information must be included in the provided chart in the Pre-Registration Response Form.
- A corporate organizational chart must also be submitted in Section 2.2.2 Applicant Organization Chart.

**15. In the Pre-Registration guidance document, Appendix A - Definitions, on page 22, it states a “project” may constitute a single unserved or underserved broadband-serviceable location, or a grouping of broadband-serviceable locations in which not less than 80% of broadband serviceable locations served by the project are unserved locations or underserved locations. Does**

**this mean a provider can apply for any project area as long as in that area 80% of the locations are unserved or underserved? Does the unserved and underserved in this context also include the list of CAIs?**

- As per the [BEAD NOFO](#) and the state of Arizona’s BEAD Initial Proposal Volume II, a Potential Applicant will have the opportunity to select and apply for a project area at the project application stage. Additional information on selection of project areas will be provided prior to the launch of Round 1 Application.

**16. What is the expectation for Section 4.2.5.2 – For New Entrants to the Broadband Market in the ACA BEAD Pre-Registration Guidance regarding relevant completed and ongoing projects? Are you looking for Arizona projects specifically, or all projects across an organization’s footprint? What “supporting documentation” are you looking to be uploaded for these projects (other states are looking for the columns in the table)?**

- The required information is detailed in the Pre-Registration Guidance, including years in existence and nature of business, length of time providing broadband service (if any), resumes of key personnel, description of relevant ongoing or completed projects, and narratives from contractors, subcontractors, or other partners with relevant operational experience, or other comparable evidence. It is also noted that if resumes and project descriptions have already been submitted in earlier sections of the Pre-Registration application to meet requirements of those earlier sections, this does not need to be submitted again.

**17. For existing providers, what if a company does not differentiate locations as CAIs (i.e., they are just treated as business accounts)? How does this impact the description of the number of current subscriber counts classified as home, businesses, and CAIs at the county level?**

- In the case where providers do not have a separate classification for CAIs, they can combine CAIs with the business account subscriber count. Additionally, ACA intends on posting an updated CAI list following the approval of the challenge results. When posted, ACA encourages potential applicants to review the list of CAIs and provide a good faith estimate of which business accounts are identified as Arizona CAIs.