

The logo for the Arizona Commerce Authority, featuring the word "ARIZONA" in a bold, white, sans-serif font. The letter "O" is replaced by a white silhouette of the state of Arizona. The logo is centered on an orange rectangular background.

ARIZONA

COMMERCE AUTHORITY

BEAD Preregistration Guidance

November 2024

Table of Contents

A. BEAD Program Overview & Timeline

B. Preregistration Portal Demonstration

C. Preregistration Process

D. Q&A





BEAD Program Overview & Timeline

BEAD Program Overview

BEAD Program Overview

To connect all homes and businesses to high-speed internet, Arizona was awarded \$993.1 million in federal Broadband Equity, Access, and Deployment (BEAD) Program funds by the National Telecommunication and Information Administration (NTIA). This BEAD funding will primarily support the deployment of broadband service to Unserved and Underserved Broadband Serviceable Locations (BSLs) and eligible Community Anchor Institutions (CAIs).

Broadband Deployment

- Aims to expand high-speed internet access to Unserved, Underserved, and Community Anchor Institution (CAI) locations using reliable broadband technologies.
- Unserved Locations lack reliable broadband or have speeds below 25 Mbps download/3 Mbps upload, while Underserved Locations have speeds below 100 Mbps download/20 Mbps upload.
- CAIs include schools, libraries, health clinics, hospitals, public safety entities, higher education institutions, public housing organizations, and community support organizations.
- Additionally, State/local government facilities and non-profit organizations are considered CAIs, serving as digital access hubs for vulnerable populations.

Due to insufficient funds for universal coverage, Arizona won't allocate funding to non-deployment activities.

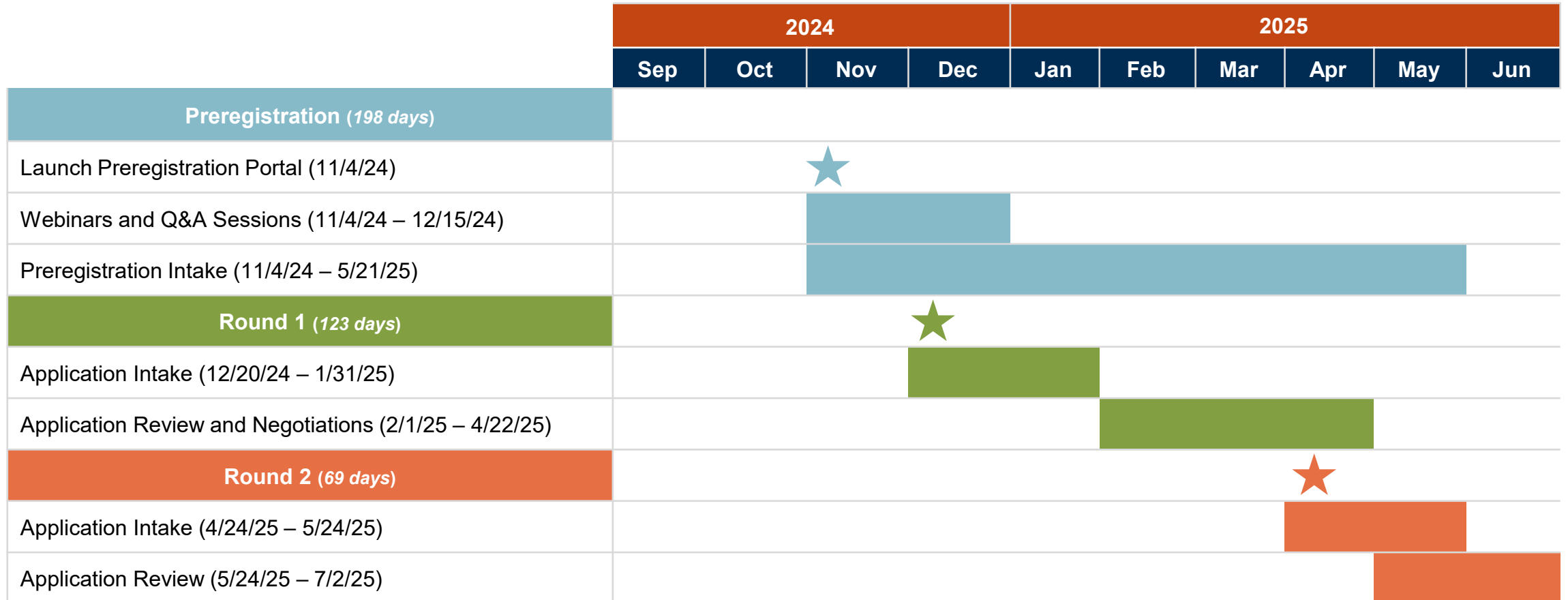
Eligible Project Areas Criteria

Criteria Related to Project Areas:

- Applicants must serve every eligible Unserved and Underserved BSL within the project area.
- Applications covering all eligible BSLs and serving the maximum number of CAIs will score higher.
- Project areas can be grouped if they are reasonably adjacent, with a breakdown of key metrics provided for each area.
- Partnerships are encouraged, with a lead Subgrantee responsible for project execution. An interactive mapping tool and geospatial files will be available on the ACA website for potential applicants.

BEAD Subgrantee Selection Timeline

Preregistration will open on November 4th, 2024. ACA will accept and review preregistration applications on a rolling basis three days before the end of the Round 2 Project Application Window. The ACA highly encourages applicants to pre-register and apply during the Round 1, since as stated in the BEAD Initial Proposal Volume II, Round 2 is specifically designed for eligible BSLs that did not receive applications as part of Round 1.





Preregistration Portal Demonstration



Preregistration Process

Preregistration Overview

Background

- Preregistration is a crucial first step in Arizona’s BEAD application process, assessing the eligibility of Potential Applicants at the organizational level.
- This preregistration is mandatory for Potential Applicants’ participation in the BEAD program. The ACA requires necessary information during preregistration, applicable to all future BEAD project applications.
- Only the primary applicant needs to preregister. Comprehensive guidelines, webinars, and documents will assist applicants, with all relevant information available on Arizona’s website. The ACA will review and notify Potential Applicants of their preregistration status.

Phase 1 – Market Sounding and Preregistration Phase



The ACA will streamline BEAD Subgrantee selection through a market sounding and preregistration phase, involving preregistration, data collection, and applicant input to assess demand, prioritize deployment, and identify infrastructure gaps.

Phase 2 – Project Applications




Preregistered applicants will use an interactive mapping tool to submit project applications via the grant portal, with essential details required for scoring subgrant awards, and proposals evaluated for conditional awards, with unawarded areas advancing to Round 2.

Purpose of Preregistration Guidance

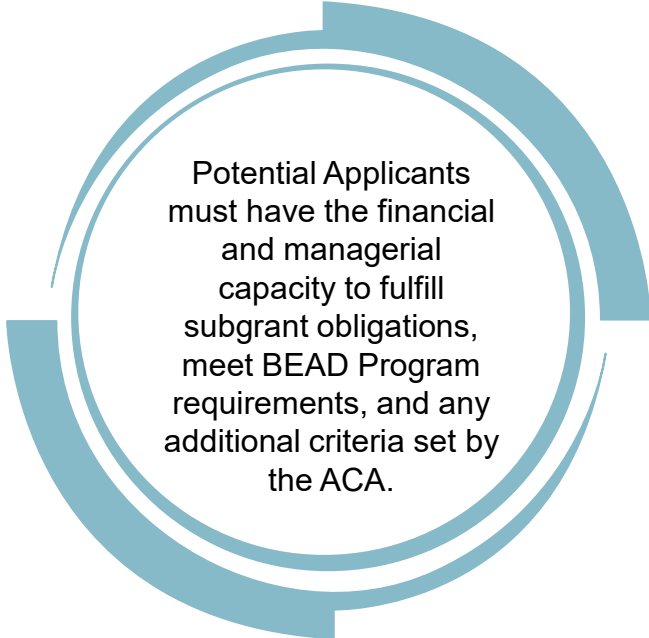
- The preregistration guidance helps Potential Applicants determine the required documentation for BEAD funding eligibility.
- Assists in gathering necessary organizational information to evaluate financial, technical, managerial, and operational capabilities as outlined in the BEAD NOFO and Arizona's Initial Proposal.
- The document includes guidelines on applicant requirements and compliance measures mandated by the NTIA and the state of Arizona.

General Requirements


Potential Applicants must meet specific conditions before entering into any broadband deployment Subgrantee agreement. The ACA will thoroughly assess each project's feasibility, compliance, and strategic fit, reviewing the application and associated information. ACA reserves the right to request additional information from Potential Applicants. This process ensures transparency, equity, and competitiveness, aiming to meet BEAD Program goals and adhere to all legal and regulatory standards. The requirements below are further described in following slides.



Potential Applicants must confirm the ability to carry out activities funded by the subgrant in a competent manner.



Potential Applicants must have the financial and managerial capacity to fulfill subgrant obligations, meet BEAD Program requirements, and any additional criteria set by the ACA.



Potential Applicants must have the technical and operational capability to deliver the services specified in the subgrant.

Financial Capability (1/2)

Certifications



- Potential Applicants must certify they are financially qualified to meet potential obligations, have available funds, adhere to program and administrative requirements, and possess adequate resources until disbursements are received.
- A signed statement from an authorized executive is required to certify the financial capability to implement the project.

Audited Financial Statements (Three Years)



- Potential Applicants must submit audited financial statements from the past three years. If unavailable, unaudited information is required. Interim information is required for less than three years of operating history. Additional certifications and narrative is required in instances where audited information is unavailable.

Performance Security



- Potential Applicants must certify their understanding to provide a performance security as a demonstration of financial capability. At the project application stage, Potential Applicants must submit either an eligible bank's commitment letter for a 25% Letter of Credit or a surety letter from an acceptable federal bonds surety committing a performance bond covering total expected subaward.



Letter of Credit*

- The ACA will follow NTIA guidance and the RDOF model for LOC requirements, requiring Potential Applicants to submit a signed LOC from an eligible bank for at least **25%** of the subaward, along with a legal opinion letter on bankruptcy considerations. A Conditional Programmatic Waiver of the LOC is granted only to the extent to and as described below:

Subgrantee Option to Use Credit Unions

- The LOC requirement for using an eligible bank is waived if the Subgrantee uses a U.S. credit union insured by the National Credit Union Administration and rated B- or better by Weiss.

Subgrantee Option to Use Performance Bonds

- As part of the updated guidance, the ACA will permit Subgrantees to use performance bonds.

Initial Alternative LOC/Performance Bonds

- LOC requirement of 25% of the subaward or a lower performance bond is allowed if funding is reimbursed every six months, and the Subgrantee maintains a 10% LOC or bond until project completion or the subaward period ends.

*Please note this requirement is not required as part of preregistration but will be required prior to signing a subgrant agreement. It has been included in this guidance for the awareness of Potential Applicants.

Financial Capability (2/2)



Material Changes in Financial Condition

- Potential Applicants are required to provide a detailed summary of any changes in financial conditions that have occurred or are projected to occur, during the three most recent completed fiscal years and during the next fiscal year not yet captured in financial statements.



Credit Rating

- Potential Applicants are required to provide a copy of their latest corporate credit rating from certified credit rating agencies including but not limited to S&P Global, Moody's, and Fitch Ratings.



Bankruptcy/Insolvency Proceeding

- Potential Applicants are required to provide summary information on any current and prior insolvency events within the last three fiscal years, if applicable.



Failure to Perform

- Potential Applicants are required to provide a list of grant projects where the Potential Applicant defaulted on the completion of a broadband deployment grant funded with local, State or Federal Funds, from January 1, 2019, up to the date of submitting the preregistration application.

Managerial Capability

Corporate Organizational Chart(s)	Submit an organizational chart, highlighting the parent company, subsidiaries, and affiliates involved in operations within Arizona. Additionally, identify the company capable of contracting, receiving, and executing grant awards in Arizona.
Applicant Organizational Chart	Potential Applicants must submit an applicant organizational chart including personnel within the organization who are likely to have a role on a potential broadband project.
Qualifications	Detail organization's qualifications by describing past broadband/telecommunications projects, or other projects of similar scale, etc.
Resumes for Key Management Personnel	Submit one-page resumes for all key financial, technical, and managerial personnel, designating a Project Manager, ensuring all are employees.
Explanation of Roles and Responsibilities	Detail the roles and responsibilities of key personnel in the BEAD broadband deployment projects in Arizona. Provide a comprehensive narrative outlining their functions in the financial, technical, and managerial domains.
Organizational Readiness	Showcase organizational readiness, emphasizing relevant experience, successful project management, ability to handle challenges, and outline resources, partnerships, and technological infrastructure for efficient project execution.
Narrative on Managerial Readiness	Submit a detailed narrative demonstrating their capability to manage a broadband network by highlighting the experience and qualifications of key management personnel, any significant organizational changes, etc.

Technical Capability

Potential Applicants must certify their technical qualifications, provide details about their skilled and credentialed workforce, and submit a detailed plan for the proposed project.

Certification

- Potential Applicants must certify their technical qualifications, capability to competently execute funded activities with a skilled workforce, employment of certified personnel, and maintenance of all required credentials and licenses throughout the project.
- A statement signed by an executive is required to certify that your organization has the necessary technical capacity to successfully implement the project

Contractor Selection Process

- Potential Applicants must detail the contractor selection process, specifying required skills, certifications, qualifications, or training programs for each role, in accordance with industry practices and relevant laws.

Appropriately Skilled and Credentialed Workforce

- Potential Applicants and their contractors must outline steps to ensure projects are executed by a skilled, credentialed workforce, detailing safety training, certifications, licensure, and in-house training for non-union labor.

Compliance with Applicable Laws



Compliance with Laws Commitment

- An attestation confirming an understanding and commitment to comply with all laws.
- A comprehensive overview of previous records or compliance checks.
- A description of established processes, procedures, or protocols that in place to ensure continued compliance during broadband deployment projects.

01

Safety and Health Requirements Commitment

02

- Narrative detailing your commitment towards compliance with occupational safety and health requirements.
- Submit evidence of training programs or initiatives aimed at informing and ensuring that your team understands and adheres to safety and legal standards.
- Provide an attestation form that certifies that the Potential Applicant permits workers to create worker-led health and safety committees.



Operational Capability

Potential Applicants must demonstrate their operational capabilities to be eligible for a broadband project in Arizona, with criteria varying based on their status as current broadband providers. A statement signed by an executive is required to certify your organization has the necessary operational capacity to successfully implement the project.

History of Operations

- Evidence of operations for at least two years of providing voice, broadband, and/or electric services before applying
- Current subscriber numbers and locations
- Information on any broadband projects that have been completed or are in progress, including funding sources and timelines, and disclosure of any penalties, affiliations, or legal issues related to their projects, especially any criminal or civil cases in Arizona and instances of being a defendant should be provided

Certification of Compliance with the FCC Regulations (Existing Providers Only)

- Confirm they have submitted FCC Form 477s and the Broadband DATA Act submission if applicable and have adhered to FCC regulations

For New Broadband Service Providers Only

- New entrants looking to set up broadband infrastructure are required to prove they have enough operational capacity, whether from their own resources or through others.
- The proof can include resumes of important staff, details about relevant projects they're involved in or have finished, accounts from contractors, subcontractors, or partners with the needed operational experience, or similar evidence.

Note: If resumes and project descriptions have already been submitted in earlier sections of the Preregistration Application to meet requirements of those sections, this does not need to be submitted again.

Ownership Information

Potential Applicants must provide a comprehensive disclosure of their ownership information, adhering to the specifics laid out in 47 CFR part 1.2112(a)(1)-(7). This regulation mandates the full disclosure of direct and indirect ownership interests, including details of any parties with a 10% or more stake, the nature of the interest, and the inter-relationships with any FCC-regulated entities.

Potential Applicant Information
List the real party or parties with interest in the potential applicant.

Stockholders Information
List the name, address, and citizenship of any party holding 10% or more of stock in the potential applicant.

Limited Partners Information
List, in the case of a limited partnership, the name, address and citizenship of each limited partner whose interest in the Potential Applicant is 10% or greater.

General Partners Information
List, in the case of a general partnership, the name, address and citizenship of each partner, and the share or interest participation in the partnership.

Limited Liability Company Information
List, in the case of a limited liability company, the name, address, and citizenship of each of its members whose interest in the Potential Applicant is 10% or greater.

Indirect Ownership Interest Information
List all parties holding indirect ownership interests in the Potential Applicant as determined by successive multiplication of the ownership percentages for each link in the vertical ownership chain, that equals 10% or more of the Potential Applicant.

FCC-Regulated Entity Information
List any FCC-regulated entity or applicant for an FCC license, in which the Potential Applicant or any of the parties identified in sections above, owns 10% or more of stock.

Minority Business Enterprises (MBEs)/ Women's Business Enterprises (WBEs)/ Labor Surplus Firms
If applicable, Potential Applicants are encouraged to submit documentation certifying their organization's status or status of your partners, contractor or subcontractors as MBE/WBE/Labor Surplus Firms/Small business, as defined by Arizona General Statute or Arizona State agencies.

Public Funding Information

Potential Applicants are required to submit a list of all publicly funded State and federal broadband deployment projects other than Arizona's BEAD Program for which they, or their affiliates, have submitted or plan to submit an application for, along with any publicly funded broadband deployment project they are undertaking or planning to undertake.

Publicly funded broadband deployment projects include but are not limited to funds provided under:

- The Families First Coronavirus Response Act
- The CARES Act
- The Consolidated Appropriations Act, 2021
- The American Rescue Plan of 2021
- Any federal Universal Service Fund high-cost program (Rural Digital Opportunity Fund (RDOF) or Connect America Fund (CAF), etc.)
- Any Arizona or local universal service or broadband deployment funding program such as the ABDG program

Fair Labor Practices and Highly Skilled Workforce

Potential Applicants must provide the following information related to fair labor practices and use of a highly skilled workforce if it is anticipated to be applicable to all of the Potential Applicant's projects. If the following information is project specific, the Potential Applicant can submit this information as part of their deployment application.

To demonstrate record of compliance, Potential Applicants must certify that the Potential Applicant has disclosed any instances in which it or its contractors or subcontractors have been found to have violated laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other applicable labor and employment laws for the preceding three years.

Certifications

To demonstrate record of compliance, Potential Applicants must provide the following certification:

- Potential Applicants (contractors or subcontractors) to submit documented and signed evidence of compliance with federal and State labor and employment laws for the past three years. It should also certify that that the Potential Applicant (contractors or subcontractors) will ensure a track record of compliance with federal labor and employment laws. If a new provider, the Potential Applicant must commit to robust labor and employment standards and protections, future-commitments.
- Potential Applicants must disclose any non-compliance with federal and State labor and employment laws for themselves and their contractors and subcontractors over the past three years.

Environmental and National Historical Preservation

To demonstrate the Potential Applicants' intent to comply, the applicants must certify the following:

- 01 State Historical Preservation Act (SHPA), National Environmental Policy Act (NEPA) (42 U.S.C. part 4321 et seq.) and National Historic Preservation Act (NHPA) (54 U.S.C. part 300101 et seq.)
- 02 Understands that NEPA analysis will be required for every project funded through the BEAD Program and agrees to provide sufficient information to allow for NEPA analysis such as a detailed project description, including applicable supporting documentation.
- 03 Understands that they are responsible for identifying and obtaining applicable Federal, State and Local Permits (such as easements) required to complete any BEAD projects.
- 04 Cooperate with NTIA in identifying feasible measures to reduce or avoid any identified adverse environmental impacts of their proposed projects or other eligible activities.

Build America, Buy America Act (BABA)

All funds allocated for broadband infrastructure under the BEAD Program must adhere to the BABA regulations. This legislation mandates that every component utilized in the project or related activities, such as iron, steel, manufactured goods, and building materials, must be sourced from the United States, unless an exemption is approved.

Subgrantees must carefully review and comprehend the BABA requirements and guidance to guarantee adherence.

Waiver

Potential Applicants have the option to seek an exemption from a Federal awarding agency if they believe there is a justified reason for a waiver. Types of waivers include:

- A public interest waiver
- Nonavailability waiver
- Unreasonable cost waiver

Certification

Potential Applicants must certify they understand and commit to comply with the BABA requirements.

Compliance Approach

Potential Applicants must provide detailed plans outlining their approach to remaining compliant with BABA requirements.

Cybersecurity and Supply Chain Risk Management Compliance

Cybersecurity Risk Management Plan

Potential Applicants will be required to submit a cybersecurity management plan that includes the following criteria either during preregistration or project application stage:

- Operational status: The applicant must have a cybersecurity risk management plan in place before the grant is awarded if the applicant is already providing services at the time of the grant. If not providing services, applicant will be required to demonstrate readiness to operationalize the plan upon providing service after the grant award.
- NIST Framework and Executive Order Compliance: The cybersecurity risk management plan must be based on the latest available version of the National Institute of Standards and Technology (NIST) Framework.
- Security and Privacy Controls: The plan must also adhere to the standards and controls outlined in Executive Order 14028 and must specify the particular security and privacy controls being implemented.
- Evaluation and Updates: Establish a process for periodic evaluation and assessment of the cybersecurity risk management plan. Ensure that the plan will be regularly reviewed and updated.

Supply Chain Risk Management Compliance

Potential Applicants will be required to submit a Supply Chain Management Plan (SCRM) that includes the following criteria either during preregistration or project application stage:

- Operational status: The applicant must have a SCRM in place before the grant is awarded if the applicant is already providing services at the time of the grant. If not providing services, applicant will be required to demonstrate readiness to operationalize the plan upon providing service after the grant award.
- Key Practices and Guidance: The SCRM must be based on the key practices described in the NIST publication NISTIR 8276, "Key Practices in Cyber Supply Chain Risk Management: Observations from Industry." The plan must also incorporate relevant supply chain risk management guidance from NIST, including NIST 800-161, "Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations." The plan should clearly specify the supply chain risk management controls that will be implemented.
- Evaluation and Updates: The SCRM must be reevaluated and updated on a periodic basis. The plan should be regularly reviewed and updated as events warrant to address evolving supply chain risks and challenges/significant events.

Please note, if significant changes are made to the plan, a new version should be promptly submitted to ACA within 30 days (applicable until the end of the period of performance).



Q&A

The information being provided today is the sole property and opinion of the Arizona Commerce Authority (ACA) and has been approved in its entirety for content and accuracy by ACA. The information is being provided by ACA, and does not represent any opinion, counsel or advice.

DRAFT | FOR INTERNAL DISCUSSION PURPOSE ONLY