DRAFT

ARConnect
The Arkansas State Broadband Office

State of Arkansas
Initial Proposal

BEAD Program

Volume **II**

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Background on Arkansas BEAD funding opportunity

The Broadband Equity, Access, and Deployment (BEAD) program aims to deploy broadband to all unserved locations (without broadband or below 25/3 Mbps) and underserved locations (service between 25/3 Mbps and 100/2 Mbps) in the United States. BEAD has provided over $42 billion in state grants to meet this goal, and Arkansas is responsible for around $1 billion in funding, with the mandate to connect approximately 190,000 unserved and underserved locations, as well as community anchor institutions (CAIs) with quality internet access.

Purpose of this document

As part of the BEAD program, the National Telecommunications and Information Administration (NTIA) requires that states submit Initial Proposals, in two volumes, detailing their approach to meeting various BEAD requirements and implementing the program. The Initial Proposal will be reviewed by 1) NTIA, 2) institutions eligible to make public comments and challenges to the document (including County Broadband Committees, non-profits, and local units of government), and 3) internet service providers (ISPs) interested in participating in the deployment.

The following document represents Arkansas' second volume of the BEAD Initial Proposal. This volume addresses 16 specific requirements, excluding the four that are included in Volume I. For specific topics covered in this document, please refer to the table of contents on the following page.

ARConnect requests your review and feedback

ARConnect will continue to refine this document before its targeted submission date in November 2023, based on stakeholder input during the public comment period. The goal of soliciting stakeholder engagement is to ensure that important state perspectives are included in the Initial Proposals and to enable ARConnect to move forward with BEAD in a timely manner.

Please note that NTIA has specific requirements and guidelines on states' Initial Proposals, and the current document's structure and content reflect these requirements (NTIA requirements are noted in blue bolded text).

This document is a draft to be further refined and graphically enhanced in the coming weeks before final submission to NTIA. The document is simultaneously undergoing a State leadership and legal review.

Table of Contents

Introduction

The Arkansas State Broadband Office, also known as ARConnect, is pleased to present its second volume of the state's draft Initial Proposal for the BEAD program. Since its establishment in 2019, ARConnect has worked to support the deployment of fast, reliable, and affordable internet for all Arkansans. These efforts have brought internet access to nearly 130,000 homes and businesses. Through the BEAD program, Arkansas has an opportunity to connect the remaining ~110,000 unserved locations across the State and upgrade internet services for an additional ~80,000 locations that currently experience slow or unreliable internet.

Arkansas is anticipated to receive more than $1 billion in grant funding from the BEAD program for the construction of broadband infrastructure, enhancement of broadband adoption, and creation of digital skills training programs. Arkansas' Initial Proposal Volume I focused on Requirements 3, 5, 6, and 7. Volume II responds to the remaining 16 requirements. Upon submission of Volume II, as well as approval of Volume I, ARConnect will commence the challenge process. Volume II components may still be under consideration by NTIA. ARConnect will submit the Initial Proposal in two volumes, per NTIA guidance and to sequence NTIA's review and approval process for both proposals.

We welcome public feedback on this BEAD Initial Proposal Volume II. A public comment period will last for 30 days following the publication of this document, and feedback forms can be submitted through a Google Form on ARConnect's website: broadband.arkansas.gov. The website will also contain an FAQ tab that responds to common questions or clarifications regarding the proposal – any questions not answered there can be submitted to broadband@arkansas.gov.

Definitions

The list below explains terms and acronyms referenced throughout this document. These definitions are intended to help readers; they are not a substitute for official definitions published in the BEAD Notice of Funding Opportunity or Policy Notice.

Unserved: For the BEAD program, defined as broadband-serviceable locations that have no internet access or access below an internet speed of 25 megabits per second for downloading content, and 3 megabits per second for uploading content (25/3 Mbps).

Underserved: For the BEAD program, defined as broadband-serviceable locations that have internet access below an internet speed of 100 megabits per second for downloading content, and 20 megabits per second for uploading content (100/20 Mbps), but greater than or equal to 25/3 Mbps.

Served: For the BEAD program, defined as broadband-serviceable locations that have internet access above 100/20 Mbps.

Affordable Connectivity Program: A Federal Communication Commission (FCC) benefit program that provides a discount of up to $30/month for internet access for households below a certain income threshold, or $75/month for areas which qualify as high cost per the FCC.

ARConnect: The Arkansas State Broadband Office, which is responsible for administering BEAD funding.

Area: Area refers to a Census Block Group (CBG), which is a geographical unit used by the U.S. Census Bureau that is in between the Census Tract and the Census Block. These units are relevant to discussions on broadband serviceability, as well as project areas for new deployment.

Award: Bids that are designated by ARConnect as winners of the ARConnect BEAD auction. There are six types of awards for which applicants are eligible:

> **Buy-It-Now Award:** Bids in tranche 1 that overlap with other bids <u>but which are above the buy-it-now threshold</u> can be awarded without requiring additional opportunity for bid modification in Tranche 2; this threshold will be a relative value, for comparison between the potential Buy-It-Now bid and the next-highest scoring bid. Buy-it-now awards may be withheld if their required subsidy is above the extremely-high-cost-per-location threshold.

> **Non-Competitive Award:** Bids in either tranche 1 or tranche 2 with project <u>areas that do not overlap with any bids at a same or higher technology level</u> will be eligible for non-competitive Awards; for example, a fiber bid that overlaps with non-fiber bids but does not overlap with any other fiber bids could be eligible. Non-competitive awards may be withheld if their required subsidy is above the extremely-high-cost-per-location threshold.

> **Competitive Awards:** After tranche 2, overlapping bids <u>that do not qualify for buy-it-now awards</u> will be scored with the highest-scoring bid receiving an award for its complete project

area. Competitive awards may be withheld if their required subsidy is above the extremely-high-cost-per-location threshold.

Partial Awards: Applicants must forfeit part of the project areas to higher-scoring bids will be offered awards for un-forfeited project areas within their original bid. Partial awards may be withheld if their required subsidy is above the extremely-high-cost-per-location threshold.

Economic Awards: ARConnect may set an Extremely High Cost Per Location Threshold in order to ensure sufficient BEAD funding to reach 100% coverage and prevent excessive subsidy outlay. Awards that require subsidies above this threshold will be compared to all other bids for their covered project areas, both fiber and non-fiber, with the revised awards, termed Economic Awards going to that set of bids that maximize coverage within ARConnect's BEAD budget.

Direct Awards: ARConnect will directly solicit additional bids for any CBGs that do not receive bids in tranches 1 and 2.

BABA: The Build America, Buy America Act.

BEAD: The Broadband Equity, Access, and Deployment program, which provides $42.45 billion to expand high-speed internet access by funding planning, infrastructure deployment and adoption programs in 50 states, Washington, D.C., Puerto Rico, the US Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

BSL: Broadband-serviceable locations, i.e., a business or residential location in the United States at which mass-market fixed broadband internet access service is, or can be, installed.

Buy It Now Threshold: An element of ARConnect's BEAD deployment subgrantee process. Competitive tranche-1 bids above the Buy It Now Threshold will be granted provisional awards.

CAI: Community anchor institutions, such as libraries, medical facilities, schools, and public safety facilities per the Homeland Infrastructure Foundation-Level Data (HIFLD) classifications.

Competitive bid: In ARConnect's BEAD deployment subgrantee process, this refers to an applicant's bid for a project area that overlaps with a bid from a different applicant.

Conduit: A tube or trough for protecting wiring; in the case of fiber, the conduit surrounds individual fiber strands to keep them safe and secure.

Census Block Group (CBG): Census Block Group is a geographical unit used by the U.S. Census Bureau. CBGs will be the basic geographic unit used by applicants to draw their project area maps.

County Broadband Committees: County Broadband Committees exist in each county in Arkansas to assist communities with submitting challenges. Committees include a cross-section of the county – including local elected officials, non-profit and faith leaders, agricultural and educational leaders, and residents. Committees will support initial BEAD processes, such as supporting the challenge and subgrantee process for deployment.

Data cap: A limit imposed by an internet service provider (ISP) on the amount of data (usually in a month) that a consumer can use.

Deployment: In this document, deployment specifically references the build-out of broadband infrastructure to unserved and underserved locations. Within deployment, projects may be referred to as priority (fiber) or non-priority (non-fiber) in alignment with the BEAD NOFO's requirement to prioritize fiber service wherever feasible.

Digital Skills and Opportunity Plan: Arkansas' response to the NTIA-required document outlining a state's vision for digital opportunity in the context of its overarching strategy and goals; this is a concurrent plan for states receiving federal funding from the Digital Equity Act (DEA), in complement to BEAD.

Download speed: The rate that digital data is transferred from the internet to a computer, usually denoted as the first number of an internet speed, for example, 100/20 Mbps means a 100 Mbps download speed.

EHCPLT: The Extremely High Cost per Location Threshold, which NTIA asks states to set during the bidding process, defines the point at which fiber deployment is no longer cost effective and alternate technologies are considered.

EHP: The Environmental and Historic Preservation Act.

Enforceable commitment: An NTIA classification for locations within a state that are receiving broadband infrastructure build-outs from federal and/or state programs, excluding BEAD; such locations are considered served by these other programs and therefore ineligible for BEAD funding if commitments are upheld.

Five-Year Action Plan: Initial NTIA-required BEAD document, outlining a state's broadband goals and priorities and serving as a comprehensive needs assessment that informs the Initial Proposal (this document).

The Infrastructure Investment and Jobs Act (IIJA): A federal law (also known as the Bipartisan Infrastructure Law) passed in 2021 that established large reinvestment in infrastructure across the country, including broadband.

Latency: The time it takes to send data and receive a response.

Low-cost plan: NTIA requirement for a reduced-price internet service plan for those below a certain income threshold.

Minimum point threshold: Element of ARConnect's BEAD deployment subgrantee process; ARConnect will consider other coverage options for areas with bids scoring below this defined threshold.

NTIA: The National Telecommunications and Information Administration, an agency of the U.S.

Department of Commerce; oversees the BEAD program.

Non-deployment projects – These projects capture activities which boost technological capacity, educational resources, and digital skills and opportunity for the adoption of broadband (per the NTIA Initial Proposal Guidance).

Project area: The set of one or more CBGs that will be serviced as part of a bid.

Reference subsidy: ARConnect will publish a target BEAD subsidy amount for each CBG to guide applicants' bids.

Right-of-way: Legal right, established by grant from a landowner or long usage, to pass along a specific route through property belonging to another.

Severe convective storm: Local storms associated with thunder, lightning, heavy rain, hail, strong winds, and sudden temperature changes; they can produce tornadoes, have hail with diameter of at least 1 inch, and/or winds greater than 58 mph.

Subgrantee: In cases of BEAD deployment, this is an ISP that has been awarded a portion of Arkansas' federal BEAD grant to build broadband infrastructure for a given area in the state. For BEAD non-deployment, this may be a non-profit organization, unit of local government, company, or other entity awarded a portion of BEAD funding to implement non-deployment initiatives.

Upload speed: The rate that online data is transferred from a computer to the internet, usually denoted as the second number in an internet speed. For example, 100/20 Mbps service has a 20 Mbps upload speed.

Volume II (Requirements 1, 2, 4, and 8–20)

Objectives (Requirement 1)

2.1.1 Outline the long-term objectives for deploying broadband; closing the digital divide; addressing access, affordability, equity, and adoption issues; and enhancing economic growth and job creation. Eligible Entities may directly copy objectives included in their Five-Year Action Plans.

Arkansas' overall goals and objectives for the comprehensive statewide investment of broadband program funds are outlined below in Table 1. These goals and objectives are identical to those in Arkansas' Five-Year Action Plan. Long-term objectives cover each of the following:
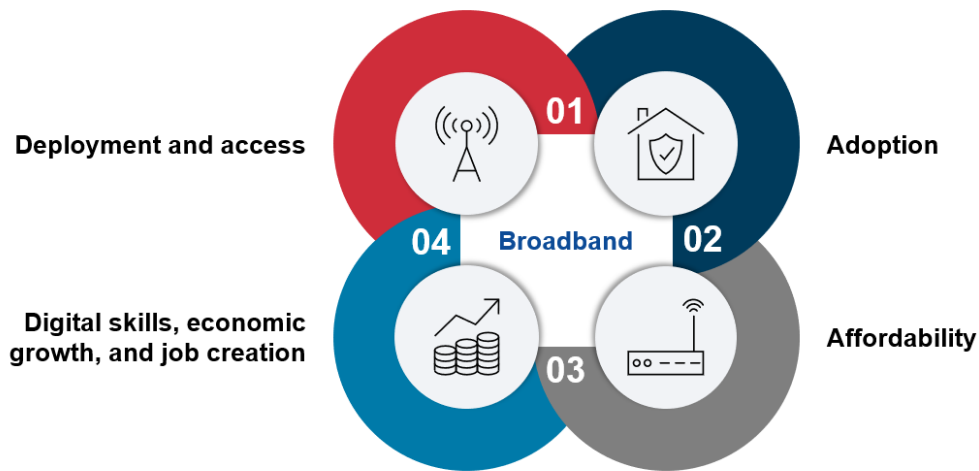
Table 1: Broadband goals and objectives

Goal	Objective(s)
Broadband infrastructure deployment / access	
Expand broadband access to all unserved and underserved locations in the State.	Connect 100% of broadband-serviceable locations (BSLs) (homes and businesses) in Arkansas with access to reliable high-speed internet
	Provide fiber technology to as many unserved and underserved locations as possible, with priority from lowest to highest cost to serve; evaluate alternative technologies for highest cost-to-serve locations.
	Enhance broadband access at CAIs.
Increase broadband data collection, research, and utilization.	Expand Arkansas' broadband data analyses and interactive, public-facing tools.
	Educate the public on broadband opportunities, uses, and other pertinent information.

Goal	Objective(s)
Broadband adoption	
Increase broadband adoption rates by 50%.	Increase public awareness of planned, ongoing, and completed broadband infrastructure projects (including those outside the purview of ARConnect); digital skills programming and events; and other broadband-related activities and opportunities.
	Create public awareness campaigns highlighting stories of broadband connectivity positively impacting lives and promoting positive use cases in everyday life and business.
	Leverage state survey data, national research, and ISP perspectives to understand current and potential challenges to consumer adoption and develop proposed solutions to those challenges.
Broadband affordability	
Design an infrastructure grant program that fosters competitiveness and introduces new competition into the state's marketplace.	Utilize mechanisms within the BEAD grant program to increase competition and competitiveness among ISPs, both in cost of project construction and package prices for consumers.
	Partner with ISPs to improve outreach and education on existing low-cost consumer plans.
	Coordinate with ISPs to encourage development of low-cost service plan thresholds for consumers, where economically feasible.
	Collaborate with federal, state, and industry leaders to enhance middle-mile access for all ISPs in the state.
Broadband digital skills, economic growth, and job creation* ARConnect intends to separately submit its Digital Skills and Opportunity Plan (DSOP) to further identify goals, objectives, strategies, and planned activities. To date, the following have been identified:	
Reduce the digital skills gap, with enhanced focus on the traditional working age bracket (ages 18–64).	Identify any existing barriers that prevent Arkansans from using the internet to accomplish common, daily tasks and work to mitigate them.
	Promote digital skills training, online safety instruction, and financial literacy programming to populations demonstrating a substantive gap in digital skills.
Enable efficient next-generation opportunity, society, and government.	Through innovative investment in broadband-related, non-deployment initiatives and programming, leverage public-private partnerships to enable efficient, next-generation opportunity, society, and government.
Stimulate cross-sectoral	Explore pathways to enable enhanced, broadband-related positive

Goal	Objective(s)
economic growth through broadband-related, non-deployment activities.	outcomes for all Arkansans across four key sectoral areas: education, healthcare, small business, and agriculture.
Enhance workforce development.	Train new broadband and telecommunication industry workers Collaborate with state government, private industry, and philanthropy, as well as secondary and post-secondary educational institutions, to meet workforce needs.

*These proposed goals and objectives are subject to excess funding resulting from efficient execution of the BEAD program.

Local and Regional Broadband Planning Processes (Requirement 2)[1]

2.2.1 Identify and outline steps that the Eligible Entity will take to support local and regional broadband planning processes or ongoing efforts to deploy broadband or close the digital divide. In the description, include how the Eligible Entity will coordinate its own planning efforts with the broadband planning processes of local governments, and other local and regional entities. Eligible Entities may directly copy descriptions in their Five-Year Action Plans.

ARConnect conducted extensive stakeholder engagement to develop the state's Five-Year Action Plan, Digital Skills and Opportunity Plan, and Initial Proposals. To ensure the office engaged with all segments of the population, ARConnect coordinated stakeholder engagement efforts with the state's counties, cities, community members, and other key broadband stakeholders – such as members of the Arkansas Connectivity Coalition. This Coalition includes the University of Arkansas, the University of Arkansas System Division of Agriculture Cooperative Extension Service, Winrock International, Communities Unlimited, and the Arkansas Black Mayors Association. The first major effort of the Coalition was the launch of Accelerate Arkansas, a 14-week planning and capacity-building program developed in partnership with the Benton Institute for Broadband & Society. Accelerate Arkansas offers structured community engagement in local municipalities to identify broadband goals, gather data, understand available funding options, and target capital dollars to support local government implementation.[2]

Additional stakeholder engagement activities include the following:

- **Statewide tour:** From February to June 2023, ARConnect conducted a statewide tour and visited all 75 counties to hear from Arkansans across the state about their needs and experience today. The

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[1] There are no federally designated Tribal Lands located in Arkansas.

[2] See the Accelerate curriculum [here](#).

"Broadband County Roadshow" spanned 81 business days and resulted in over 5,900 miles driven and 878 individual interactions with fellow Arkansans.

Throughout the tour, ARConnect introduced the new, innovative vision for broadband in Arkansas and discussed what has occurred in the past, the current state, and what is to come. After presenting statewide and county-specific statistics across the four pillars of broadband (deployment/access, adoption, affordability, and economic growth/digital skills), as well as introducing the BEAD and Digital Equity Act (DEA) programs, ARConnect encouraged every county in Arkansas to form its own County Broadband Committee as an efficient mechanism to provide input and share perspectives on behalf of the county's residents. Lastly, ARConnect solicited feedback on local barriers to broadband and asked for potential solutions to those barriers.

Photos: Left, Broadband County Roadshow Presentation in Desha County (March 2023) | Right, Broadband County Roadshow Presentation in Boone County (April 2023)

- **County Broadband Committees:** In the context of the Broadband County Roadshow, ARConnect encouraged every county in Arkansas to form its own County Broadband Committee. Committees include a cross-section of the county – including local elected officials, non-profit and faith leaders, agricultural and educational leaders, and resident volunteers. The County Broadband Committees are intended to determine local strategies supporting affordability program outreach and digital skills training, as well as to establish other broadband priorities at the local level. The County Broadband Committees will work collaboratively with ARConnect to define local barriers and implement local solutions, as well as provide purposeful review and feedback on BEAD and DEA planning documents.

- **Arkansas Broadband Leaders Network (ABLN):** The ABLN is a communications medium between ARConnect and the County Broadband Committees and other broadband stakeholders to connect, collaborate, and share information. The ABLN meets biweekly in a virtual format, with scheduled broadband educational programming for one week and an open discussion among all stakeholders the following week.

- **Roundtables:** ARConnect established eight roundtables to gather input on the BEAD process from local stakeholders. Once launched, these roundtables will continue to meet as a function of the state's BEAD planning.

- o **Workforce development:** In the first half of 2023, ARConnect gathered workforce leaders from the Governor's Office, Arkansas Department of Education, Arkansas Division of Higher Education, Arkansas Division of Workforce Services, Office of Skills Development, Heartland Forward, Arkansas Economic Development Commission, University of Arkansas Community College – Morrilton, University of Arkansas Community College – Cossatot, Arkansas State University – Three Rivers, and members of the state legislature to discuss broadband workforce challenges communicated to ARConnect by ISPs.

- o **Infrastructure:** ISPs were invited to collaborate with ARConnect and discuss the BEAD program, specifically, the subgrantee selection process, its structural design, and associated rules.

- o **Healthcare, agriculture, small business, and education:** Various healthcare stakeholders were brought together to discuss the ways in which, should excess funds remain, broadband-related projects in the healthcare space could produce the most positive impact for all Arkansans. Three other similar roundtables were conducted for agriculture, small business, and education experts.

- o **State agencies:** This roundtable was intended to allow for state agencies to partner with ARConnect and discuss the ways in which the whole of state government can work together to ensure the program delivers its intended outcomes.

- o **General Assembly:** Similar to the State Agencies Roundtable, General Assembly members were brought together to discuss the BEAD program, especially the timelines required by the U.S. Department of Commerce and state rule promulgation procedures.

- **Industry engagement:** ARConnect has met with various BEAD-related industry associations, such as the electric cooperatives and cable networks in the state. ARConnect will remain in dialogue with these industry stakeholders throughout the BEAD process.

ARConnect will prioritize stakeholder communication and engagement as the state moves forward with implementing its infrastructure and digital opportunity plans.

Local Coordination (Requirement 4)

2.3.1 Describe the coordination conducted, summarize the impact such coordination has on the content of the Initial Proposal, and detail ongoing coordination efforts. Set forth the plan for how the Eligible Entity will fulfil the coordination associated with its Final Proposal.

ARConnect conducted a coordinated local engagement process across its BEAD and Digital Skills and Opportunity Plans, utilizing the best practices established in the Local Coordination Resources One-Pager, provided by the National Telecommunications and Information Administration (NTIA). Section 2.2.1 provides an overview of engagement with state and local government stakeholders, including comprehensive geographic coverage through a tour of all 75 counties and the establishment of County Broadband Committees. Section 2.2.1 also describes various stakeholder engagements with workforce, labor, industry, and other subject-matter experts.

This section, Section 2.3.1, is a description of additional engagement efforts with local communities and non-profit organizations, with a particular focus on gathering the perspectives of unserved and underserved individuals, as required by NTIA. ARConnect's local coordination efforts are in alignment with the 5 components required by NTIA for Local Coordination:

- **Geographic Coverage** (e.g., tour of all 75 counties and survey of 12,500+ residents across the State)

- **Outreach to Diverse Groups** (e.g., cross-sector partnerships as seen in Table 3, and round tables with industry stakeholders and state agencies as seen in Requirement 2)

- **Multiple Awareness Mechanisms** (e.g., in addition to focus groups, Regional Community Listening Sessions, One-on-One Meetings, Public Review and Feedback periods, social media platforms)

- **Transparency** (e.g., involvement of County Broadband Committees and Arkansas Broadband Leaders Network to continually integrate feedback from local stakeholders and residents)

- **Underrepresented Engagement** (e.g., 32 focus groups to directly engage with Covered Populations in the State)

Additional local coordination included the following:

- **Digital Skills and Opportunity Survey (DSOS):** ARConnect continues to conduct research to better understand the state's digital divide. As part of this data collection and analysis effort, ARConnect developed a Digital Skills and Opportunity Survey, taking a general sample of the Arkansas population and measuring numerous variables related to Arkansas residents' experience with broadband. The survey was open from May 17, 2023, to August 2, 2023, and elicited 12,532 responses. Data collected through this survey will directly inform both the state's BEAD Initial Proposal and its Digital Skills and Opportunity Plan, which will be available for public review and feedback in Fall 2023. The DSOS was offered and broadcasted in both English and Spanish.

One of the primary tactics ARConnect used to increase the survey response rate was pushing out digital ads on social media to increase awareness that the state is looking for input on this topic. While many Arkansans do not have reliable at-home broadband service, most people who ARConnect engaged with confirmed that they regularly access social media on their mobile devices.
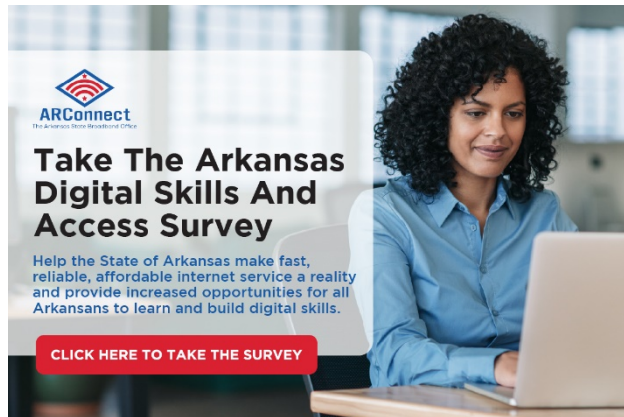
The ad pictured above ran for 23 days on Outbrain, a platform which populates ads on websites like local online news sites, Meta (Instagram and Facebook) and LinkedIn. Engagement with ad content led to thousands of visits to the online version of the Digital Skills and Opportunity Survey. ARConnect allocated more budget to Meta and LinkedIn ads because they generated a higher clickthrough rate and offered a better return on investment for the state:

Table 2: Clickthrough rates for digital ads promoting the Digital Skills and Opportunity Survey

Platform	Impressions	Clicks	Clickthrough rate
Outbrain (programmatic/native display)	24,399,152	41,490	0.17%
Meta (Facebook and Instagram)	1,009,357	6,934	0.69%
LinkedIn	706,371	3,514	0.50%
TOTAL	**26,114,880**	**51,938**	**0.20%**

ARConnect also shared the survey on its own social media pages and at regional community listening sessions, in-person focus groups, stops along its statewide tour, and one-on-one meetings/outreach with various community partners.

- **Regional Community Listening Sessions:** The state held five regional community listening sessions in cities across the state, focused on identifying challenges to internet access and digital

opportunities, as well as strengthening and supporting the state's BEAD and DEA planning efforts. These cities were: Little Rock, Springdale, Pine Bluff, Jonesboro/West Memphis, and Texarkana.

- **Focus Groups:** ARConnect conducted 32 focus groups to directly engage with the covered populations listed below, per the NTIA's definitions of covered populations, to learn more about their unique experiences related to broadband access, affordability, and digital skills and opportunities:

  - Individuals living at or below 150% of the federal poverty level
  - Aging individuals (over 60 years old)
  - Incarcerated and formerly incarcerated individuals
  - Veterans
  - Individuals with language barriers
  - Individuals with disabilities
  - Individuals who are members of a racial or ethnic minority group
  - Individuals living in rural areas across the state

Photo: Digital Skills Focus Group in Little Rock (June 2023)

- **One-on-One Meetings and Outreach to Community Partners:** On top of the regional meetings, focus groups, and statewide tour meetings, ARConnect and members of the Digital Skills and Opportunity Planning Team met with representatives from various organizations that work with covered populations, are involved with broadband access projects in their communities, or are otherwise interested in bringing digital opportunity to Arkansas. Additionally, members of the Arkansas Connectivity Coalition created a directory of over 70 organizations that work with covered populations that the Digital Skills and Opportunity Planning Team regularly shared updates with. ARConnect also shared public information and updates with a list of more than 350 media contacts across the state.

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- **Public Review and Feedback Periods:** Arkansas will release all BEAD and DEA planning documents for public review and feedback. In addition, ARConnect will purposefully engage with as many stakeholders as possible during these periods, with the goal of producing a robust, holistic public review process.

Local coordination efforts have informed the state's development of non-deployment priorities, a broadband-ready workforce process, and general approach to state and local partnership in BEAD implementation.

As Arkansas submits Volume II of its Initial Proposal and moves forward with BEAD deployment, ARConnect will continue to actively coordinate with all communities within its jurisdiction, particularly through the County Broadband Committees. As of September 2023, 45 out of Arkansas' 75 counties have already established their committees, and the remaining 30 are in progress.[3] Arkansas intends for committees to exist for years to come, but expects that they will assist with initial BEAD processes in particular, such as refining state-generated broadband access maps during the challenge process or providing letters of support to local ISPs during the subgrantee process. Committees will also serve as enablers for the state's overall broadband objectives outlined in Requirement 1, including fostering economic growth and closing the digital divide, deploying broadband, catalyzing broadband adoption, and enabling affordable internet service. For instance, County Broadband Committees, local service providers, and local non-profits will be encouraged to hold in-person broadband enrollment events. At these events, residents can be assisted with broadband sign-up, learn about digital training and safety opportunities, and have other questions answered. ARConnect believes that in-person events are integral to ensuring understanding and efficacy of the BEAD program, as unserved residents may not have internet access to receive digital updates on BEAD otherwise.

By coordinating BEAD implementation through County Broadband Committees, ARConnect aims to develop strong relationships and buy-in from local communities, as required by NTIA. County Broadband Committees enable ARConnect to ensure transparency and continually involve various local stakeholders in the broadband decision-making and implementation processes, given that committees are made up of a cross-section of each county. Moreover, the ABLN, which includes the committees and other broadband stakeholders, meets biweekly in a virtual format, enabling a structured format for continued alignment and engagement as deployment continues.

In addition to County Broadband Committees, ARConnect plans to continue to engage its network of public, private, non-profit, and philanthropic partners. Below is a comprehensive list of such partners for ARConnect, both past and present, who will serve as additional collaborators in achieving broadband access (infrastructure deployment), affordability outreach, and digital skill building.

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[3] The State has encouraged the establishment of County Broadband Committees in each county. Should no Committee be established within a reasonable timeframe to assist with BEAD deployment, ARConnect will engage directly with county judges, mayors, county and municipal associations, and members of the General Assembly.

Table 3: ARConnect Partners in Broadband Deployment and Closing the Digital Divide

Public Sector Partners (e.g., state offices, state departments, public education systems)

Partner	Description
Arkansas Department of Corrections	Provides public safety by carrying out the mandate of the courts; provides a safe, humane environment for staff and inmates; strengthens work ethic through teaching good habits; and provides opportunities for staff and inmates to improve spiritually, mentally, and physically.
Arkansas Department of Education	Aims to ensure that every Arkansan is prepared, supported, and inspired to succeed in their school, career, community, and life.
Arkansas Department of Human Services	Works to improve the quality of life of all Arkansans by protecting the vulnerable, fostering independence, and promoting better health.
Arkansas Department of Labor	Seeks to promote workplace health and safety through consultation and enforcement, protect employers and employees from financial burden imposed by work-related injury and disease, and provide consumer protection through occupational licensing as authorized by Arkansas law.
Arkansas Department of Public Safety	Ensures the safety and security of all Arkansans through law enforcement, law enforcement support, and emergency management services.
Arkansas Office of the Attorney General	The Attorney General serves as Arkansas' lawyer, chief law enforcement officer and chief consumer advocate and works to protect all Arkansas by fighting fraud, representing the state in a court of law, and implementing common sense regulations. The Attorney General's office also has existing education programs focused on internet safety to support consumers
Arkansas Office of Skills Development	A division of the Arkansas Department of Commerce, the Office of Skills Development strategically invests in all levels of the Arkansas workforce and works with industry, educational, and non-profit partners to create broadband-related workforce programs.
Arkansas State Board of Licensure for Professional Engineers and Professional Surveyors	Licensing board establishing standards for engineers and surveyors
Arkansas State Chamber	The leading voice for business in Arkansas; serves as the primary

Partner	Description
of Commerce	business advocate on all issues affecting Arkansas employers.
Arkansas State Library	Provides informational resources for state agencies, legislators and legislative staffs and coordinates with Arkansas' 228 public library locations.
Arkansas State University – Three Rivers	Trains new broadband and telecommunication industry workers to close the workforce gap.
National Society of Professional Engineers	Professional association representing licensed professional engineers in the United States
University of Arkansas – Community College Morrilton	Trains new broadband and telecommunication industry workers to close the workforce gap.
University of Arkansas – Cossatot	Trains new broadband and telecommunication industry workers to close the workforce gap.
University of Arkansas – System Division of Agriculture Cooperative Extension Service	A division of the University of Arkansas System that leverages resources and purposeful action to assist in eliminating the digital divide in Arkansas, with a focus on digital skills.
University of Arkansas for Medical Sciences	Public health sciences university in Little Rock that operates a variety of institutes, research centers, community education centers, and the University of Arkansas for Medical Sciences Medical Center to improve the health and healthcare of Arkansans.

Social Sector Partners (e.g., non-profits, associations)

Partner	Description
American Association of Retired Persons (AARP) Arkansas	State branch of the national non-profit, committed to working with local leaders to improve residents' quality of life by implementing quick-action projects that will jumpstart long-term change in their communities, especially for Arkansans over the age of 50.
Accelerate Arkansas	Pilot 14-week intensive broadband training program between five communities and the Arkansas Connectivity Coalition to add broadband organizational knowledge and capacity, with the goal of bringing broadband service to the area using federal and state funding

Partner	Description
	opportunities. The communities involved were Cleveland County, the City of Elaine, the City of Hughes, the City of Keo, and the City of West Memphis.
Affordable Housing Association of Arkansas (AHAA)	Association with more than 80 member organizations and 12,000 affordable housing units around the state, the AHAA is dedicated to the enhancement of multi-family housing through the promotion of professionalism of apartment management.
Arkansas Association of Community Action Agencies (ACAAA)	Non-profit organization that serves as the hub for a network of 14 community-based private, non-profit organizations that assist low- and moderate-income individuals across the state.
Arkansas Association of Counties (AAC)	Association which aims to provide a single source of cooperative support and information for all counties, and county and district officials, with the focus of improving county government in Arkansas.
Arkansas Black Mayors Association (ABMA)	Organization made up of Black mayors from towns and cities throughout the state of Arkansas. A small group of the association's close advisors helped ARConnect host focus groups, share the ADSOS with relevant stakeholders, and disseminate information related to this plan.
Arkansas Community Foundation (ARCF)	Foundation which has provided more than $393 million in grants and partnered with thousands of Arkansans to help improve neighborhoods, towns, cities, and the state since 1976.
Arkansas Connectivity Coalition	Group of 17 non-profit organizations working to prepare communities for establishing and implementing full-scale broadband connectivity visions. Organizations from the Arkansas Connectivity Coalition served on the Digital Skills and Opportunity Planning Team to support the development of this report.
Arkansas Farm Bureau	A grassroots organization that represents more than 190,000 families throughout the state by advocating for and promoting agriculture throughout Arkansas, the region, and the country.
Arkansas Hospital Association	Works toward the betterment of hospitals by instituting spirited programs in education, government relations, research, and communications.
Arkansas Impact	Convenes funders to collaborate, influence, and invest for economic

Partner	Description
Philanthropy	improvement throughout Arkansas.
Arkansas Rural Health Partnership	A non-profit healthcare network comprised of 16 rural hospital members, three medical teaching institutions, and two federally qualified health centers throughout south Arkansas.
Arkansas Support Network	Provides support and services to individuals with disabilities and families with children with disabilities.
Arkansas Veterans Association	A state-based organization that represents and supports veterans.
Better Development Partners	A faith-based community in Little Rock that aims to improve quality of life for low-income, underserved, disadvantaged, and at-risk children, youth, and families.
Communities Unlimited	A non-profit organization that serves Arkansas and six other states in the southern United States, connecting people to solutions through human connections and providing technical assistance to communities on broadband-related topics. Members from Communities Unlimited's staff helped ARConnect host focus groups, share the Digital Skills and Opportunity Survey with relevant stakeholders, and disseminate information related to this plan.
DecARcerate	State-based non-profit organization that works with incarcerated and formerly incarcerated individuals and advocates for these individuals through public events and advocacy work.
Digitunity	A national non-profit organization working to make sure that everyone who needs a computer has one.
Disability Rights Arkansas	An independent, private, non-profit organization designated by the governor to implement federally funded and authorized Protection and Advocacy Systems throughout the state.
EducationSuperHighway	Arkansas was the first state in the country to partner with the national non-profit EducationSuperHighway to close the broadband affordability gap through a statewide initiative to encourage Arkansans to enroll in the Affordable Connectivity Program, if eligible.
Forward Arkansas	A public-private partnership established in 2014 by the Arkansas State Board of Education, the Walton Family Foundation, and the Winthrop

Partner	Description
	Rockefeller Foundation to increase student achievement and economic prosperity for Arkansas.
Goodwill Industries of Arkansas	A non-profit that impacts underserved communities by providing education, training, and employment.
Heartland Forward	A Bentonville-based think and do tank dedicated to being a resource for states and communities and helping advance the economic opportunity in America's heartland. Heartland Forward convened the Arkansas Connectivity Coalition, helped create the Accelerate Arkansas program, and was subcontracted by ARConnect to help the state develop the Arkansas Digital Skills and Opportunity Plan.
Lead for America – American Connection Corps	An AmeriCorps partner organization that connects fellows to rural places and emerging cities. Through the American Connection Corps program, fellows focus on bridging the digital divide at their host sites. ARConnect and the City of Little Rock host fellows in partnership with the program.
Refugee Resettlement Office, a ministry of Catholic Charities of Arkansas	Provides services and assistance to refugees, asylees, Special Immigrants from Iraq and Afghanistan, Cuban parolees, and victims of trafficking.
Winrock International	Winrock is a non-profit organization that partners with governments, communities and businesses to empower the disadvantaged, increase economic opportunity and sustain natural resources. The organization sponsors various programs in Arkansas aimed at expanding broadband access and members from Winrock's staff helped ARConnect host focus groups, share the Digital Skills and Opportunity Survey with relevant stakeholders, and disseminate information related to this plan.

Private Sector Partners (e.g., service providers, holding companies)

Partner	Description
Electric Cooperatives	Provide education, public relations, governmental affairs, and other support services to member-owners who are the electric distribution cooperatives in Arkansas; also sell electric utility materials and equipment and provides related services to and for electric utilities across the United States.

Partner	Description
Wholesale broadband providers	Wholesale broadband providers unite the fiber-optic networks of electric cooperatives throughout Arkansas.
Internet Service Providers	Since 2020, ARConnect has partnered with Internet Service Providers for broadband infrastructure deployment activities through the Arkansas Rural Connect program.
Runway Group	A holding company making investments in real estate, outdoor initiatives, hospitality, and businesses committed to moving Northwest Arkansas forward.

ARConnect's plans and activities undertaken have ensured (1) full geographic coverage of the Eligible Entity; (2) meaningful engagement and outreach to diverse stakeholder groups, labor organizations, and community organizations, including to promote the recruitment of women and other historically marginalized populations for workforce development opportunities and jobs related to BEAD-funded eligible activities; (3) utilization of multiple awareness and participation mechanisms and different methods to convey information and outreach; (4) transparency of processes, to include the documentation and publication of results and outcomes of such coordination and outreach efforts, including additions or changes to the Eligible Entity's Initial Proposal; and (5) outreach to and direct engagement of unserved and underserved communities to include historically underrepresented and marginalized groups and/or communities.

2.3.1.1 As a required attachment, submit the Local Coordination Tracker Tool to certify that the Eligible Entity has conducted coordination, including with Tribal Governments, local community organizations, unions and work organizations, and other groups.

Please see the attached NTIA required Local Coordination Tracker Tool for a full list and description of entities that ARConnect has and will continue to collaborate with to facilitate the most effective BEAD deployment process. The tool contains the five criteria outlined in the BEAD Notice of Funding Opportunity (NOFO), including an overview, list of organizations, stakeholder engagement tracker, local plans, and public comment disclosure.

2.3.2 Describe the formal tribal consultation process conducted with federally recognized Tribes, to the extent that the Eligible Entity encompasses federally recognized Tribes. If the Eligible Entity does not encompass federally recognized Tribes, note "Not applicable."

Not applicable – Arkansas has no federally designated Tribal Lands.

Deployment Subgrantee Selection (Requirement 8)

Deployment Projects Subgrantee Selection Process & Scoring Approach

Preamble

ARConnect has worked since its establishment in 2019 to support the deployment of fast, reliable, and affordable internet for all Arkansans. These efforts have brought internet access to nearly 130,000 homes and businesses. Through the BEAD program, Arkansas has an opportunity to connect the remaining ~110,000 unserved locations across the state and upgrade the internet services of an additional ~80,000 locations that currently experience slow or unreliable internet.[4]

ARConnect recognizes the challenges in providing internet connection to the entire state. Arkansas has mountainous and undeveloped terrain where it can be difficult to lay underground fiberoptic cable. Much of the state's geographic area has either no current ISP or only a single ISP, the latter including 14% of locations in the state registered with the Federal Communications Commission (FCC) Broadband Serviceable Locations Fabric dataset.[5]

The process to select and award subgrantees will take these challenges into account while prioritizing deployment of fiberoptic cable to all currently unserved or underserved locations by following four principles:

1. Running a transparent, open, and fair bidding process to encourage participation from all potential grant recipients (Section 2.4.1)

2. Designing rules and scoring criteria to bring out the best results of an open market environment (Sections 2.4.1, 2.4.2, 2.4.9, and 2.4.10)

3. Providing additional subsidy support for projects with extremely difficult topography or challenging economics (Section 2.4.3)

4. Empowering grant recipients to bring their local knowledge and expertise to deployment planning (Sections 2.4.6 and 2.4.7)

These principles aim to bring out the best capabilities of the various private and public entities that work to bring broadband to Arkansans while tolerating zero favoritism, collusion, or abuse.

2.4.1 Detailed plan for last-mile projects

Describe a detailed plan to competitively award subgrants to last-mile broadband deployment projects through a fair, open, and competitive process.

To deliver on these principles, ARConnect has designed a thoughtful and comprehensive process

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[4] See Arkansas BEAD Initial Proposal Volume I for details on eligible BSLs and CAIs.

[5] FCC. (2023). National Broadband Map. Data as of December 31, 2022. Retrieved on July 25, 2023, from https://broadbandmap.fcc.gov/home

based on its experience with prior State and federal funding opportunities. ARConnect's BEAD deployment subgrantee award process will include six stages of activities:

1. **Early Communication**

2. **Pre-bidding Preparation and Support**

3. **Bidding**

4. **Adjudication**

5. **Expansion to 100% Coverage**

6. **Final Awards**

Figure 1: Illustrative subgrantee selection timeline

Q2 2024
NTIA IP Approval & close of challenge process

42 weeks

Q2 2025
6) Awards

1) Early communication	2) Pre-bidding preparation and support	3) Bidding & 4) Adjudication				5) Expansion to 100% coverage
		Tranche 1 bidding	Adjudication	Tranche 2 bidding	Tranche 2 adjudication	
Ongoing	8 weeks	2 weeks		4 weeks	6 weeks	10 weeks	12 weeks

Notification of timeline, basic information, outreach to potential applicants

Technical assistance for using application portal, Q&A on bidding process & scoring rubric
ARConnect to run internal dummy bidding process

Key dependency:
ARConnect publishes preliminary applicant primer & application material
NTIA approval of IPV2 and close of challenge process

Applicants submit **pre-certification app** including basic competencies, history of legal compliance, required & optional certifications
ARConnect to provide feedback and guidance, as needed

Key dependency:
ARConnect publishes pre-certification application

Provide guidance and technical support as applicants prepare bids

Key dependency:
Close of challenge process & NTIA approval

Score priority bids, identify 'Buy It Now' awards, announce competitive areas & zero-bid areas

Score priority and non-priority bids, calculate preliminary EHCPLT, announce new subsidy for zero-bid areas, run adjudication and determination of priority vs. non-priority awards

Identify service providers adjacent to zero-bid areas; conduct direct outreach and negotiation
Contract LEO Satellite for any remaining no-bid areas

Timing of activities may be adjusted during subgrantee selection process, at the discretion of ARConnect

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1. Early Communication: ARConnect will begin outreach and communication with potential applicants following submission of the Initial Proposal Volume II to NTIA. Initial communication will aim to foster a broad set of potential applicants, but will not include detailed requirements, timelines, or rules until the approval of the Initial Proposal Volume II.

Once the Initial Proposal Volume II is approved, ARConnect will release detailed materials reflecting the input from NTIA. This material will likely include:

1. A clear awards process timeline

2. Basic requirements for applicant eligibility

3. A high-level overview of the information to be submitted both in the prequalification application and for bids

4. Virtual panels to ensure applicants understand the basic requirements, including relevant legal guidelines such as compliance with the Build America, Buy America Act (BABA) and the Environmental and Historic Preservation Act (EHP)

5. Following NTIA approval of the Initial Proposal, an Applicant Primer including detailed rules for bidding, such as the application, scoring rubric, adjudication process, and use of the Extremely High Cost per Location Threshold (EHCPLT)

6. Following closing of the Challenge Process and finalization of eligible BSLs and CAIs, a set of data necessary for applicants to produce successful bids, such as lists and maps of BSLs and CAIs, a reference subsidy for each Census Block Group (CBG), and a list of relevant local government organizations recommended for bidders to coordinate with during their preparation

This early communication is intended to allow potential applicants to begin preparing any internal resources needed for participation in bidding and to support the maximum number of successful bids across the State. ARConnect will utilize email, website and social media, the State procurement system, virtual meetings, and in-person meetings to distribute information in early communication.

2. Pre-bidding Preparation and Support: The purpose of pre-bidding activities is to provide technical support for applicants as they prepare their bids and to front-load any administrative tasks to reduce the burden on both ARConnect and applicants during the bidding and adjudication. Technical support for applicants will make use of a "dry run" period of the bidding process. During this period, applicants will be encouraged to submit dry run bids to ensure they understand the mechanics of the application. All potential applicants will be permitted to participate in the dry run process. Arkansas will ensure that subgrantees will have the opportunity to receive technical assistance through the dry run process. In parallel, ARConnect will complete a test run of the adjudication process. This dry run will enable two key preparation objectives: First, it will allow ARConnect to provide technical assistance for any applicants that have challenges with submitting satisfactory bids. Second, it will provide an opportunity for ARConnect to revise and publish the bidding rules should any logistical issues be identified during the dry run bidding.

In addition to the dry run bidding, applicants will be required to submit prequalification applications to confirm the following:

1. They meet basic financial, managerial, technical, operational, and other regulatory and disclosure requirements, as described in Sections 2.4.11 through 2.4.17 of this document and required by the BEAD guidelines

2. Certification of applicants' history and planned continuance of compliance with relevant labor laws and disclosure of past violations, as described in Sections 2.7.1 and 2.7.2 of this document and required by the BEAD guidelines

3. Certification of applicants' willingness to abide by certain BEAD requirements, such as support for BABA and EHP requirements and anti-collusion and conflict-of-interest provisions, as described in Section 2.4.5 of this document and pursuant to the Arkansas state policy on anti-collusion, including acknowledgement of the following:

    a. By submission of a bid or proposal, the subgrantees represent and warrant that the prices in the bid or proposal have been arrived at independently, without any collusion with another competing prospective contractor.

    b. Collusion violates the Arkansas Procurement Law. Not only can it lead to suspension or debarment, it can be referred to the Attorney General's office for investigation and appropriate legal action.

Arkansas state policy on Anti-Collusion[6]:

a) As used in this section, "collusion" means cooperation in the restraint of free and open competition in a public procurement, including without limitation:

    1) Price fixing;

    2) Bid rigging;

    3) Customer or market allocation;

    4) Misrepresenting the independence of the relationship between colluding parties; and

    5) Exerting improper influence on public officials to obtain advantage in a public procurement, including without limitation:

        i) Offering bribes or kickbacks;

        ii) Extortion; and

        iii) Fraudulent misrepresentation.

b) When for any reason collusion is suspected among any bidders or offerors, a written notice of the relevant facts shall be transmitted to the Attorney General.

    1) All documents involved in a procurement in which collusion is suspected shall be retained

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[6] State of Arkansas (2020). *Arkansas Procurement Law § 19-11-240*. See here.

until the Attorney General gives notice that they may be destroyed.

2) All retained documents shall be made available to the Attorney General or a designee upon request and proper receipt of the request.

c) Collusion is cause for:

1) Debarment from consideration for award of a contract under § 19-11-245; and

2) Suspension from consideration for award of a contract if there is probable cause for suspecting collusion as determined by the Attorney General or the State Procurement Director.

3. Bidding: Applicants will use CBGs as the basic geographic unit to define their project areas. Bids may include one or more CBGs but may not bisect or only partially cover any CBG. Additional information about the definition of project areas is covered in Section 2.4.6 of this document. The Applicant Primer, provided during the early communication stage, will prepare applicants for the use of CBGs as basic units, including publishing a list of reference subsidies for each CBG. Bids will be solicited over two tranches. Both priority (fiber)[7] and non-priority (non-fiber or mixed-technology bids) projects will be accepted in both tranches. Proposed fiber projects will be prioritized in alignment with the BEAD NOFO's requirement to prioritize fiber service wherever possible, and non-fiber projects will be considered in the scenarios detailed under Expansion below.

The first tranche of bids will be analyzed to identify:

- Bids without competition that meet a minimum point threshold

- Bids in competitive project areas with sufficiently high scores to qualify as "Buy It Now" bids

- Competitive project areas requiring adjudication

- Zero-bid areas requiring additional solicitation

The minimum point threshold will be based on an absolute minimum score (for example, a specific percentage or more of available points). Bids without competition[8] that are above this threshold will be provisionally granted and their covered project areas will not be carried into the second tranche of bidding. Applicants with bids without competition above the minimum point threshold will be notified of their bids being awarded, subject to final determination of the state's subsidy liability and a final, discretionary review of applicants' total set of awards for feasibility. The minimum point threshold will be announced in the Applicant Primer, following approval of Initial Proposal Volume II.

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[7] Only bids proposing to 100% coverage of eligible locations with fiber technology will be considered 'priority.' Non-priority bids may propose a mix of fiber and non-fiber technology to reach eligible locations.

[8] Bids without competition are defined as bids with project areas that do not overlap with the project areas of any bids from other applicants.

Buy It Now Bids will be defined as competitive bids that score a set number of points above the next-highest scoring bid of the same or higher technology class (fiber or non-fiber). Buy It Now bids must also submit subsidy requests that are below the reference subsidy for their covered CBGs. For example, a priority bid (fiber) that scores sufficiently higher than the next-highest priority bid and is requesting less than the reference subsidy would be considered a Buy It Now bid. However, a non-priority bid significantly higher than the next-highest priority bid would not be considered a Buy It Now bid. Buy It Now bids will be provisionally awarded and their covered project areas will not be carried into the second tranche of bidding. Applicants with Buy It Now bids will be notified of their bids being awarded subject to final determination of the State's subsidy liability and a final, discretionary review of applicants' total set of awards for feasibility. The Buy It Now relative point thresholds will be announced in the Applicant Primer, following approval of Initial Proposal Volume II.

Both competitive project areas and zero-bid areas will be eligible for tranche 2 bids, however the two types of areas will be treated differently.

Competitive project areas will include the entire area of all bids that have any overlap, regardless of whether all or only part of the bids overlap. Applicants who submit tranche-1 bids in competitive areas will be allowed to submit modified bids for tranche 2. Modifications will only be allowed to the requested subsidy and the scope of CBGs included in the bid. Specifically, applicants will only be allowed to decrease their requested per-location subsidy for CBGs in the tranche-1 bid and to increase the number of CBGs in their bids. For newly added CBGs, applicants will not be held to the tranche-1 per-location subsidy. This will allow bidders to formulate more competitive bids in an accelerated timeline between tranche 1 and tranche 2.

Zero-bid areas will include areas that received no bids, as well as areas where the sole bid fell below the minimum point threshold. Applicants will also be allowed to add zero-bid areas to competitive bids for additional points. ARConnect will also consider increasing the reference subsidy available for zero-bid areas to encourage bidding for these areas. These two mechanisms are aimed at reducing the number of zero-bid areas remaining after tranche-2 bids are received.

The next two activities, **Adjudication** and **Expansion to 100% Coverage** will likely overlap as both may be iterative in nature.

4. Adjudication: ARConnect will follow all Arkansas' state policies and guidelines for document retention and subgrantee selection throughout the determination process. While bids will be kept confidential during bidding to preserve the competitiveness of the awards process, all deconflicting decisions and relevant inputs will be retained and made available for public review following the announcement of final awards.

Deconflicting of overlapping bids in both tranche 1 and tranche 2 will follow a standard scoring rubric, as described in Section 2.4.2 of this document. However, tranche-1 scoring will only be used to identify best-offer bids and to ensure that bids without competition are above the minimum point threshold.

Tranche-2 scoring will be completed to deconflict all remaining overlapping priority bids and determine the preliminary award winner, pending application of the EHCPLT, ARConnect review of the final set of awards for each applicant, and NTIA approval of ARConnect's Final Proposal.

Losers of this adjudication who submitted bids above the minimum point threshold may in some cases still be eligible for parts of their proposed project areas that did not overlap with any other bids. If this is the case, they will be invited to accept prorated subsidies for these non-competitive areas. If applicants determine that their reduced project area requires a different subsidy level, they will be allowed to propose a new total project cost and requested subsidy. They will also be permitted to propose modified project areas (for example, designating specific CBGs that they will still support). However, if applicants modify their bids, ARConnect reserves the right to solicit additional bids for the CBGs in question. Any project areas abandoned by applicants and with no other eligible bids will be treated as zero-bid CBGs.

5. Expansion to 100% coverage: While ARConnect firmly believes that BEAD funding will be sufficient to provide fiber or alternate broadband service to all eligible locations, it has prepared for the possibility that some CBGs may not receive reasonable bids in the two tranches of open bidding. ARConnect will guarantee 100% coverage through three primary activities:

- Calculation and Application of the EHCPLT to ensure BEAD funds are sufficient to deploy broadband to all unserved and underserved locations and that all per-location subsidy amounts are reasonable

- Proactive solicitation of bids for zero-bid CBGs and CBGs abandoned by applicants following adjudication

- Low-Earth Orbit Satellite Internet Service for locations where it is determined that no priority or non-priority deployment is feasible

Details on the Calculation and Application of the EHCPLT are provided in Sections 2.4.6 and 2.4.7. ARConnect will calculate the EHCPLT after all tranche-1 and tranche-2 bids have been received and adjudicated, based on the anticipated total BEAD subsidy required to reach 100% coverage and based on any per-location subsidy costs that are unreasonably high, per the discretion of ARConnect. Following submission of all tranche-2 bids, ARConnect will identify preliminary award recipients that meet any one the following conditions:

1. Priority bids that do not overlap with any other bid

2. Priority bids that receive the highest score for competitive areas

3. Non-priority bids that do not overlap with any other bid

4. Non-priority bids that receive the highest score for competitive areas and do not overlap with priority bids

Once these preliminary award recipients are identified, the total BEAD subsidy required to reach 100%

coverage will be estimated using three inputs:

1. The range of subsidy requirements for primary winners
2. The number of locations in zero-bid areas
3. A reasonable buffer to account for the uncertainty inherent in inducing coverage of zero-bid areas

If needed, the EHCPLT will then be defined at a threshold that ensures that ARConnect can effectively and efficiently deploy BEAD resources to meet program and State goals to best serve Arkansans. Additional information on the operationalization of the EHCPLT can be found in section 2.4.9 and 2.4.10 of this document.

Proactive solicitation of applications for zero-bid CBGs will involve introduction of new incentives, primarily through increasing the reference subsidy, direct outreach to nearby applicants, and, if needed, direct discussion of required subsidy levels to make projects financially viable. As zero-bid and abandoned CBGs are identified, the state will announce their status. Applicants with bids in competitive areas will then be permitted to add the zero-bid areas to their bids in order to receive additional points. Additionally, ARConnect will consider increasing the reference subsidy for any zero-bid CBGs, if it is determined that the long-term economics of the CBG do not support build-out of broadband at the initial reference subsidy. The state will also reach out to encourage additional bids by any applicants submitting bids to areas adjacent to zero-bid areas as well as any applicants with known infrastructure in zero-bid CBGs or adjacent CBGs. If needed, the state will directly engage with service providers to negotiate the subsidy needed to provide coverage.

Low-Earth Orbit Satellite Internet Service will only be considered for CBGs where no priority or non-priority bids solicited are above the minimum point threshold, as a final measure to ensure internet is deployed to 100% of eligible unserved or underserved locations and CAIs.

6. Awards: Once 100% coverage has been reached, ARConnect will make the determination of provisional awards, subject to NTIA signing off on the Final Proposal. As a final step in determining award winners, ARConnect will review the total awards to each applicant in the context of the prequalification information received. This review will be done at the discretion of ARConnect to ensure that applicants have the means to successfully deploy all contracted projects within the proposed timelines. Should it be determined that an applicant is eligible for awards that may be beyond what is reasonable for their existing capabilities, ARConnect will engage with the provisional award winner to discuss options. If no viable option can be agreed on, ARConnect will consider alternate overlapping bids or satellite internet service for portions of the applicant's awards.

Ensuring a Fair, Open, and Competitive Process

Throughout this process, several measures will be taken to ensure that the selection of subgrantees is **fair, open,** and **competitive.**

Fairness: The fairness of the award process relies on there being no collusion between potential recipients, no bias from the State or in the award criteria, no conflicts of interest in the selection process, and no arbitrary decisions. ARConnect will put the following considerations and guidelines in place to safeguard the fairness of the selection process:

1. ARConnect will require all applicants to certify that they will abide by all applicable federal and State anti-collusion laws

2. Applicants will certify their commitment to abide by non-disclosure rules modeled on the FCC's prohibited communications rules for auctions. This includes prohibition against applicants making general public comments, such as declaring their intention to participate in bidding for BEAD funding, as well as specific comments, such as an applicant's proposed project areas and desired subsidy.

3. Failure of applicants to comply with these rules can result in their disqualification from any remaining rounds.

4. ARConnect will keep all applicant material, including the names of applying entities, confidential until the submission of the Final Proposal and announcement of the full set of preliminary awards.

5. ARConnect has designed the subgrantee selection process to prevent systematic bias and to reduce opportunities for arbitrary or subjective decisions. Specifically, the criteria and bidding process is designed to be comprehensive and provide guidance on closely competitive bids, with a clear process defined from beginning to end. Criteria are designed to be fair and neutral and to be determined using measurable and objective metrics.

6. Finally, the subgrantee selection process will follow all relevant state policies to avoid the creation of conflicts of interests. ARConnect reserves the right to take any appropriate action based on the disclosure of potential conflicts of interest, such as disqualification of an applicant for a specific project area or designation of an applicant as ineligible to receive any BEAD funding. Specifically, applicants intending to bid for more than $25,000 in awards will be required to make disclosures required by Arkansas Executive Order 98-04,[9] as described below.

   Disclosure required by Arkansas Executive Order 98-04: Any contract or amendment to a contract executed by an agency which exceeds $25,000 shall require the vendor to disclose information as required under the terms of Executive Order 98-04 and the regulations pursuant thereto. The vendor shall also require the subcontractor to disclose the same information. The Contract and Grant Disclosure and Certification Form shall be used for this purpose. Contracts with another government entity such as a state agency, public education institution, federal government entity, or body of a local government are exempt from disclosure requirements. The failure of any person or entity to disclose as required under any term of Executive Order 98-04, or the violation of any

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[9] State of Arkansas Department of Finance and Administration (2005). *Rule implementing governor's Executive Order 98-04, Act 34 of 1999 and Act 2262 of 2005.* https://www.dfa.arkansas.gov/images/uploads/internalAuditOffice/EO98-04Rules.pdf.

rule, regulation, or policy promulgated by the Department of Finance and Administration pursuant to this order, shall be considered a material breach of the terms of the contract, lease, purchase agreement, or grant and shall subject the party failing to disclose, or in violation, to all legal remedies available to the agency under the provisions of existing law.

Openness: ARConnect remains dedicated to ensuring the subgrantee selection is open to the widest breadth and variety of potential applicants. To this end, ARConnect will put the following considerations and guidelines in place to safeguard the fairness of the selection process:

1. Share basic information about the subgrantee selection timeline as soon as reasonably possible following submission of this Initial Proposal

2. Conduct outreach to a broad range of potential applicants to ensure awareness, both through independent outreach and through the Arkansas County Broadband Committees that ARConnect helped establish

3. Publish an Applicant Primer, including a detailed explanation of the rules and scoring rubric as well as details on the required disclosures and certifications for applicants to establish eligibility, as elements of the Initial Proposal are finalized

4. In the Applicant Primer, include various data sets that applicants will need to prepare their bids, including unserved and underserved locations and CAIs by CBG and a list of government entities for local coordination

5. Provide technical support for all applicants throughout the preparation and bidding process

Competitiveness: The subgrantee selection process has been designed to maintain a fair playing field and solicit a competitive set of applications. ARConnect has introduced several measures toward this end, including:

1. Using competitively neutral criteria in the scoring rubric (covered in Section 2.4.2), as required by the BEAD guidelines

2. Allowing applicants to define project areas using CBGs as a basic area unit in order to allow both large and small service providers to participate while encouraging the broadest feasible coverage of BSLs (covered in Section 2.4.6)

3. Using a second tranche of bids to encourage competition for economically valuable CBGs

4. Requiring all applicants to certify their commitment to abide by non-disclosure rules modeled on the FCC's prohibited communications rules for auctions. This includes prohibition against applicants making general public comments, such as declaring their intention to participate in bidding for BEAD funding, as well as specific comments, such as an applicant's proposed project areas and desired subsidy.

5. Keeping all submitted application details confidential until the announcement of awards

Subgrantee Accountability

ARConnect understands the subgrantee accountability procedures required by BEAD and is committed to following them to ensure a responsible use of BEAD funds. Per the BEAD NOFO and guidelines, funds will be provided to subgrantees on a reimbursable basis once subgrantees have submitted required evidence of deployment activity. Subgrantees' progress on deployment activities will be monitored through periodic site visits by ARConnect or its contractors.

ARConnect will require timely subgrantee reporting which includes the following, as required by the BEAD NOFO:

- Labor and material costs reporting for reimbursement[10]

- Quarterly progress reports including construction updates, any changes to subcontractor statuses, certification of adherence to required operational practices, location details (e.g., locations to be served, classification of locations, any new locations), and service speeds

- Annual financial and managerial reports, including financial statements and narrative description of deployment and workforce development activities

Finally, awarded contracts will include claw-back provisions that will go into effect in case of events including but not limited to the following:

- Subgrantees are delayed without cause or cease to provide services per grant provisions beyond their committed deployment timeline[11]

- ARConnect identifies any incorrect documentation, such as overbilling of labor or material costs

- ARConnect identifies any material breaches of contract such as failure to deliver contracted workforce development activities

- ARConnect identifies serious violations of other provisions, such as environmental protections, safe workplace practices, or fair labor practices.

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[10] Note that ARConnect may consider revisions to grant format and terms should NTIA release updated uniform guidance

[11] ARConnect (2020). *ARC Broadband Grant Program Main Rules Section 8.5.C.* https://broadband.arkansas.gov/wp-content/uploads/2020/04/Arkansas-Rural-Connect-Rule-_-Clean.pdf.

2.4.2 Scoring rubric

Describe how the prioritization and scoring process will be conducted and is consistent with the BEAD NOFO requirements on pages 42–46.

2.4.2.1 Attachment, Scoring Rubric: As a required attachment, submit the scoring rubric to be used in the subgrantee selection process for deployment projects. Eligible Entities may use the template provided by NTIA or use their own format for the scoring rubric.

2.4.2.2 Summary scoring rubric and determination process

Primary criteria	Maximum points available	Determination process
1.1. Minimization of BEAD program outlay	40	The score will be assessed based on how high or low an applicant's requested subsidy is relative to ARConnect's reference subsidy for the CBGs within the applicant's project area. Reference subsidies will be calculated on a per-location basis for each CBG and will rely on the per-BSL cost data provided by NTIA in the Eligible Entity Toolkit and the State's experience with recent prior broadband funding programs. Reference subsidies will be announced publicly prior to the bidding process. Scores will be based on a linear scale, with zero points being granted for bids that are 100% higher than the reference subsidy and 40 points being granted for bids that request no BEAD subsidy. For example, an applicant who applies for a project with a per-location BEAD subsidy match that is exactly the same amount as the reference subsidy would receive 20 points, while an applicant who applies for a subsidy worth 120% of the per-location reference subsidy would receive 16 points.
1.2. Affordability	25	Applicants will commit to a baseline price for the highest tier of service that they support, as disclosed in their deployment bid. The score will be assessed based on how high or low their commitments are relative to the below reference prices for the relevant tier of service[12]: Priority bids (1/1 Gbps service): $85 per month Non-priority bids (100/20 Mbps): $37 per month Scores will be based on a linear scale, with average, 50% applicants committing to plans that are, on higher than the

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[12] The price for a 1 Gbps plan is guided by applying 2% of household income to internet service, based on U.S. Census Bureau data on Arkansas median income; the step-down of price for non-priority service follows prevailing relative prices in Little Rock, as of September 2023.

Primary criteria	Maximum points available	Determination process
		reference price receiving zero points and applicants committing to plans 50% lower than the reference price receiving 25 points.
		For example, an applicant that commits to plans exactly at the recommended reference price would receive 12.5 points, while an applicant who commits to plans priced at 120% of the reference price would receive 10 points.
		Applicants will be permitted to adjust their plan costs annually based on the U.S. Bureau of Labor Statistics' annual Consumer Price Index. Affordable plan commitments will last per the term of Federal interest, as determined by the NTIA.
1.3. Fair labor practices	10	Applicants will receive 10 points for demonstrated compliance with federal labor laws over the last three years and providing forward-looking plans to comply, as described in Section 2.7.1 of this document. Applicants without three years of operational experience can receive 10 points by signing a certification of future compliance and providing forward-looking plans to be in compliance.

Secondary criteria	Maximum points available	Determination process
2.1. Speed to deployment	3	Applicants will provide their planned deployment timeline as part of their bid. Timelines should span no more than 48 months from the date of the applicant receiving notice of their final award. Any timeline that is shorter than 24 months will receive 3 additional points on the scoring rubric. Applicants will certify their planned deployment timeline and acknowledge potential financial penalties if their projects extend beyond planned timeline without a formal extension having been submitted to and approved by ARConnect.
2.2. Speed, latency, and other technical capabilities	2	Applicants will provide technical specifications for all planned technologies. Any bid to deploy XGS-PON fiber technology will receive the full 2 points. Bids to deploy non-XGS-PON fiber will receive 1.5 points. Bids to deploy non-fiber technology will

Secondary criteria	Maximum points available	Determination process
		receive points as follows:
		1000/500 Mbps: 1 point 400/200 Mbps: 0.5 points
		Technology with more than 100 milliseconds of latency will be awarded zero points.
		Applications must also include a reasonable explanation of how they will add incremental capacity as new customers are added. ARConnect retains the right to review and request modifications to these plans prior to awarding points for this criterion.

Additional criteria	Maximum points available	Determination process
3.1. Workforce support	5	5 points will be granted to applicants that provide plans to commit to additional workforce support, as described in Section 2.8.2, during their prequalification application. An optional question regarding workforce support plans will be included in the prequalification application; responses should describe the set of measures that applicants will take to foster and recruit a qualified workforce for their projects. ARConnect reserves the right to review workforce support plans for feasibility and send comments back to applicants for revisions, should the workforce support plans prove insufficient. Applicants can receive points for any combination of the below measures, which together present a comprehensive plan for meeting their workforce needs: • Collaboration with apprenticeship programs offering support services such as project management resources, computing services, and back-end administration • Commitment to hiring a local workforce, with particular focus on rural and high-poverty areas • Financial support from sub-grantee for statewide centers providing wraparound services, including child care,

Additional criteria	Maximum points available	Determination process
		transportation, and mentorship for employees on BEAD-related projects • Provision of training programs for software, radio frequency, and field engineers through scholarships and student stipends at community colleges • Implementation of in-house training and certification programs covering areas such as fiber optics, cybersecurity, and other telecommunications and broadband digital skills • Facilitation of guaranteed letters of commitment with state technical colleges, demonstrating good-faith efforts through letters of intent to hire Arkansan graduates. • Proposals to identity new sources of workforce, such as recent graduates and ex-convict populations.
3.2 Scale of geographic coverage	5	Applicants will score additional points, up to a maximum of 5 points, for proposing project areas that cover a larger number of locations (BSLs and CAIs) within a given county. Applicants will indicate which counties are included in their bids. ARConnect will identify the county with the largest number of locations served by the applicant's bid *or* identify any county within a bid where 100% of eligible locations are served by the bid. Any applicant serving 100% of locations within *any* county in their bid will receive 5 points. Any applicants serving less than 100% of locations in their covered counties will be awarded points as follows: Points available for the number of locations served by the proposed bid[13] <table><tr><td>**No. of locations within a county with the most coverage**</td><td>**Points**</td></tr><tr><td>3,000</td><td>5</td></tr><tr><td>2,000</td><td>4</td></tr></table>

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[13] The rubric of points for the number of locations is based on BEAD-eligible locations in Arkansas counties and may change subject to changes in eligibility according to NTIA guidelines and the ARConnect challenge process.

Additional criteria	Maximum points available	Determination process	
		1,500	3
		1,000	2
		500	1
3.3. Inclusion of zero-bid CBGs	5	Applicants will receive points based on the number of zero-bid CBGs they include in their tranche 2 bid. Each zero-bid CBG will be worth one-half point.	
3.4. Local coordination	2.5	Applicants are encouraged to solicit letters of support from a list of local government. Eligible local government officials could include the following individuals: • State: State Representative; State Senator • County: County Judge; Justice of the Peace • Municipality: Mayor; Member of City Council • School District: Member of the School Board Applicants will receive an additional half point, up to a maximum of 2.5 points, for each letter of support filed. The list of local government officials will be published by ARConnect following approval of this Initial Proposal by NTIA.	
3.5. Weather-resilient broadband infrastructure	2.5	Applicants will receive up to 2.5 points for deployment plans that include recommended weather resiliency measures, including 1 point for achieving 85% or higher as share of fiber that is buried (vs aerial), 1 point for a weather mitigation plan (including network redundancy planning), and 0.5 points for committing to attend municipality emergency management meetings on an ongoing basis to coordinate timely restoration of service in the case of outages. See Section 2.11.1 for additional information on weather resiliency.	

Guidelines for Application of Scoring Rubric

Scoring will take place following the close of tranche 1 as well as the close of tranche 2. As described in Section 2.4.1, tranche-1 and tranche-2 bids will follow the same scoring criteria, with the exception of criterion 3.3 (inclusion of zero-bid areas), which is only applicable to tranche-2 bids. The scoring criteria are designed to allow comparison of bids with dissimilar project areas by using CBG-level reference metrics for scoring and other design features. For example, scores for Minimization of BEAD Program outlay will be based on the difference between the requested per-location subsidy and the per-location reference subsidy for the CBGs included in the project area. This allows bids with partially overlapping

sets of CBGs to be compared in an objective and fair manner. In the event CBGs that are included in applications that cannot be awarded due to conflict with higher scoring applications, the State will prioritize direct negotiations with those applicants in the direct negotiation stage, as described in 2.4.7.

Tranche-1 and tranche-2 bids will follow the same scoring criteria, as described above.

In tranche 1, bids will be scored to identify Buy It Now bids and bids without competition that do not meet the minimum point threshold. Buy It Now bids are competitive bids that score significantly higher than the next-highest bid and also request less than the reference subsidy for their covered CBGs. The relative point threshold for Buy It Now bids will be announced in the Applicant Primer.

The minimum point threshold will be applied to bids without competition. If a CBG does not receive any bids above the minimum point threshold, it will be treated as a zero-bid area for tranche-2 scoring. The minimum point threshold will be announced in the Applicant Primer.

Following receipt of all tranche-2 bids, the rubric will be used to identify preliminary winners between overlapping bids. Priority bids will only be compared to other priority bids. Overlapping non-priority bids will only be deconflicted using the scoring rubric in cases where they do not overlap with any priority bids. The results of this determination will be used as input to calculate the EHCPLT.

2.4.3 Prioritization of unserved and underserved locations

Describe how the proposed subgrantee selection process will prioritize Unserved Service Projects in a manner that ensures complete coverage of all unserved locations prior to prioritizing Underserved Service Projects, followed by prioritization of eligible CAIs.

Based on preliminary cost modeling, ARConnect believes that the State's allocated BEAD funding will be sufficient to deploy reliable broadband infrastructure to all unserved and underserved locations as well as eligible CAIs, including high levels of priority infrastructure deployment. ARConnect's subgrantee selection plan includes two measures to ensure there is sufficient funding to ensure coverage to all unserved and underserved locations.

First, use of the EHCPLT will allow ARConnect to maximize coverage within budget among bids received in tranches 1 and 2. The EHCPLT will be calculated to ensure there are sufficient funds left to support coverage of qualified service to all unserved and underserved locations included within any remaining no-bid areas.

Second, if there are CBGs that do not receive bids in tranches 1 and 2, ARConnect will consider using low-Earth-orbit satellites to provide coverage. When considering which locations to serve with low-Earth-orbit satellites, ARConnect will first subsidize coverage for unserved locations, followed by underserved locations, and finally any CAIs. The process of applying the EHCPLT and determining locations for satellite coverage is further explained in Sections 2.4.9 and 2.4.10.

2.4.4 Prioritization of non-deployment projects

If proposing to use BEAD funds to prioritize non-deployment projects prior to or in lieu of the deployment of services to eligible CAIs, provide a strong rationale for doing so. If not applicable to plans, note "Not applicable."

Not applicable – Arkansas does not plan to prioritize non-deployment projects prior to or in lieu of deployment projects, including to eligible BSLs and CAIs.

2.4.5 BABA and EHP

The proposed subgrantee selection process is expected to demonstrate to subgrantees how to comply with all applicable Environmental and Historic Preservation (EHP) and Build America, Buy America Act (BABA) [6] requirements for their respective project or projects. Describe how the Eligible Entity will communicate BABA and EHP requirements to prospective subgrantees, and how BABA and EHP requirements will be incorporated into the subgrantee selection process.

ARConnect is committed to guaranteeing compliance with all applicable BABA and EHP requirements, as per BEAD guidelines. Information relating to these requirements and supporting applicants will be provided through three means:

1. The Applicant Primer, to be released following approval of Initial Proposal Volume 2
2. Information sessions run by ARConnect
3. A list of regulations posted to broadband.arkansas.gov

Applicants must submit all required information and certifications as part of the prequalification application.

BABA requirements

Per BEAD guidelines, to ensure the maximum amount of US taxpayer dollars are spent procuring supplies from US businesses, ARConnect will communicate the following points as requirements for all applicants:

- Production of all iron, steel, manufactured products (such as fiber-optic communications material), and construction materials used in deployment or non-deployment activities should be US based (e.g., produced in America), unless a waiver is granted.
- Produced in America products are defined as products that are manufactured in the United States, where the cost of all product components that are mined, produced, or manufactured in the United States is greater than 55% of the total cost of the product's components, as per Section 70912 of BABA (unless another standard exists for determining whether the product has been established according to applicable laws or regulations).

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- It is explicitly prohibited to use BEAD funding to purchase any covered communication equipment or services, as per the Secure and Trusted Communications Networks Act of 2019 (46 U.S.C. § 1608) and as published by the FCC.[14]

- The Infrastructure Act specifically prohibits the use of BEAD funding to purchase or support fiber-optic cable and optical transmission equipment that is manufactured in the People's Republic of China, unless the subgrantee receives a waiver from the Assistant Secretary.

As part of the prequalification application, subgrantees will provide detailed plans outlining their approach to remaining compliant with BABA requirements and certifying their understanding of and commitment to BABA requirements.

EHP requirements

ARConnect will ensure that subgrantees understand, are committed to following, and have feasible plans for compliance with EHP requirements, including adherence with the National Environmental Policy Act (NEPA) (42 U.S.C. § 4321 et seq.) and the National Historic Preservation Act (NHPA) (54 U.S.C. § 300101 et seq.). The Applicant Primer, information sessions, and online resources will highlight the following points, which are either required or encouraged elements of all prequalification applications:

- Required: Certification that applicant will secure all necessary federal, state, and local government permits and approvals required for the proposed work and a timeline of all project areas for which the applicant is the final award recipient

- Required: Certification that the applicant will design and deploy all projects in such a way as to minimize the potential of adverse environmental impact

- Required: Certification that the applicant will adhere to any agreed-upon resolutions to mitigate the effects of proposed projects on historic properties, should an NHPA Section 106 review be triggered by their proposed project[15]

- Encouraged: Engagement with federal land and resource managing agencies, such as the National Park Service, the U.S. Fish and Wildlife Service, the Bureau of Land Management, the National Marine Fisheries Service, the U.S. Army Corps of Engineers, the U.S. Coast Guard, and the U.S. Forest Service, to understand any restrictions or special conditions that may apply to planned infrastructure development on federal land, or that may impact federally managed resources such as wetlands, threatened or endangered species, or navigable waterways

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[14] FCC (2022). *List of Equipment and Services Covered By Section 2 of The Secure Networks Act*. https://www.fcc.gov/supplychain/coveredlist.

[15] Advisory Council on Historic Preservation (2023). *An Introduction to Section 106.* https://www.achp.gov/protecting-historic-properties/section-106-process/introduction-section-106.

- Encouraged: Coordination with state and local agencies that may have a role in EHP requirements, such as the Division of Arkansas Heritage within the Arkansas Department of Parks, Heritage and Tourism

Applicants will only be permitted to bid for deployment funding once ARConnect has determined their compliance with the above requirements.

Enforcement and monitoring

Any applicant that does not provide compliant project plans and/or does not certify their enforceable commitment to these and all other BABA and EHP requirements in their prequalification application will be barred from submitting bids until and unless they amend their application.

As a part of ongoing subgrantee monitoring, ARConnect will monitor compliance with these requirements. Any award recipient with a documented violation of BABA or EHP requirements will be considered for penalties or, in extreme cases, partial or comprehensive termination of ongoing awards.

ARConnect is aware that guaranteeing compliance with the acts mentioned above may require additional plans and resources. Per BEAD recommendations, ARConnect is committed to taking the following steps throughout the preparation, bidding, and awards administration process:

- Working with the Arkansas Department of Finance and Administration State Clearinghouse for NEPA review and the Division of Arkansas Heritage to confirm available resources and understanding of required reviews, including:
  - EHP requirements and additional guidance in the BEAD NOFO
  - NEPA review process and the review required under NHPA Section 106
- Ensuring that the Arkansas Department of Finance and Administration State Clearinghouse for NEPA and the Department of Energy and Environment are ready and able to provide the required review of applicant EHP material:
  - Demonstrate the readiness of teams to analyze potential environmental impact
  - If necessary, cross-train additional staff to ensure the team has the appropriate capacity and expertise to manage EHP activities
  - Designate certain individuals to be specifically responsible for EHP activities and outline their responsibilities associated with managing EHP and NEPA review activities
- Working with Arkansas Department of Finance and Administration State Clearinghouse for NEPA review to outline an approach for EHP activities:
  - Outline steps and activities necessary to ensure that the prospective subgrantees understand the requirements to comply with NEPA

- Share best practices for developing a project description that provides enough detail on the potential environmental impact to make a preliminary determination of the level of NEPA review required
- Ensuring that the Division of Arkansas Heritage is ready and able to provide required Section 106 review of preliminary awards
- Working with the Division of Arkansas Heritage to create supporting material for applicants to understand potential Section 106 reviews and build NHPA-compliant project plans

All required documentation submitted by applicants will be collected and reviewed by qualified personnel. ARConnect will hire additional staff or contractors, as needed, to ensure there is appropriate capacity and expertise to adequately review the documentation and provide a third-party perspective of the requirements noted above.

2.4.6 Project area definition

Describe how the Eligible Entity will define project areas from which they will solicit proposals from prospective subgrantees. If prospective subgrantees will be given the option to define alternative proposed project areas, describe the mechanism for deconflicting overlapping proposals to allow for like to like comparison of competing proposals.

ISPs will define their desired project area using a set of one or more contiguous[16] CBGs as the basic geographic unit. This means that if an applicant is bidding to provide broadband to any locations within a CBG, its bid must account for supporting service to all other BEAD-eligible locations within that same CBG. Bids may include multiple CBGs or a single CBG but may not bisect any CBG.

A data pack to support applicants as they consider CBGs for their bids will be included in the Applicant Primer. The data pack will include information on unserved and underserved locations and eligible CAIs, the reference subsidy for each CBG, any relevant weather risks, and a list of eligible local government and community organizations with which subgrantees are encouraged to interface.

Tranche-1 bids will be composed of any collection of contiguous CBGs. Following the resolution of scoring of tranche-1 bids, ARConnect will announce areas eligible for tranche-2 bids. Tranche-2 bids will take two forms:

1. Tranche-1 bids modified to improve their score
2. Net-new bids for CBGs that received zero bids in tranche 1.

Applicants can only modify their tranche-1 bids by reducing the requested per-location subsidy and adding additional CBGs. Additional zero-bid CBGs added to tranche-1 bids in tranche 2 do not need to

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[16] For the purpose of ARConnect's BEAD Grant Applications, contiguous is defined as sharing any amount of border. If two or more CBGs containing eligible locations do not border each other but both share a border with a third CBG that does not contain any eligible locations, the set of CBGs can be considered contiguous.

be contiguous.

Bids with overlapping project areas will be deconflicted using the scoring rubric, which has been designed to allow like-for-like comparison of bids with disparate project areas by using CBG-level reference metrics for scoring and other design features. For example, scores for Minimization of BEAD Program outlay will be based on the difference between the requested per-location subsidy and the per-location reference subsidy for the CBGs included in the project area. This allows bids with partially overlapping sets of CBGs to be compared in an objective and fair manner. In the event CBGs that are included in applications that cannot be awarded due to conflict with higher scoring applications, the State will prioritize direct negotiations with those applicants in the direct negotiation stage, as described in 2.4.7.

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2.4.7 Approach to universal coverage

If no proposals to serve a location or group of locations that are unserved, underserved, or a combination of both are received, describe how the Eligible Entity will engage with prospective subgrantees in subsequent funding rounds to find providers willing to expand their existing or proposed service areas or other actions that the Eligible Entity will take to ensure universal coverage.

ARConnect has designed the bidding process to minimize the number of locations that do not receive bids. There are several elements in the two-tranche bidding process described in Section 2.4.1 that support this goal, including:

- Designation of CBGs as the basic blocks of project areas and requiring 100% coverage of eligible locations within any CBGs included in an applicant's bid

- A second tranche of bidding to provide applicants with an opportunity to strengthen their applications by serving more locations, expanding across geographically dispersed areas, and adding zero-bid areas

    o Specifically, zero-bid areas will be worth additional points in the final scoring if added to competitive tranche-1 bids, as described in Section 2.4.2

- Consideration of increasing the reference subsidy for zero-bid areas after reviewing the first tranche of bids

Arkansas uses the reference subsidy to ensure like-for-like comparisons of overlapping projects. Increasing the reference subsidy will not automatically waive the 25% match requirement nor will it imply use of State or other funds toward potential applicants' 25% match. Applicants may request any amount of BEAD funding that they deem necessary to serve an area, either as part of the main process or during the direct negotiation phase. Subject only to the BEAD allocation available to the state, the State will prioritize fiber projects. As needed to secure fiber for high-cost areas and when the State has BEAD allocation funding available, the State will consider match waivers as described in the BEAD

NOFO section 3.B.5.

If there are CBGs with no bids following the close of tranche 2, ARConnect will directly engage with all nearby providers currently offering at least qualified broadband service in the area, any applicant that has placed bids adjacent to the zero-bid CBGs, as well as service providers who received past funding for areas adjacent to the zero-bid CBGs. Additional potential service providers will be identified using the FCC's National Broadband Map and data from prior funding rounds administered by ARConnect.

If there are remaining zero-bid areas following direct solicitation, ARConnect will engage with providers of low-Earth-orbit satellite internet service that are able to support at least 100/20 Mbps service to secure access for remaining unserved locations.

2.4.8 Proof of consent of Tribal Governments

Describe how the Eligible Entity intends to submit proof of Tribal Governments' consent to deployment if planned projects include any locations on Tribal Lands.

Not applicable – there are no federally designated Tribal Lands located in Arkansas.

Extremely High Cost Per Location Threshold

2.4.9 Process for identifying the EHCPLT

Identify or outline a detailed process for identifying an Extremely High Cost Per Location Threshold to be utilized during the subgrantee selection process. The explanation must include a description of any cost models used and the parameters of those cost models, including whether they consider only capital expenditures or include the operational costs for the lifespan of the network.

ARConnect will calculate the EHCPLT after all tranche-1 and tranche-2 bids have been received and scored. ARConnect will not rely on its own capital-expenditure or operating-expenditure cost models to calculate the EHCPLT. Rather, the EHCPLT will only be applied as a guardrail to ensure that funding is available to support deployment to 100% of eligible locations.

ARConnect will use three inputs to calculate its potential subsidy requirement:

1. The range of subsidy requirements for preliminary tranche-1 and tranche-2 awards

2. The number of BEAD-eligible locations in zero-bid areas

3. A reasonable buffer to account for the uncertainty inherent in soliciting coverage for zero-bid areas

These inputs will support ARConnect in setting the EHCPLT at a level that guarantees 100% coverage with its available BEAD funding.

## 2.4.10 Application of the EHCPLT

Outline a plan for how the Extremely High Cost Per Location Threshold will be utilized in the subgrantee selection process to maximize the use of the best-available technology while ensuring that the program can meet the prioritization and scoring requirements set forth in Section IV.B.6.b of the BEAD NOFO. The response must describe:

a. **The process for declining a subgrantee proposal that exceeds the threshold where an alternative technology is less expensive**

b. **The plan for engaging subgrantees to revise their proposals and ensure locations do not require a subsidy**

c. **The process for selecting a proposal that involves a less costly technology and may not meet the definition of Reliable Broadband**

Should it be determined that Arkansas requires an EHCPLT to reach 100% coverage, as described in Section 2.4.9, ARConnect will follow the below process to identify areas affected by the EHCPLT and to select between impacted bids. It is important to note that priority and non-priority bids from tranches 1 and 2 already identified as eligible for awards and below the EHCPLT will not be affected by the process described below.

ARConnect may, in order to achieve overall program goals and efficient and effective deployment, provide notice to applicants with bids impacted by the EHCPLT, offering applicants the opportunity to modify their bids. Two types of modifications would be permitted. First, applicants may propose a mix of fiber and non-fiber technology that supports the overall BEAD goal of deploying fiber to the maximum number of locations. Second, applicants may be permitted to propose and justify locations that should be carved out due to extremely unfavorable economics for terrestrial-based service. These measures are permitted to allow applicants to identify and propose solutions for locations with outlier costs that may be skewing the overall project cost. Once modified bids are submitted by applicants, ARConnect will review the full set of bids overlapping EHCPLT-impacted areas and select award recipients.

Figure 2: EHCPLT will not affect awards from tranches 1 and 2 that are below the threshold
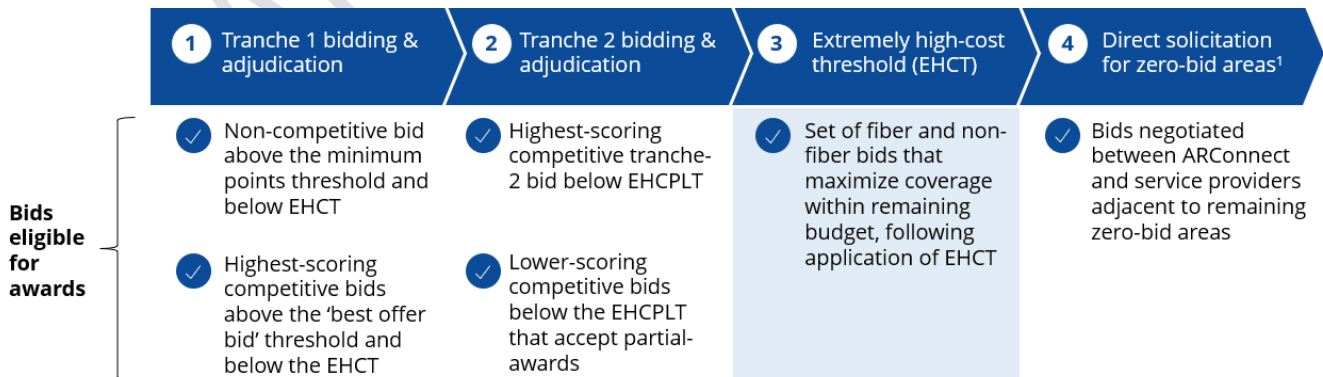
ARConnect may also consider deploying a less costly technology that may not meet BEAD

requirements for reliable broadband service (while otherwise satisfying the program's technical requirements), because no technology meeting the reliable broadband service requirements can be deployed for less than the EHCPLT at a given location. Specifically, low-Earth-orbit satellite internet service will be considered for CBGs where no priority or non-priority bids solicited are below the EHCPLT. This will only be done as a final measure to ensure internet is deployed to 100% of eligible unserved or underserved locations, as per BEAD requirements.

Deployment Subgrantee Qualifications

ARConnect will establish the eligibility of subgrantees through a prequalification application, submitted by all applicants prior to bidding. No applicant with an outstanding or insufficient prequalification application will be allowed to participate in bidding or receive BEAD funding. The information requested in Sections 2.4.11 to 2.4.17 will primarily be solicited as part of this prequalification application. Additionally, applicants will be required to submit the following information:

- Anti-collusion and anti-conflict-of-interest certifications

- BABA and EHP plans and certifications

- Workforce plans and certifications

- Low-cost plan certification

- Weather resiliency plans and certifications

Further validation of detailed project plans and applicant capabilities will be completed prior to initial disbursement of award funds.

2.4.11 Minimum Qualifications for Financial Capabilities

Describe how the Eligible Entity will ensure prospective subgrantees deploying network facilities meet the minimum qualifications for financial capability, as outlined on pages 72–73 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section.

ARConnect will solicit the information described below in items A through D from applicants to ensure they have sufficient financial capabilities to successfully deploy broadband infrastructure, as per BEAD requirements. The following requirements will be communicated to prospective applicants through the Applicant Primer and information sessions. ARConnect will review all documents submitted to establish the eligibility of each applicant. If needed, ARConnect will hire additional staff or contracted support to ensure the capacity and expertise needed for an adequate review. ARConnect will leverage contractor expertise to establish a set of standards for financial health, quality of accounting, solvency, and business plan feasibility and soundness.

Applications that do not meet the minimum qualifications for financial capabilities, as outlined on pages 72–73 of the BEAD NOFO, will not be eligible for BEAD funding through ARConnect.

A) Required qualifications for financial obligations

Detail how the Eligible Entity will require prospective subgrantees to certify that they are qualified to meet the obligations associated with a Project, that prospective subgrantees will have available funds for all project costs that exceed the amount of the grant, and that prospective subgrantees will comply with all Program requirements, including service milestones. To the extent the Eligible Entity disburses funding to subgrantees only upon completion of the associated tasks, the Eligible Entity will require each prospective subgrantee to certify that it has and will continue to have sufficient financial resources to cover its eligible costs for the Project until such time as the Eligible Entity authorizes additional disbursements.

As part of the application process for ARConnect, applicants must certify that they can fulfill the obligations associated with each project on which they intend to bid, that they have sufficient funds to cover all project costs beyond the grant amount, and that they will comply with all program requirements, including service milestones. Additionally, ARConnect will disburse funding on a fixed award basis upon verified and validated completion of associated tasks and milestones, subject to on-site verification and documentation audit, beginning with a 10% disbursement at the start of the grant period and continuing with proportional reimbursements of remaining funds at 10%, 20%, 35%, 60%, 85%, and 100% milestones. Given this reimbursement-based approach, applicants must certify that they have and will continue to have enough financial resources to cover eligible project costs until ARConnect authorizes additional disbursements.

B) Model letter of credit

Detail how the Eligible Entity plans to establish a model letter of credit substantially similar to the model letter of credit established by the FCC in connection with the Rural Digital Opportunity Fund (RDOF).

During the application process, applicants shall be required to submit a letter from an eligible bank (see the Code of Federal Regulations Title 47 § 54.804(c)(2)), in which the bank commits to issuing an irrevocable standby letter of credit to the prospective subgrantee. The letter must include the dollar amount of the letter of credit and the issuing bank's agreement to adhere to ARConnect's model letter of credit terms and conditions. Before executing any subgrantee agreements, all prospective subgrantees must obtain an irrevocable standby letter of credit that ARConnect deems acceptable. As ARConnect will be issuing funding on a reimbursable basis, letter of credits will be required for amounts no less than 10% of the subaward amount. An opinion letter from the subgrantee's legal counsel must be included with the letter of credit, stating that in a proceeding under Title 11 of the United States Code (the Bankruptcy Code), the bankruptcy court would not treat the letter of credit or proceeds of the letter of credit as property of the winning subgrantee's bankruptcy estate under Section 541 of the Bankruptcy Code, subject only to customary assumptions, limitations, and qualifications. Applicants will be asked to submit updated letters of credit as part of regular reporting of demonstrated milestones. Letters of

credit may be revised throughout the process to ten (10) percent of the remaining subaward amount, as milestones are accomplished and grant payments are remitted.

ARConnect reserves the right to fully rely on NTIA's Limited Waiver to the NOFO's Letter of Credit Requirements and any future guidance in that area. ARConnect intends to use the fixed subaward model for grant awards, based on final release of NTIA's modification to the Uniform Guidance.

C) Conditional Programmatic Waiver

The letter of credit requirement described in section 2.4.11.B. above shall be waived to the extent to and as described below:

1. Subgrantee Option to Use Credit Unions

That portion of the letter of credit requirement that requires the use of a bank that meets the eligibility requirements of 47 C.F.R. § 54.804(c)(2) is waived where the subgrantee otherwise meets the letter of credit using any United States credit union that

a) Is insured by the National Credit Union Administration; and

b) Has a credit union safety rating issued by Weiss of B- or better.

2. Subgrantee Use of Performance Bonds

The letter of credit requirement is waived where:

a) Applicants are required to submit a letter from a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570 committing to issue a performance bond to the applicant. The letter shall at a minimum provide the dollar amount of the performance bond.

b) Prior to entering into any grant agreement, each applicant obtains a performance bond, acceptable in all respects to ARConnect and in a value of no less than one hundred (100) percent of the subaward amount.

Where a subgrantee chooses to exercise the option to obtain a performance bond under this waiver, the requirement that the subgrantee provide with its letter of credit an opinion letter as described in section 2.4.11.B. above is waived.

3. Reduction of Letter of Credit/Performance Bonds Upon Completion of Milestones

The requirement that in no event the letter of credit have a value of less than ten (10) percent of the subaward is waived, conditioned upon the requirement that the subgrantee obtain a new letter of credit in a reduced amount upon achievement of specific deployment milestones.

Where a subgrantee chooses to utilize a performance bond in lieu of a letter of credit, the performance

bond may be reduced by a commensurate amount as the subgrantee meets the same deployment milestones.

Should NTIA authorize alternative forms of financial guarantees to satisfy this requirement, ARConnect will consider revising its prequalification rules to match the latest guidance.

D) Audited Financial Statements

Detail how the Eligible Entity will require prospective subgrantees to submit audited financial statements.

To be eligible for funding from ARConnect, each potential subgrantee must provide financial statements from the previous fiscal year that have been audited by an independent certified public accountant. If the subgrantee has not been audited as part of its regular business operations, it may submit unaudited financial statements from the previous fiscal year instead, but must also certify that it will provide audited financial statements from the same period. It is important to note that ARConnect will only approve grants for network facility deployment or upgrades if the submitted documents demonstrate the subgrantee's financial capabilities for the proposed project.

E) Business plans and related analyses

Detail how the Eligible Entity will require prospective subgrantees to submit business plans and related analyses that substantiate the sustainability of the proposed project.

To be considered by ARConnect for BEAD funding, potential subgrantees must submit business plans and related analyses that demonstrate the sustainability of their proposed project. This can be in the form of pro forma statements or analyses, which should include cash-flow, operating cost, and balance-sheet projections for at least three years following the targeted completion of the project.

2.4.11.1 Sample Prequalification application

Optional Attachment: As an optional attachment, submit application materials related to the BEAD subgrantee selection process, such as drafts of the Requests for Proposals for deployment projects, and narrative to crosswalk against requirements in the Deployment Subgrantee Qualifications section.

The Eligible Entity must articulate how it will ensure prospective subgrantees deploying network facilities will meet the minimum qualifications for financial capability. The Eligible Entity must explain the information it will require of subgrantees, how it will collect or require this information, and how it will assess this information during the subgrantee selection process. As a best practice, the Eligible Entity should also consider including information on how they will revise certifications or terms and conditions as needed due to a potential Special Award Condition (SAC). For information on how to successfully create a plan to revise terms and conditions, please see Figure 5 in the Guidance.

The Eligible Entity must detail how it is prepared to gather and assess prospective

subgrantees' certifications that they are financially qualified to meet the obligations associated with a Project, letters of credit, audited financial statements, and sustainability/ pro forma analyses of a proposed Project.

The Eligible Entity may refer to the RDOF sample letters of credit and other resources to help detail its plans for establishing a similar model letter of credit. The Eligible Entity may satisfy this requirement by uploading guidelines for the program and/or application materials using the "Optional Attachment" feature in 2.4.11.1 and providing reference to page numbers that are responsive to this question.

For the optional attachment, an Eligible Entity may provide supplementary materials, such as application questions or Requests for Proposals (RFPs) to help demonstrate that the Eligible Entity is planning to employ subgrantees that meet the qualifications set by the BEAD NOFO. This attachment will apply to all questions in the Deployment Subgrantee Qualifications Section, and the Eligible Entity should reference page numbers in the attachment to show the information they will require from prospective subgrantees to demonstrate their qualifications.

A sample prequalification application is included in Appendix A.

2.4.12 Minimum Qualifications for Managerial Capabilities

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for managerial capability as outlined on pages 73–74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section.

The prequalification application will solicit the information described below in items A and B from applicants to ensure they have sufficient managerial capabilities to successfully deploy broadband infrastructure, as per BEAD requirements. The following requirements will be communicated to prospective applicants through the Applicant Primer and information sessions. ARConnect will review all documents submitted to establish the eligibility of each applicant. If needed, ARConnect will hire additional staff or contracted support to ensure the capacity and expertise needed for an adequate review.

Applications that do not meet the minimum qualifications for managerial capabilities, as outlined on pages 73–74 of the BEAD NOFO, will not be eligible for BEAD funding through ARConnect.

A) Detail how the Eligible Entity will require prospective subgrantees to submit resumes for key management personnel.

To apply for BEAD funding through ARConnect, potential subgrantees must provide resumes for all key management personnel. At a minimum, this should include resumes for all C-suite officers and at least one senior leader who will be accountable for the success of the BEAD-funded deployment in

Arkansas. These resumes will be collected and reviewed by qualified personnel. If necessary, ARConnect may hire additional staff or contractors to ensure that there is sufficient capacity and expertise to thoroughly review the documentation and provide an objective assessment of the managerial capabilities of the potential subgrantee.

B) Detail how the Eligible Entity will require prospective subgrantees to provide a narrative describing their readiness to manage their proposed project and ongoing services provided.

Additionally, prospective subgrantees will be required to submit the below information related to their managerial capabilities:

1. Organizational charts

2. A narrative explanation of their managerial capabilities as they relate to BEAD-related broadband deployment in Arkansas. This narrative should include, at a minimum, the experience and qualifications of key management personnel who will be responsible for the project, the subgrantee's experience with projects of similar size and scope, any recent or upcoming organizational changes such as mergers or acquisitions, and any relevant organizational policies.

2.4.13 Minimum Qualifications for Technical Capabilities

Describe how the Eligible Entity will ensure that any prospective subgrantee deploying network facilities meets the minimum qualifications for technical capabilities, as outlined on page 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section.

ARConnect will solicit the information described below in items A and B from applicants prior to finalization of awards to ensure they have sufficient technical capabilities to successfully deploy broadband infrastructure, as per BEAD requirements. The following requirements will be communicated to prospective applicants through the Applicant Primer and information sessions. ARConnect will review all documents submitted to establish the eligibility of each applicant. If needed, ARConnect will hire additional staff or contracted support to ensure the capacity and expertise needed for an adequate review.

Technical qualifications will be reviewed by a qualified technical third party specifically engaged to objectively review applicant submissions to ensure they meet the technical qualifications to complete and operate the project and evaluate ability to carry out the funded activities in a competent manner. To ensure a comprehensive understanding of these requirements and effective outreach to all prospective applicants, ARConnect may seek the assistance of the Arkansas State Board of Licensure for Professional Engineers and Professional Surveyors and the National Society of Professional Engineers. This collaborative approach will ensure the thorough provision of information and an overview of the stipulated criteria to all prospective applicants.

Applications that do not meet the minimum qualifications for technical capabilities, as outlined on page 74 of the BEAD NOFO, will not be eligible for BEAD funding through ARConnect.

A) Detail how the Eligible Entity will require prospective subgrantees to certify that they are technically qualified to complete and operate the Project and that they are capable of carrying out the funded activities in a competent manner, including that they will use an appropriately skilled and credentialed workforce.

Prospective applicants must provide ARConnect with a certification confirming their technical expertise in executing and overseeing deployment projects, as well as their ability to proficiently conduct the funded activities, including the use of a well-qualified and credentialed workforce, in accordance with the guidelines specified in Section IV.C.1.e of the BEAD NOFO. The documentation to be submitted by prospective subgrantees encompasses, but is not restricted to, the following:

1. Proof of current licensing from relevant regulatory bodies permitting operations in Arkansas

2. Confirmation of current Arkansas licensing for any engineers responsible for certifying design, diagrams, project costs, and more

3. Demonstration of prior experience in designing and successfully delivering projects of similar size, duration, and complexity

B) Detail how the Eligible Entity will require prospective subgrantees to submit a network design, diagram, project costs, build-out timeline, and milestones for project implementation, and a capital investment schedule evidencing complete build-out and initiation of service within four years of the date on which the entity receives the subgrant –all certified by a professional engineer, stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the Project.

Prospective applicants must demonstrate their capacity to execute the funded activities competently with a suitably skilled and credentialed workforce, in accordance with the specifications detailed in Section IV.C.1.e of the BEAD NOFO. The documentation to be provided by prospective applicants includes, but is not confined to, the following:

1. A comprehensive project plan description that explicitly outlines the various stages of the capital investment schedule, encompassing planning, design, implementation, and operation. The project plan should include details such as network design, diagrams, projected costs, four-year timelines, and evidence of adherence to the stipulated timeline as mandated by the BEAD NOFO Section C.2.b.i.
2. A certification affirming that the proposed network has the ability to deliver broadband service meeting the prescribed performance criteria to all the locations covered by the project.

2.4.14 Minimum Qualifications for Compliance with Applicable Laws

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for compliance with applicable laws, as outlined on page 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to

the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section.

The prequalification application will solicit the information described below in items A and B from applicants to ensure they have sufficient legal and regulatory capabilities to successfully deploy broadband infrastructure. The following requirements will be communicated to prospective applicants through the Applicant Primer and information sessions. ARConnect will review all documents submitted to establish the eligibility of each applicant. If needed, ARConnect will hire additional staff or contracted support to ensure the capacity and expertise needed for an adequate review.

For example, pursuant to Arkansas Code Annotated § 25-1-503, "a public entity shall not enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of Israel." By checking the designated box on the bid signature page or proposal signature page of the response packet, the prospective contractor agrees and certifies that they do not and shall not boycott Israel for the duration of the contract.

Additionally, pursuant to Arkansas Code Annotated § 25-1-1102, "a public entity shall not enter into a contract with a company unless the contract includes a written certification that the person or company is not currently engaged in, and agrees for the duration of the contract not to engage in, a boycott of an energy, fossil fuel, firearms, or ammunition industry."

Applications that do not meet the minimum qualifications for legal and regulatory capabilities, as outlined on page 74 of the BEAD NOFO, will not be eligible for BEAD funding through ARConnect.

A) Detail how the Eligible Entity will require prospective subgrantees to demonstrate that they are capable of carrying out funded activities in a competent manner in compliance with all applicable federal, state, territorial, and local laws.

ARConnect is dedicated to conducting a comprehensive vetting process for prospective applicants seeking to deploy network facilities, ensuring their adherence to the minimum qualifications as delineated in Section 2.4.13 of the BEAD NOFO concerning compliance with applicable laws. ARConnect's prequalification application evaluates the viability and regulatory compliance of proposed applicants through their past performance and forward-looking commitments. To submit a grant application, prospective applicants will be required to provide a history detailing compliance with all pertinent federal, state, and local laws for previous broadband projects funded by federal and state programs. The State will also require each applicant to certify their commitment to comply with all applicable relevant State, Federal, territorial, and local laws.

ARConnect will incorporate relevant federal and state procurement practices into the requirements of the subgrant program. This will involve a review of legally binding regulations and agency-specific policies. ARConnect will identify existing federal, state, and local requirements, document pertinent procedures, and formulate new policies as necessary. Leveraging existing relationships with state and

federal partners, ARConnect will ensure robust engagement and adherence to regulatory standards.

B) Detail how the Eligible Entity will require prospective subgrantees to permit workers to create worker-led health and safety committees that management will meet with upon reasonable request.

The prequalification application will assess each subgrantee's proposed policies and procedures designed to ensure compliance with occupational safety and health requirements, including provisions for worker-led health and safety committees that management will engage with upon reasonable request. ARConnect may draw upon details or recommendations from NTIA's Workforce Planning Guide[17] to assist in establishing specific requirements for prospective applicants.

Conditions on non-performance on prior funding

Because locations already subject to another enforceable deployment obligation are not eligible for BEAD, the state of Arkansas has particular concern that all other such obligations are honored. Simply put, the state is concerned that other federal obligations may block a location from BEAD eligibility in the near term and then be defaulted by the provider after the end of the BEAD subgrant process, leaving the locations in question without funding to receive service. Therefore, as a separate step from any federal enforcement penalties, as part of its sub-granting authority under the BEAD program the state seeks to create a disincentive for any provider to subsequently abandon a deployment obligation that as part of the BEAD de-duplication process excludes locations in Arkansas from BEAD eligibility. Any BEAD subgrantee also subject to deployment obligations elsewhere in Arkansas – including from programs such as RDOF, Enhanced-ACAM, ReConnect or any other similar program included in the BEAD de-duplication process – must make an enforceable commitment as part of its BEAD subgrant agreement not to default or otherwise fail to fulfill any such deployment obligation in the state of Arkansas. The condition for breach of this commitment shall be, as reimbursement for funding that could have been awarded but for other federal program funding, payment to the state in the amount equal to the Total Investment cost of all defaulted locations, as measured by the Eligible Entity tool provided to the state by NTIA.

2.4.15 Minimum Qualifications for Operational Capabilities

Describe how the Eligible Entity will ensure that any prospective subgrantee deploying network facilities meets the minimum qualifications for operational capabilities, as outlined on pages 74–75 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section.

The prequalification application will solicit the information described below in items A through E from

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[17] 17 NTIA. (2023). Workforce Planning Guide – Guidance for BEAD Program Eligible Entities.
  https://broadbandusa.ntia.doc.gov/sites/default/files/2022-
  10/DOC_NTIA_Workforce%20Planning%20Guide_FINAL_100722.pdf

applicants to ensure they have sufficient operational capabilities to successfully deploy broadband infrastructure, as per BEAD requirements. The following requirements will be communicated to prospective applicants through the Applicant Primer and information sessions. ARConnect will review all documents submitted to establish the eligibility of each applicant. If needed, ARConnect will hire additional staff or contracted support to ensure the capacity and expertise needed for an adequate review.

Applications that do not meet the minimum qualifications for operational capabilities, as outlined on pages 74–75 of the BEAD NOFO, will not be eligible for BEAD funding through ARConnect.

A) Detail how the Eligible Entity will require prospective subgrantees to certify that they possess the operational capability to qualify to complete and operate the project.

The prequalification application will require prospective applicants to provide the following operational details:

1. The number of years that the prospective applicant has been providing internet service

2. The current number of subscribers, including households, businesses, and CAIs

3. A record of federally or state-funded deployment projects, along with their funding sources and completion or non-completion timelines

4. Any penalties incurred by the prospective applicant, its subsidiaries, affiliates, or holding companies related to deployment projects

5. The number of instances where the prospective applicant has been involved as a defendant in federal or state criminal proceedings or civil litigation

B) Detail how the Eligible Entity will require prospective subgrantees to submit a certification that they have provided a voice, broadband, and/or electric transmission or distribution service for at least two consecutive years prior to the date of their application submission or that they are a wholly owned subsidiary of such an entity, and attest to and specify the number of years that the prospective subgrantee or its parent company has been operating.

The prequalification application will require prospective applicants to provide the following operational details:

1. If a prospective applicant has offered voice, broadband, and/or electric transmission or distribution services for a continuous period of at least two years before the date of application submission, or if it is a wholly owned subsidiary of such an entity, a certification must be submitted. This certification should confirm these facts and specify the number of years that the prospective applicant or its parent company has been in operation.

C) Detail how the Eligible Entity will require prospective subgrantees that have provided a voice and/or broadband service to certify that they have filed FCC Form 477s and a Broadband Deployment Accuracy and Technological Availability (DATA) Act submission, if applicable, as

required during this time period, and otherwise have complied with the FCC's rules and regulations.

The prequalification application will require prospective applicants to provide the following operational details:

1. If the prospective applicant has offered voice and/or broadband services, it must certify its timely submission of FCC Form 477s and, if applicable, a Broadband Deployment Accuracy and Technological Availability Act submission, as required during this period, in compliance with the FCC's rules and regulations. Alternatively, if there is a pending or completed enforcement action, civil litigation, or any other matter related to non-compliance or alleged non-compliance with page 75 of the BEAD NOFO, the prospective applicant should provide an explanation.

D) Detail how the Eligible Entity will require prospective subgrantees that have operated only an electric transmission or distribution service to submit qualified operating or financial reports that they have filed with the relevant financial institution for the relevant time period, along with a certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution.

The prequalification application will require prospective applicants to provide the following operational details:

1. If the prospective subgrantee has exclusively operated an electric transmission or distribution service, it is required to submit qualified operating or financial reports that have been filed with the relevant financial institution during the specified time period. Additionally, a certification confirming the accuracy and authenticity of these submissions in comparison to the reports provided to the relevant financial institution must be included.

E) In reference to new entrants to the broadband market, detail how the Eligible Entity will require prospective subgrantees to provide sufficient evidence to demonstrate that the newly formed entity has obtained, through internal or external resources, sufficient operational capabilities.

The prequalification application will require prospective applicants to provide the following operational details:

1. If the applicant is a new entrant to the broadband market, it is required to present sufficient evidence demonstrating that the newly established entity has acquired adequate operational capabilities, either through internal development or external resources. Such evidence may encompass resumes of key personnel, project descriptions, and narratives from contractors, subcontractors, or other collaborative partners with relevant operational experience, or equivalent documentation.

2.4.16 Minimum Qualifications for Providing Information on Ownership

Describe how the Eligible Entity will ensure that any prospective subgrantee deploying network facilities meets the minimum qualifications for providing information on ownership, as outlined

on page 75 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with the requirements for this section.

The prequalification application will solicit the information described below in item A from applicants to ensure they have provided required ownership disclosures, as outlined on page 75 of the BEAD NOFO. The following requirements will be communicated to prospective applicants through the Applicant Primer and information sessions. ARConnect will review all documents submitted to establish the eligibility of each applicant. If needed, ARConnect will hire additional staff or contracted support to ensure the capacity and expertise needed for an adequate review.

Applications that do not meet the minimum qualifications for disclosure of ownership, as outlined on page 75 of the BEAD NOFO, will not be eligible for BEAD funding through ARConnect.

A) Detail how the Eligible Entity will require prospective subgrantees to provide ownership information consistent with the requirements set forth in the Code of Federal Regulations Title 47 § 1.2112(a)(1)–(7)

ARConnect will ensure that prospective applicants seeking to deploy network facilities are thoroughly vetted and meet the minimal qualifications for providing ownership information, as delineated in section 2.4.16 of the BEAD NOFO and in accordance with the stipulations set forth in the Code of Federal Regulations Title 47 § 1.2112(a)(1)–(7).

The Code of Federal Regulations pertaining to ownership information necessitates adherence to the following provisions:

1. Identify the actual individuals or entities with a vested interest in the prospective applicant or application, including full disclosure of the identity and affiliations of those parties directly or indirectly possessing ownership and/or control over the prospective applicant.

2. Specify the name, address, and citizenship of any party holding 10% or more of the prospective applicant's stock, regardless of voting rights or preferred status, along with the exact percentage of the interest held.

3. For limited partnerships, provide the name, address, and citizenship of each limited partner with an interest of 10% or greater in the prospective applicant, calculated based on equity contributions or profit/loss distributions.

4. In the case of a general partnership, disclose the name, address, and participation percentage of each partner in the partnership.

5. For limited liability companies, present the name, address, and citizenship of each member holding an interest of 10% or greater in the prospective applicant.

6. List all parties holding indirect ownership interests in the prospective applicant, as determined through the cumulative multiplication of ownership percentages across vertical ownership

chains. These parties should represent 10% or more of the prospective applicant, with exceptions made for ownership exceeding 50% or indicating actual control, which should be treated as 100% interest.

7. Identify any FCC-regulated entity or prospective applicant for an FCC license in which the prospective applicant or any parties mentioned in paragraphs (a)(1) through (a)(5) have a 10% or greater ownership stake, whether voting or non-voting, common or preferred. This listing should include a description of each entity's principal business and its relationship to the prospective subgrantee (for example, Company A owns 10% of Company B, the prospective subgrantee, and 10% of Company C, an FCC licensee or license prospective subgrantee).

8. In addition to the aforementioned requirements, each prospective applicant claiming eligibility for small business provisions or a rural-service-provider bidding credit should disclose the following:

    a. On its short-form application for competitive bidding (see the Code of Federal Regulations Title 47 § 1.2105):

        i. Enumerate the names, addresses, and citizenship of all officers, directors, affiliates, and other controlling interests of the prospective applicant, as detailed in § 1.2110. If the applicant is a consortium of small businesses, also list the members of the conglomerate organization.

        ii. Catalog any FCC-regulated entity or prospective applicant for an FCC license in which any controlling interest of the prospective applicant owns 10% or more of any class of stock, warrants, options, or debt securities, along with a description of each entity's principal business and its relationship to the prospective subgrantee.

        iii. Detail all agreements or arrangements entered into for the utilization of the spectrum capacity of the prospective subgrantee's spectrum.

        iv. Provide separate and aggregate gross revenue figures, as per § 1.2110, for the prospective subgrantee, its affiliates, its controlling interests, affiliates of its controlling interests, and the members within a consortium of small businesses, if applicable.

        v. For those claiming eligibility for a rural service provider bidding credit, furnish all pertinent information substantiating compliance with the criteria outlined in § 1.2110(f)(4).

        vi. For consortiums of designated entities, provide the information specified in paragraphs (b)(1)(i) through (v) individually for each consortium member.

    b. As an attachment to its application for a license, authorization, assignment, or control transfer:

        i. Compile a list of the names, addresses, and citizenship of all officers, directors, and other controlling interests of the prospective subgrantee, as outlined in § 1.2110.

ii. Document any FCC-regulated entity or prospective subgrantee for an FCC license in which any controlling interest of the prospective subgrantee possesses a 10% or greater stake in any class of stock, warrants, options, or debt securities, including a description of each entity's principal business and its relationship to the prospective subgrantee.

iii. Summarize all agreements or instruments that substantiate the prospective subgrantee's eligibility as a small business under designated entity provisions. This should encompass articles of incorporation, partnership agreements, shareholder agreements, trust agreements, management agreements, franchise agreements, spectrum leasing arrangements, and any other pertinent agreements – oral or written.

iv. Summarize any investor protection agreements, encompassing rights of first refusal, supermajority clauses, options, veto rights, employee hiring and firing rights, and board of directors or management committee appointment rights.

v. Provide separate and aggregate gross revenue figures, computed in accordance with § 1.2110, for the prospective applicant, its affiliates, its controlling interests, affiliates of its controlling interests, and, if applicable, the members within a consortium of small businesses.

vi. Summarize all documentation required to establish eligibility for a rural telephone cooperative exemption pursuant to § 1.2110(b)(4)(iii)(A).

vii. List and summarize any agreements in which the prospective applicant has entered into arrangements for the use of any of the spectrum capacity of the license under application.

viii. For those claiming eligibility for a rural service provider bidding credit, provide all necessary information to demonstrate alignment with the criteria outlined in § 1.2110(f)(4).

2.4.17 Minimum Qualifications for Providing Information on Other Public Funding

Describe how the Eligible Entity will ensure that any prospective subgrantee deploying network facilities meets the minimum qualifications for providing information on other public funding, as outlined on pages 75–76 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with the requirements for this section.

The prequalification application will solicit the information described below in items A and B from applicants to ensure they disclosed all other sources of public funding, as per Section 2.4.17 of BEAD Guidelines. The following requirements will be communicated to prospective applicants through the Applicant Primer and information sessions. ARConnect will review all documents submitted to establish the eligibility of each applicant. If needed, ARConnect will hire additional staff or contracted support to ensure the capacity and expertise needed for an adequate review.

Applications that do not meet the minimum disclosures of other sources of public funding, as outlined on pages 75–76 of the BEAD NOFO, will not be eligible for BEAD funding through ARConnect.

A) Detail how the Eligible Entity will require prospective subgrantees to disclose for itself and for its affiliates, any application the subgrantee or its affiliates have submitted or plan to submit, and every broadband deployment project that the subgrantee or its affiliates are undertaking or have committed to undertake at the time of the application using public funds.

The prequalification application will require prospective applicants to provide the following operational details:

1. ARConnect will require each prospective applicant to disclose the following:

    a. Any application that the prospective applicant or its affiliates have submitted or plan to submit for broadband deployment

    b. Every broadband deployment project that the prospective applicant or its affiliates are currently undertaking or have committed to undertake using public funds at the time of the application. These public funds include, but are not limited to, funds provided under:

        i. Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178)

        ii. Coronavirus Aid, Relief, and Economic Security Act (Public Law 116-136; 134 Stat. 281)

        iii. Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182)

        iv. American Rescue Plan, 2021 (Public Law 117-2; 135 Stat. 4)

        v. Universal Service high-cost program (including the Rural Digital Opportunity Fund, Connect America Fund, and Enhanced Alternative Connect America Cost Model)

        vi. Any ARConnect (State funds) or locally-administered universal service or broadband deployment funding program

B) At a minimum, the Eligible Entity shall require the disclosure, for each broadband deployment project, of (a) the speed and latency of the broadband service to be provided (as measured and/or reported under the applicable rules), (b) the geographic area to be covered, (c) the number of unserved and underserved locations committed to serve (or, if the commitment is to serve a percentage of locations within the specified geographic area, the relevant percentage), (d) the amount of public funding to be used, (e) the cost of service to the consumer, and (f) the matching commitment, if any, provided by the subgrantee or its affiliates.

The prequalification application will require prospective applicants to provide the following operational details:

1. For each broadband deployment project, ARConnect will require the disclosure of the following information:

    a. The speed and latency of the broadband service to be provided, as measured and/or reported under the applicable rules

    b. The geographic area intended to be covered by the project

c. The number of unserved and underserved locations committed to being served. If the commitment is to serve a percentage of locations within the specified geographic area, the relevant percentage should be provided.

d. The amount of public funding to be used for the project

e. The cost of service to the consumer

f. Any matching commitment, if applicable, provided by the prospective applicant or its affiliates

Non-Deployment Subgrantee Selection (Requirement 9)

Arkansas' priority is to ensure coverage of all unserved and underserved locations and eligible CAIs. As ARConnect finalizes award amounts for deployment projects, it will calculate any remaining BEAD funds that are available for non-deployment priorities. Non-deployment priorities will be accomplished by two activities. First, ARConnect will allocate funding to two state-facilitated non-deployment activities, relating to workforce development and digital safety, described in Section 2.6.1 (Requirement 10). Once the state-facilitated non-deployment activities are funded, the state plans to conduct a provisional subgrantee selection process to solicit bids for non-deployment activities. Bids for projects across a range of non-deployment activity types will be considered. Applicants will be encouraged to apply for with any concepts that support Arkansas' 5 Year Action Plan and Digital Skills and Opportunities Plan. Priority will be given for applications across the four primary categories outlined in Arkansas' Five-Year Action Plan and described below. The sample activities described for each category are illustrative and to be refined as ARConnect collects additional community input and gains a clearer estimate of the potential funding available following 100% broadband coverage of eligible locations.
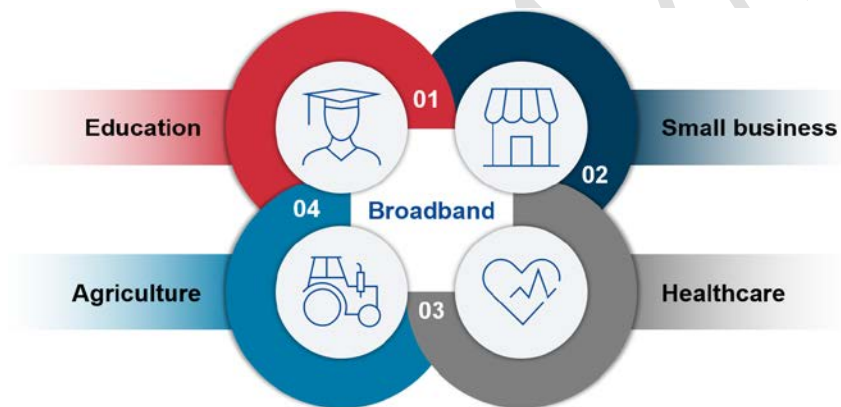
Non-deployment primary priorities

- **Education** (examples could include computer science and coding education, cybersecurity training, digital literacy/upskilling, and remote learning)

- **Small business** (examples could include online job search support and digital literacy/upskilling)

- **Healthcare** (examples could include telehealth, such as digital patient monitoring or virtual doctor's visits)

- **Agriculture** (examples could include awareness and education on digital systems for agriculture management)[18]

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[18] Though agriculture is not a model non-deployment priority outlined in the NOFO, it is a highly important sector for the state of Arkansas, and there is significant potential to develop smart technologies and capabilities for farming practices. Consequently, it is an important priority for the state and BEAD-related non-deployment.

In line with the BEAD NOFO Section B.7.a.iii, ARConnect will consider supporting additional NTIA-defined non-deployment activities, including those that promote a broadband-ready workforce, broadband adoption, cybersecurity training, multilingual outreach, deployment of Wi-Fi in eligible multifamily residential buildings, other projects that include deployment of Wi-Fi or other non-fixed infrastructure necessary to enable end-user benefits in the priority areas above, low-cost or middle-class affordability plan options, investment in digitally delivered government services, and other innovative ideas supporting Arkansas' Five Year Action Plan and Digital Skills and Opportunities Plan.

2.5.1 Describe a fair, open, and competitive subgrantee selection process for eligible non-deployment activities. Responses must include the objective means, or process by which objective means will be developed, for selecting subgrantees for eligible non-deployment activities. If the Eligible Entity does not intend to subgrant for non-deployment activities, indicate such.

For Arkansas' BEAD non-deployment subgrantee process, the state will follow a similar set of principles to its BEAD deployment subgrantee process to ensure fairness, openness, and competitiveness as required by NTIA. Such principles include requiring applicants certify compliance with anti-collusion and conflict-of-interest laws, maintaining applicant anonymity throughout the application process, providing public announcement of the process prior to its commencement, and utilizing clear and specific evaluation criteria that minimize biased or arbitrary decisions. Please reference the end of Section 2.4.1 for a full description of these principles.

Below is an overview of general approaches to facilitate a fair, open, and competitive subgrantee process for non-deployment, as required by NTIA:

- **Openness:** ARConnect will publicly announce the timeline and requirements for participation in the sub-grantee process for non-deployment activities and provide notice 60 days prior to the opening of the application period to a wide variety of potential applicants to ensure an open subgrantee selection process. ARConnect will publicly announce the non-deployment grant application process through the ARConnect website and a newsletter to County Broadband Committees. This announcement will include detailed information about the application process, eligibility criteria, and evaluation criteria. ARConnect may also broadcast opportunities for funding through the Arkansas Economic Development Commission's partner list.

- **Competitiveness:** ARConnect will rely on a set of objective evaluation criteria to assess applications and ensure a competitive process. Examples of evaluation criteria include the project's potential impact on Arkansans' access to broadband and broadband-enabled services, value relative to cost, contributions to the non-deployment goals outlined in the Requirement 9 preamble, strength of the project management plan, evidence of past success on similar projects, and applicant's capacity to implement the project successfully. Scoring criteria will be established in advance and communicated to potential applicants. Where relevant, state standard procurement processes will be followed.

ARConnect will work with its Broadband Roundtables to finalize the specific criteria evaluated to select non-deployment sub-grants. Ideally, a single, universal rubric will be used to allow ARConnect to select between a range of non-deployment projects. Below is a preliminary scoring rubric for non-deployment sub-grant applications.

Contribution to broadband access and broadband-enabled services (30%): Evaluate the number of Arkansans who will gain access to broadband or broadband-enabled services. Consider both the number of Arkansans as well as the qualitative impact of the access afforded by the proposal.

Feasibility (20%): Evaluate evidence of the potential sub-grantee's success in completing similar projects in the past and review applicant's managerial, operational, and financial position. Evaluate the reasonableness of the proposed budget.

Project Management plan (20%): Review applicant's project plan for clarity, comprehensiveness, and reasonableness. Project plans should include key activity, required personnel, dependencies, and milestones.

Cost-effectiveness (20%): Evaluate the reasonableness of the budget relative to the proposed objectives and targeted impact.

Alignment with ARConnect non-deployment priorities (10%): Evaluate how well the proposal aligns with ARConnect's announced non-deployment priorities of Education, Healthcare, Small Business support, and Agriculture.

- **Fairness:** ARConnect will protect against bias, collusion, conflicts of interest, and arbitrary decisions through its evaluation and appeals processes. As outlined under "Competitiveness" above, ARConnect will evaluate applications based on specific established criteria to be specified at a later date, which will help minimize bias and arbitrary decisions. ARConnect will rely on its stakeholder engagement efforts, especially its roundtables with subject matter experts in agriculture, education, small business, and healthcare (see Requirements 2 and 4 for further details), to recommend non-deployment priorities. However, stakeholders will not be involved in reviews of applications. ARConnect will hire external consultants and rely on them to bring knowledge of relevant sectors and local challenges and opportunities therein. ARConnect staff and all external consultants involved in reviewing non-deployment sub-grant applications will be required to disclose any conflicts of interest prior to beginning reviews, and staff will follow state policies to avoid creating conflicts of interest. ARConnect will also require applicants to certify that they will abide by federal and state anti-collusion laws as part of the application process. If any impropriety is identified, ARConnect will work with state attorneys to ensure appropriate actions are taken, the issue is mitigated, and any awarded funds are rescinded or clawed back. Finally, after publishing the list of selected subgrantees on its website, along with a summary of the evaluation process, ARConnect will allow applicants to request a review of the selection decision within seven days if they believe there were procedural errors or inconsistencies in the evaluation process. This appeals process will provide a fair opportunity for applicants to present their case. An independent entity may be involved in appeal evaluation.

2.5.2 Describe the Eligible Entity's plan for the following:

A) How the Eligible Entity will employ preferences in selecting the type of non-deployment initiatives it intends to support using BEAD program funds

As described in the Requirement 9 preamble, ARConnect has selected four categories as preferred uses for non-deployment initiatives: education, small business, healthcare, and agriculture. ARConnect will prioritize applicants that present innovative solutions within these priorities. Categories were selected following careful consideration of the state's existing priorities and potential to bring broadband adoption into fruition. However, ARConnect will also encourage applications across a range of project types that support greater broadband access and access to broadband-related services. Applications will be collected and reviewed in a unified selection process.

As described under "Competitiveness" in Section 2.5.1, ARConnect will also rely on a set of objective evaluation criteria – detailed above but to be finalized at a later date and communicated ahead of time to applicants – to guide prioritization of applications. Examples of evaluation criteria include the project's potential impact on Arkansans' access to broadband and broadband-enabled services, value relative to cost, contributions to the non-deployment goals outlined in the Requirement 9 preamble, strength of the project management plan, evidence of past success on similar projects, and applicant's capacity to implement the project successfully.

B) How the non-deployment initiatives will address the needs of residents within the jurisdiction

The four proposed categories of non-deployment initiatives have been selected to foster the greatest impact for Arkansans across the state, considering various challenges and opportunities.

- **Education:** Universal broadband connectivity leads to greater access to educational choices and increases educational opportunities for students and their families, while also promoting enhanced collaboration between educational institutions and private-sector businesses to create career pathways for individuals. Through focusing on digital literacy and skills, computer science and coding education, and digital safety training, non-deployment initiatives for education can ensure the full benefits of broadband adoption are maximized for the state's next generation.

- **Small business:** From payroll to e-commerce and all business processes in between, companies today increasing rely on technology that requires significant broadband access, and this reliance will only further solidify in the future. Emerging trends in telecommuting strategies, remote technology platforms, and retraining workers into more high-tech positions have stabilized and even advanced career opportunities once unattainable to the average worker. Broadband infrastructure deployment and adoption will enable small businesses to grow and entrepreneurial spirit to flourish.

- **Healthcare:** The significant shift in healthcare from a fee-for-service to a value-based model has given rise to telehealth services. Telehealth is the virtual delivery of healthcare services through an internet connection. The range of services includes remote patient monitoring, educational

sessions, access to electronic medical records, and the opportunity to connect with medical professionals and specialists when acute health concerns arise. Telehealth fosters patient–provider connections and offers economic efficiencies in rural areas with limited healthcare options. Expanding broadband access to unserved and underserved areas of the state will provide the core infrastructure necessary to enable the full suite of telehealth options to positively impact the state's covered populations.

- **Agriculture:** Agriculture employs one in every seven Arkansans and could benefit significantly from digital farming tools, presenting a strong opportunity to improve the lives of Arkansans.[19] Agriculture is Arkansas' largest industry, contributing around $16 billion annually to the state's economy.[20] The state's diverse landscape and climate enables the production of a wide variety of agricultural products. Arkansas is a major exporter of rice, soybeans, cotton, poultry, and feed grains. There are over 49,000 farms statewide and 97% are family owned.[20] The state's land resources consist of 14.5 million acres of workable farmland.[20] Arkansas farmers and ranchers are faced with rising challenges in competitive pricing, weather, operating costs, and limited infrastructure, while needing to produce more to feed a growing global population. The agriculture industry is also undergoing a technological revolution, providing farmers and ranchers greater abilities to maximize land use, increase crop yields, individually manage herd health, adopt more sustainable practices, and lower operational costs. Full access and utilization of current (and future) technologies are constrained due to limited or no broadband connectivity in much of rural Arkansas. Nationally, 82% of farms reported having access to the internet, while in Arkansas, 76% of farms reported having access to the internet. Only 23% of farms in Arkansas have reported using precision agriculture practices to manage crops or livestock.[21]

Workforce and digital safety are two additional key non-deployment initiatives of the state, and they will be pursued through state-led activities discussed in detail in Section 2.6.1.

C) The ways in which engagement with localities and stakeholders will inform the selection of eligible non-deployment activities

Local and regional stakeholder engagement has and will continue to inform non-deployment priorities. As described in Requirements 2 and 4, ARConnect has engaged with various stakeholders, including through roundtables with various industry experts, a tour of all 75 Arkansas counties, and the establishment of County Broadband Committees to serve as local partners in BEAD implementation.

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[19] Rachel Dotson. (2023). *State of Success: Arkansas*. National Institute of Food and Agriculture, United States Department of Agriculture (USDA). https://www.nifa.usda.gov/about-nifa/blogs/state-success-arkansas.

[20] Farm Bureau Arkansas. (2023). Retrieved from https://www.arfb.com/pages/education/ag-facts/

[21] USDA. (2021). *Farm Computer Usage and Ownership*. National Agricultural Statistics Service, USDA. downloads. usda.library.cornell.edu/usda-esmis/files/h128nd689/j0990b03m/bk129904d/fmpc0821.pdf.

Such initiatives inform non-deployment activities in the following ways:

- **Establishing the State's non-deployment priorities:** Through the 75-county tour, regional community listening sessions, focus groups, and Digital Skills and Opportunity Survey of over 12,500 residents, ARConnect has gained an understanding of the challenges Arkansans are facing related to broadband connectivity. Consequently, insights from these activities have shaped ARConnect's selection of four non-deployment categories: agriculture, healthcare, education, and small business. In complement, ARConnect has facilitated roundtables with industry and subject matter experts for these four categories, providing an understanding of specific opportunities for broadband within each.

- **Selecting subgrantees for non-deployment:** Through County Broadband Committees, ARConnect has increased communication regarding local contexts and specific uses for non-deployment initiatives in each county. With remaining BEAD funds for non-deployment, these local contexts will help inform subgrantee selection.

ARConnect will continue to seek public input into non-deployment priorities through the public comment process that will begin following the publication of this document.

D) How the Eligible Entity will determine whether other uses of the funds might be more effective in achieving the BEAD program's equity, access, and deployment goals

ARConnect carefully considered the state's priorities and consulted with various stakeholders to develop the list of non-deployment categories in the Requirement 9 preamble. Three of the four categories are aligned with model non-deployment initiatives outlined in the BEAD NOFO, including education, small business, and healthcare. The fourth category – agriculture – was selected due to its high importance and relevance to Arkansas specifically. Agriculture is Arkansas' largest industry, contributing around $16 million to its economy and employing roughly one in every seven Arkansans.[22] There is significant potential to develop smart technologies and capabilities for farming practices. Consequently, it is an important priority for the state and BEAD-related non-deployment.

As part of the process outlined above, the State will continue to engage with State and local stakeholders to gain all possible information about other uses of funds that are consistent with the BEAD NOFO and Arkansas' Digital Skills and Opportunity Plan. ARConnect is also coordinating with the Governor's Office to explore all potential uses of BEAD funds to meet the digital access and opportunity needs of the State.

2.5.3 Describe the Eligible Entity's plan to ensure coverage to all unserved and underserved locations prior to allocating funding to non-deployment activities.

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[22] Rachel Dotson. (2023). *State of Success: Arkansas*. National Institute of Food and Agriculture, USDA. https://www.nifa.usda.gov/about-nifa/blogs/state-success-arkansas; see Arkansas Farm Bureau's Agriculture Facts here.

The state of Arkansas has conducted a preliminary evaluation of various components of BEAD deployment and will continue to develop additional modeling and monitoring to ensure BEAD funds can be utilized for all intended goals. This modeling will include using the bids received in tranche 1 and 2 of regular deployment subgrant bidding to estimate the total required BEAD outlay needed to reach 100% coverage.

Based on preliminary cost modeling for unserved and underserved BEAD locations, ARConnect estimates that BEAD deployment in Arkansas may require about $800 million. This estimate is based on greenfield NPV requirements for fiber projects in Arkansas as of August, 2023. The addition of Community Anchor Institutions following the close of the challenge process may increase the required funding but is not anticipated to surpass Arkansas's over $1B allocation. Of course, this is contingent on the competitive dynamics of the actual BEAD bidding process, inflation, and several other factors. ARConnect is committed to remaining observant and updating modeling as additional information becomes available to ensure a smooth BEAD deployment and non-deployment process. This suggests that Arkansas will have remaining available funds with which to implement its non-deployment priorities.

ARConnect plans to stage the application for non-deployment sub-grants in parallel to deployment sub-grantee selection. However, total amount of available funding for non-deployment priorities will be communicated as a provisional value, subject to change based on outcomes of deployment sub-grant bidding. All non-deployment sub-grant awards will be finalized only after ARConnect has identified sub-grantees for broadband deployment to all eligible BSLs and CAIs.

2.5.4 Describe how the Eligible Entity will ensure prospective subgrantees meet the general qualifications outlined on pages 71–72 of the NOFO.

ARConnect is committed to ensuring selected subgrantees are capable of the following NTIA requirements:

- Can carry out activities funded by the subgrant in a competent manner in compliance with all applicable federal, State, and local laws.

- Have the financial and managerial capacity to meet the commitments of the subgrantee under the subgrant, the requirements of the program. and such other requirements as have been prescribed by the Assistant Secretary or the State,

- Have the technical and operational capabilities to provide the services promised in the subgrant in the manner contemplated by the subgrant award.

To vet subgrantees' ability to the three qualifications above, ARConnect will formulate specific questions in the grant application process where potential subgrantees will be required to provide details on the items outlined above, and applicants will be scored on these criteria. ARConnect will ensure applicants are made aware of these requirements prior to the selection process by notifying them in the initial public announcement and posting a list of regulations on ARConnect's site.

Specifically, the minimum standards and evidence for compliance are the following, and applicants will be scored on these standards as a method for verifying their compliance:

- **Compliance with law:** Applicants will be required to provide a written commitment to adhere to all relevant federal, state, and local laws. Should an applicant be selected, the subgrantee contract will also commit awardees to following applicable laws.

- **Financial and managerial capacity:** To verify financial capacity, applicants will be required to submit proposed budgets for initiatives, certification that the applicant is financially qualified, a letter of credit as required by NTIA, audited financial statements, and a business plan. To verify managerial capacity, applicants will be required to submit resumes and narratives for the key individuals who will oversee the initiative, so that evaluators can understand experience and readiness to carry out the project.

- **Technical and operational capacity:** Applicants will be required to submit proposed timelines, a detailed project plan, and the resources required for successful implementation, as well as their past track record on similar efforts, partnerships, and relevant experience.

Grant applications will be carefully reviewed by qualified personnel. If necessary, ARConnect will hire additional staff or source contractor support to ensure there is appropriate capacity and expertise to adequately review the documentation and provide a third-party perspective on the capabilities documented above of the prospective subgrantee.

Eligible Entity Implementation Activities (Requirement 10)

2.6.1 Describe any initiatives the Eligible Entity proposes to implement as the recipient without making a subgrant and why it proposes that approach.

With remaining BEAD funding, the state of Arkansas will implement two key activities without making a subgrant:
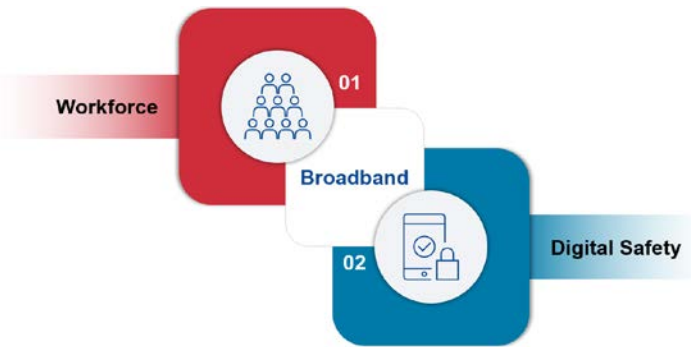
1. Workforce development

Arkansas seeks to build upon existing programs in its network of community and technical colleges, which already provide fiber-optic training programs. ARConnect plans to award $15 million to its community and technical colleges to help rapidly scale up the Arkansas Fiber Academy to meet the workforce demands of the broadband industry. Currently, the Arkansas Fiber Academy offers basic industry competency programming and specialty training for Aerial Lineman, Telecommunication Tower Technician, and Underground Fiber Technician jobs at three community college locations across Arkansas, all free of charge to eligible participants. With the planned $15 million investment, Arkansas Fiber Academy will aim to add three additional training locations, a travelling training program, and wrap-around services for program participants to further expand accessibility to the training program and subsequent job opportunities. Wraparound services could include support for program participants through travel, lodging, and meal vouchers. This will be crucial for Arkansas to be equipped with a highly skilled workforce to meet the labor demands of rapid BEAD deployment.

The $15 million will be directed toward personnel and equipment, based on specific needs outlined by potential locations in their budget. All necessary state procurement processes will be followed here.

In tandem, ARConnect will collaborate with both ISPs and colleges to create direct hiring pathways for graduates. ISPs will serve as partners in developing college curriculum to ensure students are equipped with the relevant skills for broadband workforce needs. This facilitation of direct-hiring pathways will benefit from sub-grantee commitments, as incentivized by the scoring rubric and described in Section 2.4.2 of this document. ARConnect does not anticipate requiring additional funding to support this facilitation effort.

2. **Digital safety**

Arkansas will also allocate $5 million to state efforts to raise awareness on digital safety and social media for elementary education students. Partnering with the Arkansas Department of Education and County Broadband Committees, the state will facilitate educational curriculum and programming on digital safety among Arkansas' elementary schools. Education and cybersecurity are top priorities for the state, and Arkansas recognizes that its next generation must be equipped with the skills to navigate a digital world safely.

ARConnect is implementing these two initiatives without making a subgrant, given that the state is best positioned to facilitate swift and effective action across its community colleges and elementary schools. The state is already implementing preexisting activities relating to these initiatives, has preexisting relationships and established modes of working with these stakeholders, and benefits from institutional memory from previous efforts.

Grant administration and implementation

In addition to these two core initiatives, ARConnect may require funds for key activities to support administration and implementation of the BEAD program, which the state is uniquely positioned to effectuate. ARConnect is finalizing the exact support required. ARConnect anticipates needs may merge around these areas:

Grant administration processes, including for subgrantee selection: ARConnect will require funds to manage the end-to-end BEAD grantmaking process, from grant application processing to grant review, contracting, monitoring, and disbursement of awards. Project management and technical guidance, as well as grant portal redevelopment, may also be important activities to support grant execution, particularly regarding implementation of the subgrantee selection process. The subgrantee selection process may involve both a preparation phase and an implementation phase. The preparation phase may require funding to develop relevant technical assistance artifacts for applicants as well as analytical tools (e.g., tools to objectively score and compare overlapping bids, redraw maps for applicants following provisional awards, and calculate and apply the EHCPLT). The implementation phase may require funding to execute on timely review and curing of subgrantee pre-qualification applications, processing and analysis of multiple tranches of bids, calculation and administration of EHCPLT, solicitation of direct bids for any remaining unserved areas following all regular bidding, and contracting, as well as applicant communication and technical assistance throughout. Finally, ARConnect may require funding to support parallel preparation and administration of non-deployment subgrantee selection and preparation for grant monitoring and value assurance.

- **Implementation of the challenge process:** ARConnect may require funds to facilitate activities relating to the challenge process, such as comprehensively reviewing challenges and summarizing them in final determination memos.

ARConnect will ensure that administrative and programmatic costs are applied appropriately. A combination of internal staff, staff augmentation, and contractor support may be utilized.

Labor Standards and Protections (Requirement 11)

2.7.1 Describe the specific information that prospective subgrantees will be required to provide in their applications and how the Eligible Entity will weigh that information in its competitive subgrantee selection processes.

Following the BEAD Guidelines Section 2.7.1 related to projects financed by BEAD, the state of Arkansas will require prospective applicants to provide information on past records and future commitments to compliance with federal labor and employment laws. The applicant will be required to demonstrate past compliance with federal labor and employment laws in the context of deployment and operation of existing broadband services over the past three years. As required by NTIA, new broadband service providers without compliance records must be permitted to submit forward-looking commitments and plans to be in compliance with strong labor and employment standards and protections with respect to any BEAD-funded projects.

Additionally, prospective applicants, as well as their contractors and subcontractors, will be required to ensure future compliance with federal labor and employment laws by submitting a narrative explanation stating that they will remain compliant in their own labor and employment practices.

At a minimum, per NTIA's mandates in the BEAD Guidelines Section 2.7.1., ARConnect will require the following information to demonstrate both past compliance and commitments to future compliance with federal labor and employment laws should include the following:

- The prospective applicant's historical compliance record with federal labor and employment laws over the past three years, as well as the compliance records of any other entities participating in the project, including contractors and subcontractors; for example, this could include the provision of copies of previous contractual language by the applicant, contractors, and subcontractors as illustrative evidence

- Certification from an officer or director-level employee (or an equivalent position) as evidence to support their consistent past compliance

- Any instances of labor and employment law violations, such as those related to the Occupational Safety and Health Act, Fair Labor Standards Act, or any other applicable laws within the past three years for both the prospective applicant and any contractors and subcontractors

- Information regarding wage scales and wage payment practices, including overtime payments, applicable for each category of employees directly involved in the physical construction of the broadband network, as required by NTIA

- Information outlining how the prospective applicant intends to establish workplace safety committees with the authority to raise health and safety concerns in the context of deployment projects

Furthermore, in the selection process, ARConnect will evaluate the prospective applicant's history of

adherence to federal labor and employment laws and assign priority to evidence of the applicant's commitment to fair labor practices, as required by NTIA. This includes:

- Any applicant certifying and demonstrating full compliance with all applicable fair labor and employment laws, boasting an exemplary record of consistency with no violations within the last three years, will receive the maximum score for the corresponding components of scoring rubric.

2.7.2 Describe in detail whether the Eligible Entity will make mandatory for all subgrantees (including contractors and subcontractors) any of the labor standards and protections and, if required, how it will incorporate them into binding legal commitments in the subgrants:

Arkansas will not require any labor standards and protections as legally binding commitments from prospective applicants (including contractors and subcontractors) beyond what is mandated by applicable federal labor and employment laws. ARConnect encourages prospective applicants to integrate the following labor standards and protections into their submissions:

a. Use of local hiring provisions

b. Use of an appropriately skilled workforce

c. Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant preexisting occupational training, certification, and licensure).

Workforce Readiness (Requirement 12)

2.8.1 Describe how the Eligible Entity and their subgrantees will advance equitable workforce development and job quality objectives to develop a skilled, diverse workforce. At a minimum, this response should clearly provide each of the following, as outlined on page 59 of the BEAD NOFO.

The state of Arkansas acknowledges the important role that digital skills play in driving economic growth, fostering workforce development, and promoting the expansion of small businesses. As a result, prioritizing investments in a proficient workforce will expedite the widespread accessibility of broadband services throughout the state. These investments are particularly useful in addressing the current shortage of skilled workers in the broadband and telecommunications sector. Since its inception in 2019, ARConnect has engaged with stakeholders through a series of sessions, including the Workforce Development Roundtable, to better understand challenges in the broadband workforce. Additionally, ARConnect is establishing infrastructure and workforce roundtables with ISPs, industry leaders, and other key stakeholders to facilitate discussions on the BEAD program at various stages of planning and implementation.[23] Finally, Arkansas has invested over $3M to launch the Arkansas Fiber Academy as a partnership between ARConnect, Arkansas Community Colleges and the Arkansas Office of Skills Development, supporting new specialty programs with accelerated paths to licensing and employment as Aerial Linemen, Telecommunication Tower Technicians, and Underground Fiber Technicians. Arkansas Fiber Academy currently operates programs in three locations. As part of ARConnect's planned Eligible Entity Implementation Activities (Requirement 10 of this document), ARConnect will invest an additional $15M to shore up the current programming, scale to an additional 3 locations with the potential of an additional traveling training program, and extend wrap-around services for participants in Arkansas Fiber Academy.

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[23] ARConnect (2023). *5-Year Action Plan*. https://broadband.arkansas.gov/wp-content/uploads/ARConnect_5YAP_Final.pdf.

Table 4: Projected NTIA-identified BEAD demand and potential labor shortages[24]

Occupation group	BEAD Demand (FTEs)	Deficit/Supply[1]	
Laborers and material movers	1,247	-8.9%	**Largest BEAD demand**
Trucking crew	1,121	-1.3%	Physical infrastructure roles identified as highest expected BEAD demand
Equipment operators	307	-9.2%	
Fiber and wireless technicians	247	-8.5%	
Trenchers	171	-6.3%	
Software engineers	154	**-14.8%**	
Master and stage electricians	143	-8.4%	**Highest anticipated gaps**
Structural engineers	64	-7.5%	Specialized roles requiring advanced education and on-the-job training make up majority of cross industry deficit
Network architects and coordinators	63	-9.5%	
Surveyors and drafters	43	-9.3%	
Inspectors (e.g., permit, health & safety)	37	-7.1%	
RF & field engineers	21	**-16.8%**	
Totals in 2026	**3,618**	**-7.9%**	

1. Source: NTIA State Workforce Research Findings: Arkansas

Nonetheless, there is still substantial work to be done, as the expected BEAD demand may account for as much as 24% of Arkansas' projected workforce shortfall. It is imperative to tackle this deficit to reduce the digital skills gap and alleviate labor shortages.[25] Specialized roles requiring advanced education and on-the-job training, such as software, radio frequency, and field engineers, make up the majority of Arkansas' workforce cross-industry deficit, and are expected to be in high demand for BEAD projects by 2026.[20] To better identify opportunities and tackle the challenges in workforce development, ARConnect is currently developing a separate Digital Skills and Opportunity Plan.

In response to these challenges, ARConnect will encourage prospective award recipients to train and employ a highly skilled workforce, foster public-private-sector-based partnerships, remove barriers to entry for broadband-related occupations, and create opportunities for Arkansans from all backgrounds. At minimum, NTIA requires ARConnect to provide detailed descriptions for the subsequent strategies outlined in items A through D below:

A) Ensure applicants support development and use of a highly skilled workforce: ARConnect will establish clear requirements for workforce development within applicant workforce plans and will incentivize prospective applicants to support the use of a skilled and credentialed workforce through both the scoring rubric and state funding for expanding broadband workforce.

In accordance with the BEAD Guidelines Section 2.8.1 requirements pertaining to projects funded by BEAD, prospective applicants must explain their commitment to develop and use a highly skilled

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[24] NTIA (2023). State Workforce Research Findings: Arkansas. Research and findings shared with Arkansas directly.

[25] NTIA (2023). *State Workforce Research Findings: Arkansas.* Research and findings shared with Arkansas directly.

workforce by crafting workforce plans that guarantee the presence of appropriately skilled and certified workers. At a minimum, workforce development plans should explain the prospective applicant's approach to creating quality job opportunities with equal access for all Arkansans. These plans may include various elements, such as:

1. Forming industry partnerships with community colleges offering broadband-related courses, including via good faith agreements or letters of intent to train and hire recent Arkansan graduates as full-time employees.

2. Supporting the appropriate credentialing of workers who possess preexisting occupational training, certification, and licensure.

3. Creating quality jobs that offer benefit packages while fostering employee development and career advancement.

4. Establishing registered apprenticeships or similar joint workforce/management training programs that cater to the needs of all workers.

ARConnect plans to provide incentives for prospective applicants to develop effective workforce plans through the scoring rubric, as detailed in Section 2.4.2 of this document. ARConnect plans to allocate points to plans that incorporate the following components:

1. Facilitation of guaranteed letters of commitment with state technical and/or community colleges, demonstrating good faith efforts through letters of intent to hire Arkansan graduates.

2. Collaboration with apprenticeship programs offering services such as project management resources, computing services, and back-end administration.

3. Commitment to hiring a local workforce, with particular focus on new sources of workforce such as recent graduates and non-violent ex-offenders.

4. Implementation of in-house training and certification programs covering areas such as fiber optics, cybersecurity, and other telecommunications and broadband digital skills.

ARConnect will also offer incentives to encourage prospective applicants for BEAD funding to develop effective workforce plans by means of supplementary funding from non-deployment funds, if available. ARConnect will evaluate plans that encompass the following elements:

1. Provision of training programs for software and RF & Field Engineers through scholarships and student stipends at technical and/or community colleges.

2. Collaboration with apprenticeship programs offering services such as, project management resources, computing services, and back-end administration.

3. Financial support from sub-grantee for statewide centers providing wraparound services including child-care, transportation, and mentorship for employees on BEAD related projects.[26]

Further detail on the workforce priorities that are eligible for non-deployment funding can be found in Section 2.6.1 of this document.

B) Develop and promote sector-based partnerships: In accordance with the BEAD Guidelines Section 2.8.1 requirements pertaining to projects funded by BEAD, ARConnect will strengthen existing and explore new public-private partnerships to offer skill-based training and wraparound services. The state has established strategic private-public partnerships with state entities, the private sector, and educational institutions. Notably, existing partnerships with state agencies, such as the Arkansas Office of Skills Development under the Arkansas Department of Commerce, have committed to training new telecommunication and related industry workers, with the objective of closing the digital skills gap.[27] ARConnect will encourage the provision of wraparound services, such as childcare assistance for low-income families and veterans.

Through these public-private partnerships, including initiatives like the Infrastructure Roundtable with ISPs and the Workforce Development Roundtable, ARConnect seeks to collaborate with industry stakeholders to address labor shortages and eliminate barriers to entry. Specifically, the roundtables seek to evaluate past and current workforce development and deployment funding programs in their respective areas, to provide industry perspective on successes and challenges related to past State-funded activity, and to provide recommendations for future programming. In addition, the roundtables serve to identify potential future challenges, such as acute workforce shortages, and find collaborative solutions. Finally, roundtables serve as a mouthpiece to broadcast information about ongoing or upcoming ARConnect activity across the industry. In addition to engaging with local private-sector participants, ARConnect is involved in ongoing activities with Heartland Forward and other stakeholders to develop a comprehensive online hub, serving as a one-stop shop for applicant support. This hub will also create a platform to disseminate information regarding access to suitable courses and bidding opportunities.

ARConnect is committed to supporting institutions that ensure the widespread availability of workforce development programs through partnerships with statewide technical colleges. With the support of ARConnect, the Arkansas Association of Community Colleges delivers training for new workers in the

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[26] Wrap-around services are comprehensive support services for workers and can encompass various elements, including on-site childcare, transportation to training programs, and other initiatives aimed at opening workforce opportunities to all Arkansas by facilitating access to essential support services.

[27] Arkansas Community Colleges. ACC Center for Workforce: Broadband Expansion Initiative ($3.3 million dollar initiative funded by OSD). https://www.arkansascc.org/accworkforce.

broadband and telecommunications industry.[28] Each participating college offers a minimum of ten foundational courses designed to equip new industry workers with essential industry capabilities, along with specialized courses tailored for high-quality job positions.

C) Create on-ramps to introduce all Arkansans into broadband jobs: ARConnect remains dedicated to providing support to key stakeholders that is aimed at diminishing barriers to entry and ensuring an ongoing commitment to uphold workers' voices throughout the entire life cycle of broadband-related projects and ongoing service operations. Recognizing the pivotal roles that educational institutions, community-based organizations, and broadband councils and advisory boards will play in achieving this objective, ARConnect is engaging members within these organizations for participation in the workforce development roundtable. Furthermore, ARConnect intends to collaborate with County Broadband Committees to identify specific barriers to entry, and develop tailored, localized solutions for all BEAD-related projects. Additionally, ARConnect will use data-driven insights from its Digital Skills and Opportunity Survey to gain a deeper understanding of workforce development challenges and take targeted actions to bridge the digital divide.

D) Ensure job availability to all Arkansans from varied backgrounds: In accordance with the BEAD NOFO requirements pertaining to projects funded by BEAD, ARConnect aims to ensure prospective applicants, at a minimum, abide by equal opportunity non-discrimination laws. Additionally, ARConnect will request that prospective applicants take steps to ensure widespread dissemination of job opportunities through targeted outreach and alternative communication platforms. The Arkansas Economic Development Commission provides services to minority and women-owned businesses through its small business division, offering resources and certifications to qualifying businesses. The small business division also hosts annual skills matching events where prospective applicants can recruit minority- and women-owned businesses. ARConnect is committed to supporting programs that ensure all Arkansans have the same access to workforce development opportunities. Specifically, ARConnect is supporting the continued expansion and creation of new County Broadband Committees which act to broadcast information about existing and upcoming workforce opportunities to all residents of their respective counties. These commissions exist across a range of Arkansas counties and include representatives with diverse backgrounds.

2.8.2 Describe the information that will be required of prospective subgrantees to demonstrate a plan for ensuring that the project workforce will be an appropriately skilled and credentialed workforce.

In accordance with the BEAD NOFO guidelines for projects receiving BEAD funding, prospective applicants, including contractors and subcontractors, must demonstrate the technical and operational capabilities necessary for the successful execution of the BEAD-funded project. As part of this requirement, prospective applicants must also have a well-defined plan in place to ensure the

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[28] ARConnect (2023). *5-Year Action Plan*. https://broadband.arkansas.gov/wp-content/uploads/ARConnect_5YAP_Final.pdf.

availability of a suitably skilled and credentialed workforce. The project workforce encompasses prospective applicants, their contractors, and subcontractors who are directly involved in the physical construction and deployment of broadband infrastructure.

NTIA requires prospective applications to provide the following:

1. The ways in which the prospective subgrantee will ensure the use of an appropriately skilled workforce, for example, through commitments to recruit new Arkansan graduates

2. The steps that will be taken to ensure that all members of the project workforce will have appropriate credentials, for example, appropriate and relevant preexisting occupational training, certification, and licensure

3. Whether the workforce is unionized

4. Whether the workforce will be directly employed or whether work will be performed by a subcontracted workforce

5. A list of entities that the proposed subgrantee plans to contract and subcontract with in carrying out the proposed work

If the project workforce or any applicant, contractor, or subcontractor workforce is not unionized, NTIA requires prospective applications to also provide the following for the non-union workforce:

1. The job titles and size of the workforce full-time equivalent positions, including for contractors and subcontractors) required to carry out the proposed work over the course of the project and the entity that will employ each portion of the workforce

2. For each job title required to carry out the proposed work (including contractors and subcontractors), a description of:

   o Safety training, certification, and/or licensure requirements (for example, Occupational Safety and Health Administration 10 and 30, confined space, traffic control, or other training as relevant depending on title and work), including whether there is a robust in-house training program with established requirements tied to certifications or titles

   o Information on the professional certifications and/or in-house training in place to ensure that deployment is done at a high standard

ARConnect will aim to ensure prospective applicants are aware of regulations and requirements prior to and throughout the selection process by including requirements in the Applicant Primer, conducting sessions with the Infrastructure Roundtable group, and posting relevant content on ARConnect's website. ARConnect will work with contractors hired for the purpose of managing the pre-qualification screening process to determine the appropriate standards for workforce planning.

Minority Business Enterprises (MBEs)/Women's Business Enterprises (WBEs)/Labor Surplus Area Firms Inclusion (Requirement 13)

2.9.1 Describe the process, strategy, and the data tracking method(s) the Eligible Entity will implement to ensure that minority businesses, women-owned business enterprises, and labor surplus area firms are recruited, used, and retained when possible.

The state of Arkansas boasts an economic development and community-based ecosystem that promotes the involvement of all small businesses including minority business enterprises, women's business enterprises, and labor surplus area firms. By collaborating with a wide array of public-sector, private-sector, and community stakeholders, the Arkansas Economic Development Commission has already created an online directory for small and minority businesses that ARConnect can use as a method for data tracking. During the implementation of the BEAD-funded projects, with the aim of ensuring the use and retention of these small businesses, ARConnect will also monitor recipient lists. The monitoring process will serve to identify and track workforce participants from women's business enterprises, minority business enterprises, and labor surplus area firms, aligning with the BEAD NOFO requirements and will rely on self-reporting of contractor statuses by Sub-grantees for inclusion in an ARConnect database. Additionally, ARConnect will solicit information on past history working with WBEs, MBEs, labor surplus area firms, and other small business contractors from potential sub-grantees in the pre-qualification application. This question will be included in order to help ARConnect understand the landscape of firms participating in broadband development across the state.

In accordance with the BEAD NOFO requirements pertaining to projects funded by BEAD, ARConnect will aim to ensure prospective applicants take necessary affirmative steps to ensure minority business enterprises, women's business enterprises, and labor surplus area firms are recruited, used, and retained, when possible, by:

A) Placing qualified small and minority businesses and women's business enterprises on solicitation lists

ARConnect will strengthen its existing partnerships to establish supportive ecosystems for all small business enterprise providers. This includes collaborating with development agencies like the Arkansas Economic Development Commission's small business division, which maintains a list of certified small women-owned and minority-owned businesses, and considering using the commission's lists to create a solicitation lists for BEAD deployment and non-deployment projects. This solicitation list would be overseen by ARConnect and be available to all sub-grantees. Additionally, ARConnect will share information about bid opportunities and provide guidance on how small businesses can participate with Arkansas Economic Development Commission partners.

B) Assuring that small and minority businesses and women's business enterprises are solicited whenever they are potential sources

ARConnect will leverage partnerships with community-based organizations, including the small

business roundtable and County Broadband Committees to raise awareness of funding opportunities and requirements for BEAD-related projects, to encourage sub-grantees to utilize the MBE/WBE solicitation list, and to encourage small businesses to acquire certification in order to be eligible for approved solicitation lists.

C) Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses and women's business enterprises

ARConnect will explore opportunities to maximize the involvement of small businesses, where applicable, while adhering to procurement regulations and legal requirements. This effort aims to reduce barriers within applicant bids, ultimately broadening opportunities for small businesses with limited capacity. For example, ARConnect will work with the Small Business Roundtable to identify the major barriers to participation by small businesses, including MBEs/WBEs/Labor Surplus Area firms, in prior State-funded deployment efforts. Major barriers with solutions, including potential adjustments to total requirements standards, will be communicated as recommendations to sub-grantees.

D) Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises

ARConnect already convenes roundtable discussions to facilitate stakeholder engagement, including direct participation of small businesses, WBEs, and MBEs. These discussions involve directly soliciting input from businesses to identify potential barriers or opportunities related to award scope and capacity, as well as burdens related to permitting and licensure, and challenges associated with delivery schedules. As part of these roundtables, ARConnect will solicit feedback from participants on the types of delivery schedule requirements that create barriers. Where feasible, ARConnect will modify its delivery schedule requirements to reduce these barriers.

E) Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce

ARConnect will encourage the use of technical assistance providers and institutions, such as the Small Business Administration and any Minority Business Development Agencies, that offer specialized resources for capacity building and mentorship to small businesses. Examples of such resources include business centers equipped with bid preparation, administrative support, and guidance on project management.

F) Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors

Per the requirement stated in NTIA Policy Notice, ARConnect will ensure that all applications, including those submitted by contractors and subcontractors, incorporate the affirmative measures outlined in the steps above, whenever feasible.

2.9.2 Check box: Certify that the Eligible Entity will take all necessary affirmative steps to ensure minority businesses, women's business enterprises, and labor surplus area firms are used when possible, including the following outlined on pages 88–89 of the BEAD NOFO:

a. **Placing qualified small and minority businesses and women's business enterprises on solicitation lists**

b. **Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources**

c. **Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises**

d. **Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises**

e. **Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce**

f. **Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors**

☑ ARConnect hereby affirms its commitment to support MBE/WBE/labor surplus area firms (by checking a box as required by NTIA).

Cost and Barrier Reduction (Requirement 14)

As Arkansas prepares for the approximately $1 billion BEAD investment in the state over the next five years, ARConnect will aim to ensure the impact from BEAD program funds is maximized and internet access is delivered efficiently.[29] The state of Arkansas will build on progress made in preparing for broadband infrastructure expansions over the last five years, focusing on the specific activities laid out below.

2.10.1 The State of Arkansas will take the following steps to reduce costs and barriers to deployment, as required by NTIA:

A) Promoting the use of existing infrastructure

ARConnect is an advocate for the use of existing infrastructure to ensure timely and cost-effective deployment of broadband to unserved and underserved locations in the state. ARConnect is collaborating with industry stakeholders to enhance middle-mile access to all service providers in the state. For example, a Middle Mile provider in Arkansas is working to unite fiber-optic networks of electric cooperatives throughout Arkansas through the acquisition and build of new middle-mile capacity.[30] Moreover, the state has designed its subgrantee scoring criteria to account for speed to deployment, which could incentivize providers to make use of existing infrastructure where possible.

B) Encouraging coordinated digging

Arkansas recognizes the importance of effective communication and coordination in co-locating infrastructure within the right-of-way. For instance, Arkansas law mandates that infrastructure providers must contact Arkansas 811 in most cases to have underground facilities located before commencing any digging activities.[31] This proactive step serves to prevent potential damage to pipelines and other underground facilities while also supporting the state's efforts to coordinate projects and streamline the deployment of various right-of-way-based infrastructure projects. ARConnect will continue to encourage and enable efforts that support coordinated digging.

C) Streamlining permitting processes

ARConnect recognizes the importance of efficient permitting processes in broadband projects. In line with the "Broadband-Ready Communities" best practices, ARConnect will support the state's network of

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[29] The BEAD NOFO asks states to minimize the BEAD funding outlay on a particular project, and thus states are strongly encouraged to remove time and cost barriers associated with BEAD projects, including by expediting permitting timelines and waiving fees where applicable, where doing so does not undermine other critical policy goals.

[30] See Diamond State Networks' Arkansas Middle-Mile Network here.

[31] Arkansas Department of Transportation. (2017). *State damage prevention law summary state: Arkansas*. https://primis.phmsa.dot.gov/comm/statedamageprevention/State%20DP%20Law%20Summary/Arkansas%20State_DP_Law_Summary_%2020170807.pdf.

County Broadband Committees[32] to communicate the BEAD permitting process, prepare local governments for broadband deployment, identify opportunities to streamline permitting and administrative barriers, and guide local service providers through an efficient process[33].

D) Streamlining cost-effective access to poles, conduits, and easements

Arkansas aims to foster efficient access to existing materials for new providers in broadband deployment. The Arkansas Public Service Commission encourages providers to work together to share access to poles, conduits, and easements; if an agreement cannot be reached, providers must go to the Public Service Commission, which then sets rates. Throughout its engagement with stakeholders, ARConnect plans to share best practices from existing broadband deployment projects across the state to ensure cost-effective access to poles, conduits, and easements.

ARConnect recognizes supply chain delays in obtaining new materials and equipment needed for deployment in recent years and encourages state suppliers to increase production capacity and allow preordering of poles and other materials necessary for broadband deployment.

E) Streamlining rights of way, including the imposition of reasonable access requirements

Arkansas has been a leader in facilitating right-of-way access and the deployment of broadband where right-of-way are needed. Arkansas law sets guidelines for how local governments assess right-of-way fees to ensure some uniformity and reasonable costs across the state. Ark. Code Ann. § 14-200101(a)(1)(A) and (D) (2002) requires that local franchise fees cannot exceed 4.25% of gross receipts from local service or higher amount agreed to by the affected provider OR the voters. Affected utilities may recover fee costs by charging customers an amount equal to the right-of-way fee.[33] Reasonable fees for processing permits ensure that applicants are not deterred from applying, timelines remain expedited, and unnecessary hurdles are avoided.

ARConnect will also continue to partner with the Arkansas Department of Transportation, which offers land use permits for potential providers in the installation of broadband facilities in the state right-of-way.[34] The Arkansas Department of Transportation is also complying with the Federal Highway Administration's new Broadband Infrastructure Deployment rule § 645.307(a), which adds four new requirements to Section 607 of the MOBILE NOW Act.[35] Additional right-of-way efforts may require

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[32] County Broadband Committees exist in each county in Arkansas to assist communities with broadband deployment. Committees include a cross-section of the county – including local elected officials, non-profit and faith leaders, agricultural and educational leaders, and residents. The committees help with tasks like correcting a state-generated broadband access map, providing digital training opportunities, or coordinating permit processes with local service providers.

[33] See NTIA examples and best practices of streamlining permitting here.

[34] Broadband providers can apply for a permit here.

[35] Under the new rules, Arkansas Department of Transportation must: (1) identify a broadband utility coordinator who is responsible for facilitating the infrastructure ROW efforts within the state, (2)

involvement of local, state, and federal legislative officials.

Climate Assessment (Requirement 15)

2.11.1 Describe the Eligible Entity's assessment of climate threats and proposed mitigation methods. If an Eligible Entity chooses to reference reports conducted within the past five years to meet this requirement, it may attach this report and must provide a crosswalk narrative, with reference to page numbers, to demonstrate that the report meets the five requirements below. If the report does not specifically address broadband infrastructure, provide additional narrative to address how the report relates to broadband infrastructure.

Communities that lack broadband are among the most vulnerable during extreme weather events, as they also lack the communications infrastructure that is crucial for emergencies. This section captures the current and projected risks of extreme weather events and ARConnect's approach to mitigation measures for BEAD-funded networks – to ensure the resiliency of broadband infrastructure and the communities it supports across the state.

This section was prepared using NTIA-recommended public data sources, including National Oceanic and Atmospheric Administration (NOAA)'s 2022 State Climate Summaries, Federal Emergency Management Agency (FEMA)'s National Risk Index, NOAA's Climate Explorer, and Climate Mapping for Resilience and Adoption to conduct its weather assessment. Additional expert conversations and the State Hazard Mitigation Plan were also used to understand current and projected natural hazard risks and proposed mitigation methods.[36]

2.11.1.a Identify the geographic areas that should be subject to an initial hazard screening for current and projected future weather- and climate-related risks and the time scales for performing such screenings.

ARConnect utilized FEMA's National Risk Index, which measures and compares natural hazard risks across the nation to identify high-risk geographic areas.[37] Using the Risk Index, ARConnect examined

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establish a registration process for broadband infrastructure entities who may be interested in installing facilities in conjunction with roadway projects, (3) notify broadband infrastructure companies identified under (2), on an annual basis, of the State Transportation Improvement Program and provide other notifications as necessary, (4) coordinate these initiatives with other statewide telecommunication and broadband plans, state and local transportation plans, and land use plans. https://www.ecfr.gov/current/title-23/chapter-I/subchapter-G/part-645/subpart-C/section-645.307

[36] Department of Emergency Management. (2018). *State of Arkansas All-Hazard Mitigation Plan*. https://www.dps.arkansas.gov/wp-content/uploads/2020/05/2018_Final_State_of_Arkansas_HMP.pdf.

[37] FEMA uses an expected annual loss rate to determine the level of risk to buildings (including infrastructure), agriculture, and the population. The expected annual loss rate is as follows:

$$exposure \times annualized\ frequency \times historic\ loss\ ratio \div full\ community\ exposure$$
$$exposure \times annualized\ frequency \times historic\ loss\ ratio \div full\ community\ exposure$$

the risk profile of 18 natural hazards (examples include inland flooding, winter weather, and heat) across all of Arkansas' 75 counties and concluded that relative to other US states, county-level weather risks in Arkansas are relatively modest and distributed throughout the state (see Figure 3 below).[38]

Figure 3: Natural hazard risk by county (FEMA)[38]
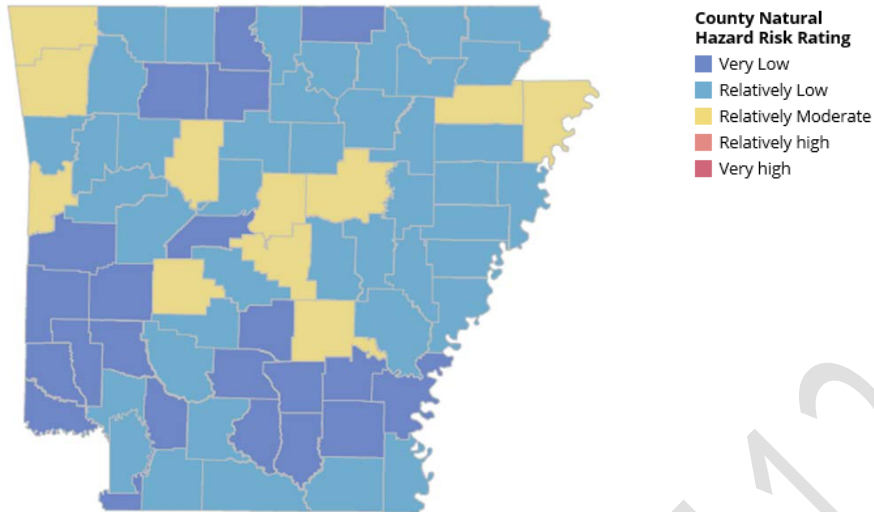
Consequently, to determine areas where weather hazards pose the greatest risk to BEAD-deployed broadband infrastructure, ARConnect referenced the FEMA index in relation to its anticipated un-/underserved locations (see Figure 4 below).

Figure 4: Unserved and Underserved BSL locations by county-level natural hazard risk (FEMA and FCC National Broadband Map)[39]

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[38] FEMA. (2023). *Map: National Risk Index*. Retrieved on July, 25, 2023 from https://hazards.fema.gov/nri/map#.

[39] FEMA. (2023). *Map:* National *Risk Index*. Retrieved on July 25, 2023, from https://hazards.fema.gov/nri/map#; FCC. (2023). *National Broadband Map.* Data as of December 31, 2022. Retrieved on July 25, 2023, from https://broadbandmap.fcc.gov/home.
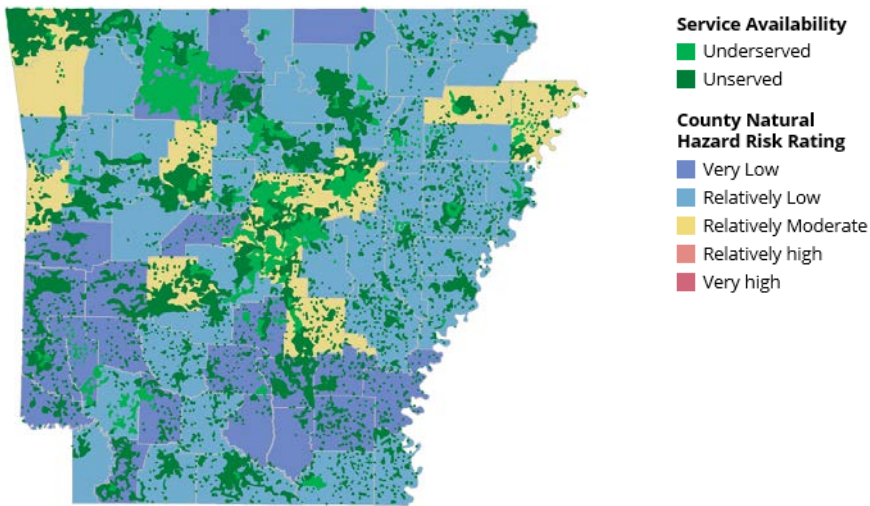
Based on the analysis above, BEAD-deployed infrastructure in Central and Northwest Arkansas will likely face greater weather risk compared to the state overall. Considering these regional trends, ARConnect has developed an initial hazard screening and identified the counties listed below as particularly vulnerable to current and projected future weather risks (i.e., "relatively moderate" FEMA Risk score). This list is intended to serve as a starting point to be refined during the public comment process, upon additional input from local communities on specific weather-related challenges and/or resiliency measures:

Counties which may be particularly vulnerable to current and projected weather risks:

- Benton
- Craighead
- Faulkner
- Garland
- Jefferson
- Mississippi
- Pope
- Pulaski
- Sebastian
- Washington

2.11.1.b Characterize which projected weather and climate hazards may be most important to account for and respond to in these areas and over the relevant time horizons.

ARConnect used the FEMA Risk Index to assess which projected weather and climate hazards may be most important to account for and respond to across the state. Among the 18 natural hazards included in FEMA's Risk Index, the "storm" category of hazards – including ice storms, winter weather, strong winds, and tornadoes – is the highest risk in the Central and Northwest regions, two areas of Arkansas where there is a higher concentration of BEAD unserved and underserved locations, and therefore poses the greatest risk to broadband infrastructure. Other natural hazards such as heat waves and

riverine/pluvial flooding impose moderate risk on Arkansas and are discussed in some detail. Remaining natural hazards have low prevalence or present limited risk for broadband infrastructure in Arkansas (for example, avalanches, coastal flooding, volcanic activity, tsunami, cold wave), and are therefore not discussed below.

Potentially high risk – Severe storms, winter weather, and strong wind/tornados

Severe convective storms are those that produce tornadoes, have hail with diameter of at least 1", and/or winds greater than 58 mph.[40] Arkansas' most recent Hazard Mitigation Plan emphasizes that the entire state is at risk to severe storms, severe winter storms, and tornadoes.[41] This is reinforced by FEMA's Risk Index, where ice storms, winter weather, tornado, and wind are the hazards raising overall risk. Storms present the greatest risk in the Central and Northwest regions where there is a high concentration of un-/underserved BSLs – and in turn – where a significant portion of BEAD deployment will be located (see Figure 4 above and Figure 5 below).

Moreover, the frequency and intensity of severe convective storms are projected to increase in the coming decades. [42] There has also been an increase in the number of tornadoes observed in the central United States, including Arkansas.[37] As described further in Section C, storms also pose the greatest risk to broadband infrastructure. Consequently, they are likely the most important hazard type to consider in mitigation planning.

Figure 5: Storm risks by county (FEMA)[43]

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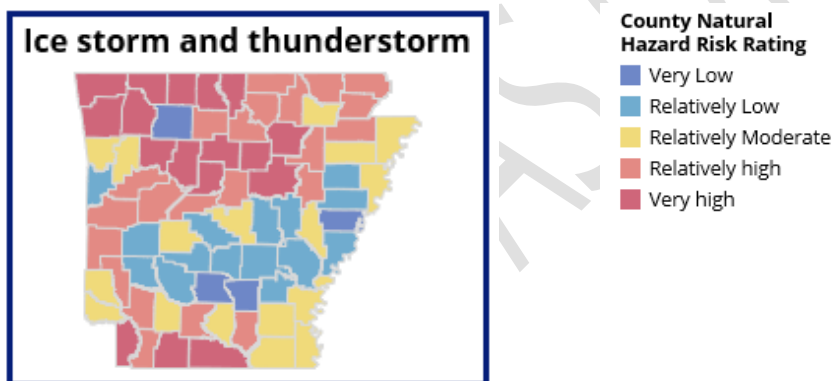
[40] Royal Meteorological Society. (2020). *What are convective storms?.* Retrieved on July 25, 2023, from https://www.rmets.org/metmatters/what-are-convective-storms.

[41] Department of Emergency Management. (2018). *Arkansas Hazard Mitigation Plan.* https://www.dps.arkansas.gov/wp-content/uploads/2020/05/2018_Final_State_of_Arkansas_HMP.pdf.
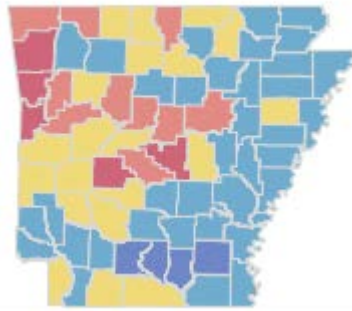
[42] Kunkel, K. E. (1970). *State climate summaries 2022 Arkansas.* https://statesummaries.ncics.org/chapter/ar/.

[43] FEMA. (2023). *Map:* National *Risk Index.* Retrieved on July 25, 2023, from https://hazards.fema.gov/nri/map#; FCC. (2023). *National Broadband Map.* Retrieved on July 25, 2023, from https://broadbandmap.fcc.gov/home.

Strong wind/tornado
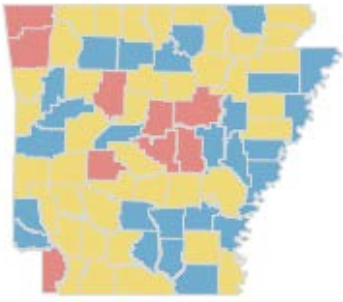
Winter weather

Storm-related weather events, including hail and lightning, share similar potential impacts on broadband infrastructure (despite more moderate risk) and thus are not separately discussed.

Potentially moderate risk – Heat waves and inland flooding

Heat waves: Under various scenarios considered in NOAA's State Climate Summaries, increased warming is projected in the next several decades throughout Arkansas.[44] Specifically, county-level data from the Climate Explorer projects an additional 30–40 days above 90°F across Arkansas, from modeled history (1976–2005) to mid-century (2035–2064).[45] However, heat waves currently pose less risk, as shown in Figure 6 below, as compared to the "storm" category of hazards. Moreover, the effect of heat waves on broadband infrastructure is likely to be much more limited than of storms, as described further in Section C.

Figure 6: Heat wave risk by county (FEMA)[46]
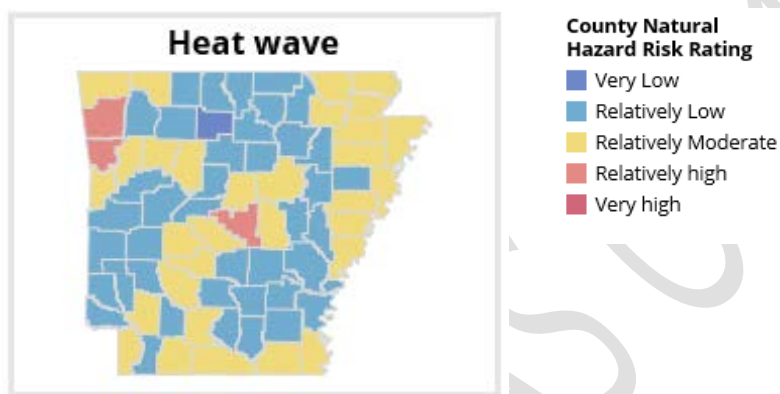
Inland flooding: Flooding risk in Arkansas is currently moderate, as analyzed in the State Hazard Mitigation Plan and FEMA's Risk Index and shown in Figure 7 below.[47] Though Arkansas is not a coastal state, the Arkansas River and Mississippi River present moderate riverine flooding risk for Central Arkansas and Southeastern Arkansas, respectively. Wintertime precipitation – and especially downpours – are projected to increase in Arkansas.[44] Consequently, there may be a seasonal uptick in

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[44] Kunkel, K. E. (1970). *State climate summaries 2022*; EPA. (2017b). *What climate change means for Arkansas*. https://19january2017snapshot.epa.gov/sites/production/files/2016-09/documents/climate-change-ar.pdf.

[45] NOAA. (2023). *Climate Explorer*.https://crt-climate-explorer.nemac.org/.

[46] FEMA. (2023). *Map: National Risk Index*. Retrieved on July 25, 2023, from https://hazards.fema.gov/nri/map#.

[47] Department of Emergency Management. (2018). *Arkansas Hazard Mitigation Plan*. https://www.dps.arkansas.gov/wp-content/uploads/2020/05/2018_Final_State_of_Arkansas_HMP.pdf.

flooding, though threats to infrastructure are more moderate than storms (see Section C for further details).

Figure 7: Inland flooding risk by county (FEMA)[48]
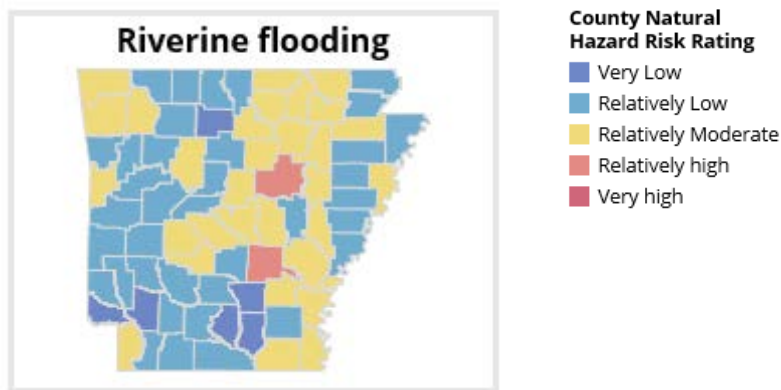
2.11.1.c **Characterize any weather and climate risks to new infrastructure deployed using BEAD program funds for the 20 years following deployment.**

As described in Section B above, the "storm" category of hazards poses the greatest risk to BEAD-deployed infrastructure, and the frequency and severity of storms are projected to increase in the coming decades (though overall weather risk in Arkansas is low to moderate according to FEMA's analysis).[49] Secondary risks, such as heat waves and inland flooding, may also reduce broadband asset lifetimes and lead to infrastructure degradation, but they are unlikely to cause significant disruptions, and these risks may be less prevalent in the State.

Storms and severed connectivity

Storms can impact broadband infrastructure performance and cause outages by way of strong winds and falling debris damaging and/or toppling aerial cables and support structures.[50] Severe storms have also led to damage and/or toppling of fixed wireless and satellite towers.[51] Given that buried fiber is underground, it is more resilient in the case of storms.[52]

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[48] FEMA. (2023). *Map: National Risk Index*. Retrieved on July 25, 2023, from https://hazards.fema.gov/nri/map#.

[49] Kunkel, K. E. (1970). *State climate summaries 2022*; EPA. (2017b). *What climate change means for Arkansas*; FEMA. (2023). *National Risk Index*. Map | National Risk Index.

[50] Woetzel, J., et al. (2020). *Will infrastructure bend or break under climate stress?*. McKinsey & Company. https://www.mckinsey.com/capabilities/sustainability/our-insights/will-infrastructure-bend-or-break-under-climate-stress.

[51] IP Access. (2023). *Can weather take down satellite internet?*. IP Access International. https://www.ipinternational.net/satellite-internet-and-weather/.

[52] Based on interviews with industry experts.

Figure 8: Power outages following June 2023 storm in North Little Rock (KARK)[53]

Supplemental risks from storms include electrical surges caused by lightning, which may damage existing infrastructure and lead to service disruptions. Increased turbulence and line vibrations due to wind may also weaken connections.[46]

Storms present the most severe risk to broadband infrastructure, and mitigation measures should consider this accordingly.[45]

Extreme heat or flooding and equipment degradation

As characterized in Section B above, Arkansas may experience an increase in heat waves as well as inland flooding in the coming decades. These hazards may affect broadband infrastructure through equipment degradation.

Extreme heat:

Generally, fiber-optic cables are resilient to temperature change, as cables rely on light beaming down thin strands of glass rather than electrical signals, so they are less affected by weather changes. However, if heat and humidity reach extreme levels in Arkansas, they may degrade fiber-optic cables in the long term, especially aerial cables, which are directly exposed to air temperature and humidity. Consequently, this equipment degradation could lead to reduced asset lifetimes (ex: 20% reduction in average life of infrastructure), impacting infrastructure durability and financial modeling.[54]

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[53] Hampton, T. (2023). *Thousands without power in North Little Rock after Sunday storm*. KARK. https://www.kark.com/severe-weather-coverage/thousands-without-power-in-north-little-rock-after-sunday-storm/.

[54] Analysis based on interviews with experts in the utilities industry.

Figure 9: Aerial versus buried fiber-optic cables (University of Oregon; University of Wisconsin – Madison)[55]

Aerial fiber cable   **Buried fiber cable**
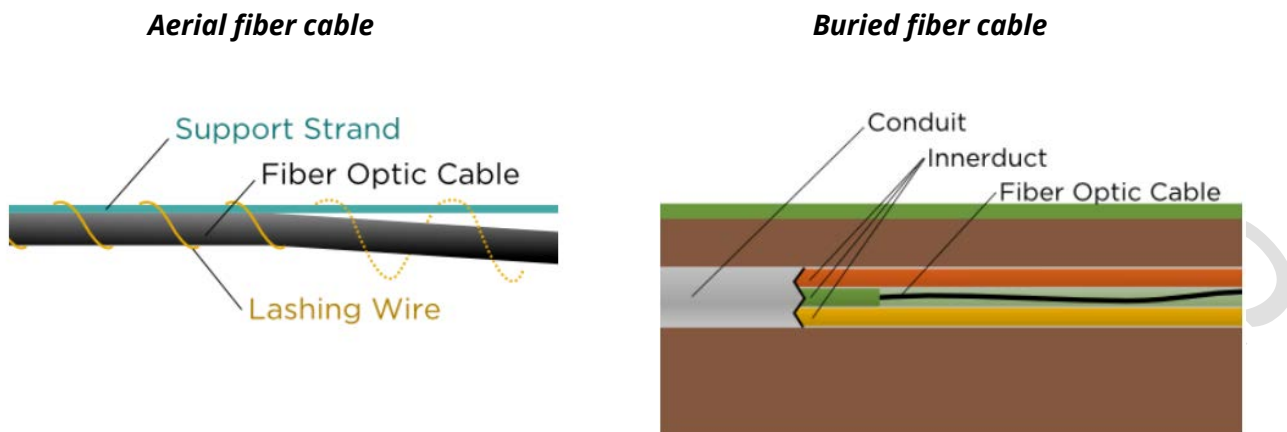
<u>Flooding</u>:

Arkansas is not a coastal state and thus averts the potential of coastal flooding to submerge miles of buried fiber cables. However, it may experience riverine and pluvial flooding, which can degrade the protective conduits of buried fiber-optic cables; while cables are meant to be weather and water resistant, they are not designed to be surrounded by or under water.[50] Consequently, this could lead to equipment degradation, such as corrosion and physical damage, which over time can cause signal loss.[50] Mitigation plans that consider hardening of infrastructure could provide protection against these effects. However, the greatest concentration of BEAD-deployed infrastructure will not be in regions most prone to flooding (which are Central and Southeast Arkansas, where rivers are located), and projected increases in flooding are uncertain in current published analyses. Consequently, storms ultimately present the greatest overall risk to BEAD-deployed infrastructure.

2.11.1.d The Eligible Entity must identify how the proposed climate readiness plan will address the weather and climate risks identified through various measures.

To address the weather risks described above, ARConnect will give preferential weight to subgrantees that plan to address and mitigate weather risks by incorporating natural hazard resiliency into scoring of BEAD applicants. Specifically, ARConnect has selected multiple criteria aligned with state priorities for resilient and reliable infrastructure to provide flexibility for applicants. Full details on the scoring criteria can be found in Section 2.4.2.

1. **Deployment of buried fiber**

   Storms are the most prevalent weather hazard in Arkansas and buried fiber optics are much less susceptible to storm-induced damages (e.g., line breakages and cuts) due to their underground

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[55] Durairajan, R., Barford, C., and Barford, P. (2018). *Lights out: Climate change risk to internet infrastructure.*

placement.[56] Consequently, ARConnect will aim to support providers in buried fiber deployment, recognizing it is an actionable step that can be taken to enhance infrastructure resilience and reliability quickly. ARConnect will provide preferential weight to BEAD applicants that deploy with 85% buried fiber or more. Applicants who must build in non-fiber locations will not be given preference or penalty in scoring here. For details on specific scoring criteria, please refer to the scoring rubric in Section 2.4.2.

2. **Submission of a weather mitigation plan to deal with extreme weather-related risks**

    ARConnect seeks to build on existing processes for emergency management and work collaboratively with stakeholders in the state. Consequently, ARConnect will give preferential weight to BEAD applicants that submit a hazard risk mitigation plan (one already in place or created at the time of application). Mitigation plans should include the following components:

    a) Description of any natural hazards that have affected the applicant's infrastructure in the last five years and resulting best practices

    b) Description of commitments to network and facility redundancies (for example, backup devices or system components to supplement coverage in cases of outages)

    c) Plan for repeated plans and alignment with the most recent State Hazard Mitigation Plan (see Section E for details)[57]

    For details on specific scoring criteria, please refer to the scoring rubric in Section 2.4.2.

    ARConnect encourages applicants to publish existing plans to support knowledge sharing in the industry and ease the collective burden of extreme weather on infrastructure – both for ISPs and Arkansans.

3. **Commitment to attend municipality emergency management meetings**

    ARConnect aims to minimize the impact of weather-related outages on Arkansans and recognizes that city/municipality emergency management meetings are the foundation for local coordination to help providers restore service connectivity in a timely manner. Consequently, ARConnect will provide preferential weight to applicants who agree to attend municipality emergency management meetings on an ongoing basis for all locations where they would deploy BEAD infrastructure. For details on specific scoring criteria, please refer to the scoring rubric in Section 2.4.2.

Moreover, Arkansas continues to publish a FEMA-approved Hazard Mitigation Plan every five years (additional details in Section E below). The Hazard Mitigation Plan outlines state efforts to mitigate evolving natural hazard risk, including supporting local governments with securing mitigation-focused grants, providing education for local governments to build their own hazard mitigation plans, and increasing use of mass notification systems for hazard alerts. ARConnect encourages applicants to

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[56] Woetzel, J., et al. (2020). *Will infrastructure bend or break under climate stress?*

[57] Department of Emergency Management. (2018). *Arkansas All-Hazard Mitigation Plan.* https://www.dps.arkansas.gov/wp-content/uploads/2020/05/2018_Final_State_of_Arkansas_HMP.pdf.

refer to this plan.

2.11.1.e Describe plans for periodically repeating this process over the life of the program to ensure that evolving risks are understood, characterized, and addressed, and that the most up-to-date tools and information resources are utilized.

In coordination with FEMA, Arkansas' Department of Emergency Management conducts a comprehensive assessment and planning process for natural hazards approximately every five years, known as the State Hazard Mitigation Plan. FEMA approves the plan to ensure Arkansas is eligible for disaster response grants, and counties also publish mitigation plans approximately every five years. Arkansas' most recent plan was approved by FEMA on September 6, 2023. Consequently, ARConnect will work with the Department of Emergency Management to review its most recent Hazard Mitigation Plan as assessments are refreshed and reassess risks to BEAD-deployed infrastructure. The FEMA National Risk Index, which is consistently updated, can serve as a supplemental source for evaluation. If there are major natural hazard updates relevant to broadband infrastructure resiliency, providers may be asked to revise natural hazard mitigation plans to protect against evolving risks.

2.11.1.1 As an optional attachment, submit any relevant reports conducted within the past five years that may be relevant for this requirement and will be referenced in the text narrative above.

To view the Arkansas Department of Emergency Management's 2023 Hazard Mitigation Plan, please visit the following link: https://www.dps.arkansas.gov/wp-content/uploads/2020/11/State-of-Arkansas-HMP-3-18-20.pdf.

Low-Cost Broadband Service Option (Requirement 16)

2.12.1 Describe the low-cost broadband service option(s) that must be offered by subgrantees as selected by the Eligible Entity, including why the outlined option(s) best services the needs of residents within the Eligible Entity's jurisdiction.

Context and overall approach

The State of Arkansas is dedicated to ensuring that every Arkansan has access to high-quality broadband services. In recent years, the state has witnessed meaningful advancements in providing low-cost internet options, with several providers offering plans at around $30/month. Moreover, more than 70% of providers operating in the state today participate in the Affordable Connectivity Program.[58]

Arkansas has unique broadband needs, provider profiles, and market dynamics. To address these within the state's Low-Cost Plan (LCP), Arkansas will adopt a formula-based approach, pegged to the state's household income data. This enables Arkansas' low-cost plan to account for evolving macro factors such as inflation and changing income levels and to be tailored to the state-specific context.

Arkansas' low-cost plan

As required by NTIA, ARConnect will require all applicants to offer a service option that meets, at a minimum, the requirements below. Component 1 (cost) will follow NTIA's guidance on adoption of a formulaic approach; all other components adopt NTIA's model low-cost plan.

1. Cost: Arkansas' low-cost plan price will be determined by the following formula:

$$State\ monthly\ max.\ LCP\ price = \frac{upper\ limit\ of\ state\ bottom\ quintile\ household\ income\ *\ 2\%}{12}$$

The above formula stipulates that the annual cost of the state's low-cost plan should not exceed 2% of the state's bottom-quintile household income (the upper limit). This value is then divided by 12 to determine the monthly price for the state's low-cost plan. Based on the Census's latest American Community Survey (CASC) data, Arkansas' bottom-quintile household income is $22,099.[59]

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[58] The Affordable Connectivity Program is an FCC benefit program providing a discount of up to $30 per month for internet access for households below a certain income threshold.

[59] United States Census Bureau. (2021). *Bottom quintile household income by state*. American Community Survey. https://data.census.gov/table?q=B19080%3A%2BHOUSEHOLD%2BINCOME%2BQUINTILE%2BUPPER%2BLIMITS&g=040XX00US05.

The term "bottom quintile" refers to the upper limit of the lowest one-fifth of household incomes within a county, as provided by CASC data. Given that nearly 40% of Americans likely qualified for the ACP, using the bottom quintile for ARConnect's affordability formula will likely support the plan being highly affordable for the median ACP-eligible subscriber, even prior to the application of the ACP benefits[60]. The 2% threshold references established research on internet pricing[61], which suggests that it is reasonable for households to allocate this share of their income toward internet expenses.

In accordance with the BEAD NOFO requirements subgrantees are required to offer this low-cost plan – inclusive of all taxes, fees, and charges billed to the customer, including upfront and ongoing fees. Applicants will be permitted to increase the baseline rate for their low-cost plans annually, based on increases to the Bureau of Labor Statistics' Consumer Price Index for the calendar year. Affordable plan commitments will last per the term of Federal interest, as determined by the NTIA, including in the case of the ACP not being renewed and no successor program being established.

2. Basic service characteristics:

The broadband service applicants' offer for their low-cost plans must have the following characteristics:

a) Consistently and reliably providing download speeds of at least 100 Mbps and typical upload speeds of at least 20 Mbps

b) Providing typical latency measurements of no more than 100 milliseconds

c) Not being subject to data caps, surcharges, or usage-based throttling, and being subject only to the same acceptable use policies to which subscribers to all other broadband internet access service plans offered to home subscribers by the participating subgrantee must adhere.

3. Affordable connectivity benefits application:

Low-cost plans must allow the end user to apply the Affordable Connectivity Program benefit or a successor program subsidies to the service price. Providers must make a demonstrable effort to inform prospective customers of these programs and the steps necessary to enroll and apply the benefit to the service plan. ARConnect understands that affordability is important both for adoption and viability of BEAD economics for subgrantees. As described above, ARConnect has applied established research and benchmarks from the ACP program as a recognized measure of affordability for high-speed data service. Therefore, ARConnect's view is that the current low-cost plan rates are affordable even prior to the application of any ACP credits and does not anticipate any changes to the

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[60] The White House. (2022). *Remarks By President Biden on the Affordable Connectivity Program.* https://www.whitehouse.gov/briefing-room/speeches-remarks/2022/05/09/remarks-by-president-biden-on-the-affordable-connectivity-program/

[61] Internal Revenue Service. (2020). *Publication 529 (12/2020), miscellaneous deductions*. https://www.irs.gov/publications/p529.

low-cost plan option should the Affordable Connectivity Program expire, and a successor program fail to be established.

4. Available technical upgrades:

In the event the applicant later offers a low-cost plan with higher speeds downstream and/or upstream, the applicant must permit eligible subscribers that are subscribed to a low-cost broadband service option to upgrade to the new low-cost offering at little to no cost.

ARConnect proposes the guidance above on a low-cost service option after serious consideration of the state's affordability needs and context. ARConnect believes the guidance above will ensure that affordability is a real priority while taking into account the state-specific context.

The BEAD NOFO requires subgrantees receiving BEAD funds to deploy broadband infrastructure to offer a low-cost broadband service option that is available to qualified customers within the project area for the useful life of the network assets. Qualified customers are those who qualify for the FCC's Affordable Connectivity Program. Eligibility criteria for the Affordable Connectivity Program are located at https://www.affordableconnectivity.gov/do-iqualify/. Subgrantees may not impose additional eligibility restrictions beyond those applicable to the Affordable Connectivity Program.

Finally, Arkansas recognizes that there may be some areas where delivery of broadband services is not sustainable even with a high degree of CAPEX being covered by BEAD funding. BEAD applicants may request waivers to the baseline low-cost plan rate based on evidence of financial non-viability[62] and may propose a higher, all-inclusive rate that creates a more viable financial outcome.

Modifications will be considered based on evidence supporting the newly proposed rate:

- Per-subscriber costs in an area indicating that the target effective rate above would be financially unsustainable; and/or

- The impact on average revenue per user (ARPU) and total project revenue of the target effective rate above would be financially unsustainable given actual or projected subscriber adoption patterns.

However, no proposed rate above a set not-to-exceed cap of $67.95, subject to adjustments to match the Consumer Price Index, will be permitted. Not-to-exceed cap based on the 2024 FCC Urban Rates Survey values for 200 Mbps download and 20+ Mbps upload speeds in Arkansas. The Arkansas State Broadband Office has selected this FCC Urban Rate Survey-based methodology for the NTE cap based on the long-established affordability approach used by the FC for the high-cost Universal Service

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[62] Examples of evidence of financial non-viability could include per-subscriber operating costs in the area indicating that the baseline low-cost plan rate would be financially unsustainable, including supportable assumptions about subscriber adoption mix.

Program. Under that policy framework, providers receiving public support for infrastructure costs are required to offer service at rates no higher than in urban areas. Given the market reality that rates in low density, high cost, primarily rural areas of states such as Arkansas are typically higher than in higher-density towns and cities, this NTE cap still offers a material commitment to affordability even in the event that a qualified waiver from the default rate is approved for a given BEAD subgrant area.

2.12.2 Certify that all subgrantees will be required to participate in the Affordable Connectivity Program or any successor program.

☑ The State of Arkansas certifies that all subgrantees will be required to participate in the Affordable Connectivity Program or any successor program, as required by NTIA.

Use of 20% of Funding (Requirement 17)

2.14.1 Describe the Eligible Entity's planned use of any funds being requested, which must address the following:

2.14.1.c If the Eligible Entity is requesting more than 20% (up to 100%) of funding allocation during the Initial Proposal funding round, it must detail the amount of funding requested upon approval of the Initial Proposal, the intended use of funds, and how the proposed use of funds achieves the statutory objective of serving all unserved/underserved locations. As noted in 2.14.b, the use of funds may include (i) administrative costs, (ii) programmatic costs, such as funding the challenge or subgrantee selection processes, funding last-mile broadband deployment projects, and funding non-deployment uses, or (iii) a combination of these uses.

NTIA has allocated $1,024,303,993.86 to the State of Arkansas as part of BEAD. ARConnect is requesting 100% of this BEAD funding allocation upon approval of this Initial Proposal. ARConnect and its state, industry, non-profit, local government, and community partners are ready to implement BEAD funding in order to deploy broadband to the estimated 190,000 unserved and underserved locations and the eligible CAIs, support the development of the skilled workforce needed for this deployment, invest in development of digital competences in education, healthcare, agriculture, and small business sectors, and build the administrative capacity needed to successfully oversee this activity.

ARConnect is actively engaged in the pursuit of its mission of erasing the digital divide, following the goals stated in its Five-Year Action Plan, and believes that the BEAD funding will be sufficient to reach 100% internet coverage. However, significant challenges remain. Arkansas has a significant gap of key skilled workers needed to successfully deploy broadband to 100% of eligible locations, as detailed in the response to Requirement 12 in this document. Investments from industry partners and grants to fund workforce development programs will be crucial in overcoming this gap. Availability of 100% of BEAD funds will increase the confidence of industry partners that are considering bidding for deployment matching grants as they consider the substantial investments they will need to make for successful projects in the four-year timeline.

The staged approach described in the response to Requirement 8 in this document achieves NTIA's statutory objective of prioritizing deployment of broadband access to unserved and underserved locations and CAIs before funding of non-deployment activities.

2.14.2 Financial data entry: Enter the amount of the Initial Proposal funding request. If not requesting initial funds, enter "$0.00."

$1,019,303,995.11

2.14.3 Certify that the Eligible Entity will adhere to BEAD program requirements regarding Initial Proposal funds usage. If the Eligible Entity is not requesting funds in the Initial Proposal round and will not submit the Initial Proposal funding request, note "Not applicable."

☑ ARConnect certifies that it will adhere to BEAD program requirements regarding Initial Proposal funds usage.

Eligible Entity Regulatory Approach (Requirement 18)

2.15.1 Disclose whether the Eligible Entity will waive all laws of the Eligible Entity concerning broadband, utility services, or similar subjects, whether they predate or postdate enactment of the Infrastructure Act that either (a) preclude certain public sector providers from participation in the subgrant competition or (b) impose specific requirements on public sector entities, such as limitations on the sources of financing, the required imputation of costs not actually incurred by the public sector entity, or restrictions on the service a public sector entity can offer. If the Eligible Entity will not waive all such laws for BEAD Program project selection purposes, identify those that it will not waive (using the Excel attachment) and their date of enactment and describe how they will be applied in connection with the competition for subgrants. If there are no applicable laws, note such.

The State of Arkansas will waive all laws of the State concerning broadband, utility services, or similar subjects, whether they predate or postdate enactment of the Infrastructure Act that either (a) preclude certain public sector providers from participation in the subgrant competition or (b) impose specific requirements on public sector entities, such as limitations on the sources of financing, the required imputation of costs not actually incurred by the public sector entity, or restrictions on the service a public sector entity can offer.

Certification of Compliance with BEAD Requirements (Requirement 19)

2.16.1 Certify the Eligible Entity's intent to comply with all applicable requirements of the BEAD program, including the reporting requirements.

☑ ARConnect hereby affirms its commitment to adhere to all applicable BEAD program requirements, including those pertaining to reporting (by checking a box as required by NTIA).

2.16.2 Describe subgrantee accountability procedures, including how the Eligible Entity will, at a minimum, employ the practices outlined in the BEAD NOFO.

Arkansas recognizes accountability procedures safeguarding the integrity of BEAD projects and will take a proactive approach in monitoring prospective applicants throughout the lifetime of the projects to ensure compliance with all the BEAD program requirements.

Per the BEAD NOFO and guidelines, funds will be provided to subgrantees on a reimbursable basis once subgrantees have submitted required evidence of deployment activity. Subgrantees' progress on deployment activities will be monitored through periodic site visits by ARConnect or its contractors.

ARConnect will require timely subgrantee reporting which includes the following, as required by the BEAD NOFO:

- Labor and material costs reporting for reimbursement

- Quarterly progress reports including construction updates, any changes to subcontractor statuses, certification of adherence to required operational practices, location details (e.g., locations to be served, classification of locations, any new locations), and service speeds

- Annual financial and managerial reports, including financial statements and narrative description of deployment and workforce development activities

- Finally, awarded contracts will include claw-back provisions that will go into effect in case of events including but not limited to the following:

- Subgrantees are delayed without cause or cease to provide services per grant provisions beyond their committed deployment timeline

- ARConnect identifies any incorrect documentation, such as overbilling of labor or material costs

- ARConnect identifies any material breaches of contract such as failure to deliver contracted workforce development activities

- ARConnect identifies serious violations of other provisions, such as environmental protections, safe workplace practices, or fair labor practices.

Distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursable basis (which would allow the Eligible Entity to withhold funds if the subgrantee fails to take the actions the funds are meant to subsidize).

As part of the application process for ARConnect, applicants must certify that they can fulfill the obligations associated with each project on which they intend to bid, that they have sufficient funds to cover all project costs beyond the grant amount, and that they will comply with all program requirements, including service milestones. Additionally, since ARConnect will disburse funding upon completion of associated tasks, applicants must certify that they have and will continue to have enough financial resources to cover eligible project costs until ARConnect authorizes additional disbursements.

The inclusion of claw-back provisions (i.e., provisions allowing recoupment of funds previously disbursed) in agreements between the Eligible Entity and any subgrantee

Award contracts will include claw-back provisions that will go into effect in case of events including but not limited to the following:

1. Subgrantees are delayed without cause beyond their committed deployment timeline.

2. ARConnect identifies any incorrect documentation, such as overbilling for labor or material costs.

3. ARConnect identifies any material breaches of contract, such as failure to deliver contracted workforce development activities.

4. ARConnect identifies serious violations of provisions certified by applicants in their prequalification applications.

Subject to State Rule promulgation, ARConnect will be responsible for identifying breaches of grant terms and notifying the Secretary of Commerce and the Department of Commerce general council of recommended damages. If approved by the Secretary of Commerce or general council, the State will send letters indicating damages and requirements for remitting funds.

Timely subgrantee reporting mandates

In accordance with the BEAD NOFO and guidelines, funds will be provided to subgrantees on a reimbursable basis once prospective applicants submit required evidence of deployment activity. Subgrantees' progress on deployment activities will be periodically monitored through regular site visits by ARConnect or its contractors.

Robust subgrantee monitoring practices

Finally, ARConnect will require timely subgrantee reporting. Examples are as follows:

1. Labor and material costs reporting for reimbursement

2. Progress reports on a minimum of a quarterly basis, including but not limited to measurable construction updates (such as fiber route miles or number of locations passed), changes to subcontractor statuses, and reporting of known or anticipated barriers to deployment

3. Annual financial and managerial reports, including financial statements and narrative description of deployment and workforce development activities, and certification of adherence to required operational practices

Documentation relevant to these requirements will be gathered and subjected to evaluation by qualified personnel. If additional resources are deemed necessary, ARConnect may consider the recruitment of additional staff or the provision of contractor support to ensure that the correct methods of implementation are meticulously followed.

ARConnect will proactively communicate the specified requirements to all prospective applicants prior to the selection process. This will be accomplished through comprehensive outreach endeavors targeting participating stakeholders, which may include in-person meetings and similar engagement avenues. Furthermore, these requirements will be made easily accessible on the ARConnect website and integrated into the grant application instructions, grant agreement terms and conditions, as well as the monitoring program prerequisites.

2.16.3 Certify that the Eligible Entity will account for and satisfy authorities relating to civil rights and non-discrimination in the selection of subgrantees.

☑ ARConnect hereby certifies its commitment to comply with and uphold the relevant authorities pertaining to civil rights and nondiscrimination in the selection of subgrantees (by checking a box as required by NTIA).

2.16.4 Certify that the Eligible Entity will ensure subgrantee compliance with the cybersecurity and supply chain risk management requirements on pages 70–71 of the BEAD NOFO to require prospective subgrantees to attest that.

Cybersecurity

1. **The prospective applicant has a cybersecurity risk management plan (the plan) in place that is either of the two :**

   a. **Operational – if the prospective subgrantee is providing service prior to the award of the grant**

   b. **Ready to be operationalized upon providing service – if the prospective subgrantee is not yet providing service prior to the grant award.**

2. **The plan reflects the latest version of the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity (currently Version 1.1) and the standards and controls set forth in Executive Order 14028 and specifies the security and privacy controls being implemented.**

3. **The plan will be reevaluated and updated on a periodic basis and as events warrant.**

4. **The plan will be submitted to the Eligible Entity prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the Eligible Entity within 30 days.**

Supply chain risk management

1. **The prospective applicant has a supply chain risk management plan in place that is either of the following:**

   a. **Operational – if the prospective subgrantee is already providing service at the time of the grant**

   b. **Ready to be operationalized – if the prospective subgrantee is not yet providing service at the time of grant award.**

2. **The plan is based upon the key practices discussed in the NIST publication NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry and related supply chain risk management guidance from NIST, including NIST 800–161, Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations, and specifies the supply chain risk management controls being implemented.**

3. **The plan will be reevaluated and updated on a periodic basis and as events warrant.**

4. **The plan will be submitted to the Eligible Entity prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the Eligible Entity within 30 days. The Eligible Entity must provide a subgrantee's plan to NTIA upon NTIA's request.**

☑ ARConnect hereby certifies it will aim to ensure compliance with cybersecurity and supply chain risk management requirements of the BEAD NOFO (by checking a box as required by NTIA).

Per NTIA requirements, ARConnect will also aim to ensure that, to the extent a BEAD subgrantee relies in whole or in part on network facilities owned or operated by a third party (e.g., purchases wholesale carriage on such facilities), obtain the above attestations from its network provider with respect to cybersecurity practices and supply chain risk management practices.

Middle-Class Affordability plans (Requirement 20)

2.13.1 Describe a middle-class affordability plan that details how high-quality broadband services will be made available to all middle-class families in the BEAD-funded network's service area at reasonable prices. This response must clearly provide a reasonable explanation of how high-quality broadband services will be made available to all middle-class families in the BEAD-funded network's service area at reasonable prices.

Giving access to broadband services from BEAD-funded networks for all middle-class households is a priority for Arkansas. Governor Sanders has been an advocate for the state's middle class and recognizes the importance of broadband access to middle-class households. Under her administration, the state distributed an additional $53 million in Arkansas Rural Connect program awards to ten ISPs to extend high-speed internet in eight underserved counties.[63] ARConnect will continue to work with the governor's office to promote access to high-quality broadband service among Arkansas' middle-class families.

Arkansas' middle-class affordability plan focuses on these three priorities:

A) Enabling entrants to increase market competition

ARConnect has developed its BEAD subgrantee process to enable additional providers to win bids and enter the market, increasing market competition and thereby reducing cost for internet access throughout the state. In complement, additional state investments in workforce development and middle-mile infrastructure will help drive down everyday costs of delivering service.

B) Inclusion of affordability in subgrantee applicant scoring

As outlined in Arkansas' Five-Year Action Plan, affordability will be a primary criterion for subgrantee scoring. Applicants will be assessed in terms of their baseline prices for the highest tier of internet service as compared to a reference price. Those with plans lower than the reference price will be given preference in scoring. Please reference the scoring section (Section 2.4.2) for further details.

C) Conducting a BEAD outreach campaign to promote consumer awareness

ARConnect will partner with BEAD awardees to launch an outreach campaign and ensure Arkansans are aware of provider middle-class affordability plans and low-cost service plans. During BEAD rollout, County Broadband Committees, local service providers, and local non-profits will be encouraged to hold and attend in-person broadband enrollment events. At these events, residents will also hear about the affordability offerings of local service providers, learn about digital training opportunities, and have other questions answered. Given many unserved and underserved residents do not have

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[63] *KUAR* by Talk Business and Politics Staff. (2023*). Arkansas Department of Commerce Awards $53 million for high-speed broadband funds*. https://www.ualrpublicradio.org/local-regional-news/2023-02-22/arkansas-department-of-commerce-awards-53-million-for-high-speed-broadband-funds.

reliable digital access, ARConnect believes these in-person events and committee meetings will be important to successful awareness campaigns.

Consumers will be able to participate in the Affordable Connectivity Program along with any of the proposed aspects of the middle-class affordability plan described above, as required by NTIA.

Volume II Public Comment

2.17.1 Describe the public comment period and provide a high-level summary of the comments received during the Volume II public comment period and how they were addressed by the Eligible Entity. The response must demonstrate the following:

Public comment period

A draft of ARConnect's Initial Proposal Volume II was available for public comment for 30 days. During that period, comments were received from 42 distinct stakeholders, representing national ISPs, local providers, non-profits, units of government, academic researchers, and informed residents. ARConnect thanks the commenters for their valuable input as it finalizes the proposal for BEAD funding.

Outreach and engagement for public comment period

Arkansas' Initial Proposal Volume II document was published on ARConnect's website. Upon publication, ARConnect sent a newsletter to relevant stakeholders, including County Broadband Committees, notifying them of the publication and a request for public comment.

Public comments were submitted through a Google Form on ARConnect's website: broadband.arkansas.gov. ARConnect's website also contained a Frequently Asked Questions (FAQs) tab that responded to common questions and clarifications regarding the proposal – any questions not answered there could be submitted to broadband@arkansas.gov.

Themes identified in public comments

Arkansas solicited comments from the public after the publication of Initial Proposal Volume 2 and received 42 unique public comments in response either through the submission portal or through direct email to the state. These public comments primarily focused on six themes: input to the subgrantee selection process, technology considerations, affordability requirements, other requirements, rubric design, and implementation process.

Comments commended the state's priorities and methods for expanding broadband across the state and commitment to providing high-quality service to Arkansans in the most efficient way possible. Additionally, they encouraged the state to continue to engage local communities and their partners throughout the process. Comments also emphasized considerations the public felt were important to bring to the state's attention, including:

- The assurance of a competitive and fair application process by not going beyond minimum BEAD standards;

- Investments in lasting and durable infrastructure and technology, such as hardened FW or cellular towers and use of terrestrial timing synchronization technology;

- Recommendation to allow hybrid bids to best serve CBGs with a range of economic and physical conditions;

- Concerns with a fixed rate for the low-cost plan option and benchmark middle class affordable plans, given inflationary pressures

We appreciate the time and consideration the public invested in providing comments, took each one into careful consideration, and made pertinent adjustments and clarifications to the latest version of the proposal.

ARConnect made six revisions to this Initial Proposal based on public comments received.

1. 2.12.1: Provisions for the low-cost plan were modified, allowing for an annual increase based on CPI inflation and allowing for a waiver for higher all-inclusive rates for subgrantees who can demonstrate the unsustainability of operating a network with the formula LCP rates.

2. 2.12.1: Requirement to support Lifeline program removed from low-cost plan commitment.

3. 2.4.2: The middle-class affordable plan pricing commitment was amended to allow annual increase based on CPI inflation.

4. 2.4.11: Language was modified to provide clarification of reimbursement plan and intention of ARConnect to apply waiver on 25% LOC requirement.

5. 2.4.1 and 2.4.10: Provision added to application of EHCPLT to potentially allow effected priority applicants to propose mixed-technology deployment plans in order to lower overall subsidy requirements.

6. 4.2.1 and 2.4.6: Explanation of the definition of 'contiguous' provided.

2.17.2 As an optional attachment, submit supplemental materials to the Volume II submission and provide references to the relevant requirements. Note that only content submitted via text boxes, certifications, and file uploads in sections aligned to Initial Proposal requirements in the NTIA Grants Portal will be reviewed, and supplemental materials submitted here are for reference only.