

Arkansas BEAD Program

Frequently Asked Questions Document 21



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Preliminary Selection Questions

- 1. How long will preliminary selectees have to submit required documents such as network designs and project budgets?
 - Preliminary selectees will be provided with specific timelines for submitting supplemental documents outlined by ARConnect, on a rolling basis. ARConnect will release more information on these timelines at a later date.
- 2. Will network designs with a PE stamp be required before the subgrant agreement is signed?

Yes. ARConnect must receive network designs with a PE stamp, as well as a project budget and commitment letter from a qualified financial institution or performance bond issuer, before the subgrant agreement is signed. Applicants are encouraged to prepare for this requirement as soon as possible.

Tranche-2 Questions

- 3. If a bid is closed, can applicants see which CBGs were selected in the closed bid's project area?
 - Yes. Applicants can see this information on the BEAD Claims Map.
- 4. Can the number of locations for each CBG be shown on the BEAD Claims Map?

 The number of BEAD eligible locations in each CBG is available on the application submission map. ARConnect will look into adding that information to the BEAD Claims Map.
- 5. How long will the Tranche-2 application be open?

 The Tranche-2 application window will open at noon CT on February 25 and will be open until 6:00 PM CT on March 11.
- 6. What kind of technology is considered "non-priority"?

Any non-fiber technology that is classified as "Reliable Broadband Service" by NTIA and capable of delivering not less than 100/20 Mbps is considered "non-priority." The following technologies are classified as "Reliable Broadband Service" by NTIA:

- Fiber-optic technology (Priority)
- Cable modem/Hybrid fiber-coaxial (HFC) technology
- Digital subscriber line (DSL) technology
- Terrestrial fixed wireless technology utilizing entirely licensed spectrum or using a hybrid of licensed and unlicensed spectrum

Non-priority bids will be eligible for preliminary selection in Tranche-2.



- 7. When will fixed wireless technology be eligible for selection in the BEAD process? Applications including licensed fixed wireless technology, or any other reliable broadband service technology, will be eligible for selection in Tranche-2. Applications including unlicensed fixed wireless technology, or any other alternative technology (e.g., low-earth orbit satellite), will not be eligible for selection until the negotiations stage.
- 8. Can a CBG included in a Carried Forward bid be classified as Zero Bid?

 Yes. If a bid did not overlap with any other bids and was carried forward to Tranche2, the CBGs included in that bid will be classified as a Zero Bid CBG.
- 9. Can applicants bid on available CBGs that were included in one of their closed Tranche-1 bids?
 - Yes. An applicant can bid on any CBGs included a closed Tranche-1 bid that are still available and not included in a separate Carried Forward bid.
- Can an applicant include ineligible CBGs to create a contiguous project area?
 Yes.
- 11. How can an applicant modify the project area of a Carried Forward bid in Tranche-2?

Applicants may add contiguous, available CBGs and/or any available Zero Bid CBGs to their Carried Forward bid(s).

Applicants **may not** add any CBGs that are included in a separate Carried Forward bid.

12. If an applicant has a Carried Forward bid that includes Zero Bid CBGs, will the bid earn the extra points for including Zero Bid CBGs?

Yes. All Carried Forward bids will be re-submitted and re-scored at the end of the Tranche-2 application window regardless of whether the applicant makes any modifications. Therefore, the applicant will automatically earn additional points for any Zero Bid CBGs that are part of the Carried Forward bid's project area.

Please note, applicants may not include a CBG that is included in any of their Carried Forward bids' project areas in either a separate Carried Forward bid or a new bid in Tranche-2.

13. Were reference prices increased for CBGs that received multiple bids from only one ISP?

Reference prices for Zero Bid CBGs were increased incrementally based on the number of bids received.



- 14. Where can applicants find a list of the remaining available BSLs?

 ARConnect posted an updated reference price file to the <u>Arkansas BEAD Webpage</u> that contains all CBGs with the number of BSLs still available for bidding.
- 15. Are applicants able to see the scores for their Carried Forward bids?
 No.
- 16. Can applicants change aspects of a Carried Forward bid such as the deployment timeline or letters of support?
 - No. Applicants may only modify a Carried Forward bid by adding CBGs or decreasing the requested subsidy. Applicants may also increase the requested subsidy **if and only if** they add CBGs to the Carried Forward bid's project area.
- 17. For Zero Bid CBGs that received multiple bids in Tranche-1, is it possible that more than one of the bids counted may have been from the same applicant? Yes.
- 18. If an applicant submitted fiber bids in Tranche-1, can they submit non-priority bids in Tranche-2?
 - If applicants submitted fiber bids in Tranche-1, they may also submit non-priority bids for **new** Tranche-2 bids. However, applicants **may not** change the technology type in any bids that were Carried Forward from Tranche-1.
- 19. What is the difference between non-priority and alternative technology?

 Non-priority is any non-fiber technology classified as Reliable Broadband Service by NTIA (e.g., licensed fixed wireless, hybrid fiber-coaxial, etc.) that is capable of delivering not less than 100/20 Mbps. Bids containing non-priority technology are eligible for selection in Tranche-2.

Alternative technology includes unlicensed fixed wireless and low-earth orbit (LEO) satellite. Bids containing alternative technology will not be eligible for selection until the negotiations stage.

20. Is there a way to review the updated cumulative reference price for a Carried Forward bid?

Yes. Updated reference prices will be available in the applicant portal when the Tranche-2 application window opens on February 25 at 12 PM CT. If applicants would like to review the updated CBG reference prices before Tranche-2 opens, they are encouraged to review the updated reference price file available on the Arkansas BEAD Webpage.



21. Will priority bids that request more than two times the reference price be considered for selection in the negotiations stage if the CBGs are not selected in Tranche-2?

CBGs not claimed via preliminary selection in Tranche-2 will be available during the negotiations stage. ARConnect will release specific guidance on the negotiation phase at a later date.

22. Can an applicant add a Zero Bid CBG to both a Carried Forward bid and a new Tranche-2 bid?

Yes. An applicant may add a Zero Bid CBG in both Carried Forward bids and new Tranche-2 bids. However, a CBG can be included in a maximum of 3 bids per applicant.

- 23. Can two applicants trade project areas?
- 24. Can ARConnect provide information on how much the reference prices changed for each CBG in Tranche-2?

The updated reference price file on the <u>Arkansas BEAD Webpage</u> includes a column indicating whether the reference price was increased for Tranche-2. The original Tranche-1 reference prices are also still available on the Arkansas BEAD Webpage.

25. How is the Minimization of BEAD Outlay scored?

Minimization of BEAD Outlay is assessed based on how high or low an applicant's requested subsidy is relative to ARConnect's reference price for the CBGs within the applicant's project area. Scores are based on a linear scale, with zero points being granted for bids that are 100% higher than the reference price and forty points being granted for bids that request no BEAD subsidy. One point corresponds to a 5% variation from the reference price. Consider the following examples:

- The cumulative reference price for a bid's project area is \$50K, and the applicant requests \$95K. The application would receive 2 points for Minimization of BEAD Outlay
- The cumulative reference price for a bid's project area is \$50K, and the applicant requests \$50K. The application would receive 20 points for Minimization of BEAD Outlay
- The cumulative reference price for a bid's project area is \$50K, and the applicant requests \$5K. The application would receive 38 points for Minimization of BEAD Outlay
- 26. What factors were considered when increasing the reference prices for Zero Bid CBGs?

For Tranche-2, ARConnect increased the Reference Prices of Zero Bid CBGs relative to the level of interest and competition they received in Tranche-1, regardless of whether they were submitted by the same applicant or multiple applicants. The



original reference prices were based on the Cost Quest build cost estimates for a fiber build.

Please note, applicants that request less than twice the reference price are eligible for preliminary selection in Tranche-2.

27. How will overlapping priority and non-priority bids be deconflicted in Tranche-2? In Tranche-2, the highest scoring bid of the highest technology class across the project area will be selected. Please note, applications that request a subsidy at or above two times the reference price or include alternative technology will not be eligible for selection.

Priority bids will be adjudicated first. Non-priority bids will not be preliminarily selected if they overlap with a priority bid.

In the event that a non-priority bid overlaps with a priority bid which requests more than twice the reference price, CBGs in the overlapping project areas will be available during the negotiations phase.

- 28. Will an EHCPLT be necessary in Arkansas?

 ARConnect will determine the need for an EHCPLT after Tranche-2.
- 29. Can an applicant submit a new bid in Tranche-2 that includes CBGs from their Closed bid(s) and their Carried Forward bid(s)?

 Applicants may bid on any CBGs included in a closed Tranche-1 bid that are still available except for CBGs included in a separate Carried Forward bid.

Applicants **may not** submit a new bid that includes CBGs from any of their Carried Forward bids even if the new bid is for a different technology class than the Carried Forward bids.

Milestone Reimbursement Questions

30. When is the first allowable invoice date for reimbursements? ARConnect will provide more guidance on this at a later date.