



# ARConnect

The Arkansas State Broadband Office

**Arkansas BEAD Program**

## Frequently Asked Questions Document 25

<b>Tranche-3 Questions .....</b>	<b>3</b>
<b>Preliminary Selectee Questions.....</b>	<b>3</b>
<b>Letter of Credit Questions .....</b>	<b>4</b>

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### Tranche-3 Questions

1. What is the maximum number of points an applicant can earn in Tranche-3?  
The maximum score in Tranche-3 is 95 points.
2. Is it possible for a CBG that received multiple Tranche-2 bids to be available in Tranche-3?  
Yes. If a CBG received bids from multiple ISPs in Tranche-2 and does not belong to a Preliminarily Selected bid, it will be available in Tranche-3
3. When will Tranche-3 open and how long will it last?  
Tranche-3 is **tentatively** set to open the week of April 14 and will be open 7 days. ARConnect will communicate the exact timeline once finalized.
4. Will there be an Extremely High Cost per Location Threshold (EHCPLT) in Tranche-3?  
No. ARConnect will assess the need for an EHCPLT after Tranche-3.
5. If Partial Award offers are not accepted by April 10, will those CBGs be available in Tranche-3?  
Yes. If a Partial Award Eligible offer for a CBG is not accepted, it will be available in Tranche-3, and all pre-registered ISPs may submit a bid for it.
6. When will the finalized map for Tranche-3 be released?  
The finalized CBG map for Tranche-3 will be made available between the close of the Partial Award Eligible process (April 10) and the start of Tranche-3 (tentatively scheduled for the week of April 14). ARConnect will communicate the exact timeline once finalized.

### Preliminary Selectee Questions

7. Can applicants combine project areas from Tranche-1 selections with project areas from Tranche-2 selections?  
No. Currently, applicants may only combine project areas from selected bids within the same Tranche. However, during the subgrant agreement execution phase, ARConnect will consider allowing applicants to combine project areas across all of their selected bids.

8. If a preliminary selection is rescinded, what will happen to the CBGs in that bid's project area?  
Should a preliminary selection be rescinded before Tranche-3, the CBGs in that bid will be available for bidding in Tranche-3. However, should a preliminary selection be rescinded after Tranche-3, ARConnect will determine how to handle the CBGs in the bid's project area on a case-by-case basis.
9. If an applicant is preliminarily selected, can they start construction on their project?  
No.

### **Letter of Credit Questions**

10. If an applicant has multiple selected bids, do they need to submit a letter of credit or performance bond for each project area?  
No. Each entity with at least one Preliminarily Selected bid only needs to submit one qualifying letter of credit or performance bond. The letter of credit or performance bond is for each entity (applicant), not each project area.
11. Can an applicant's parent company issue a letter of credit on the applicant's behalf if the parent company has direct financing capacity?  
No. Current NTIA rules are clear that the irrevocable standby letter of credit (LOC) must be issued by a qualified financial institution.

A summary of the LOC obligation and modifications made by NTIA in the 2023 waiver is located here: [BEAD Letter of Credit Waiver | BroadbandUSA](#)

In summary, the BEAD NOFO and the NTIA LOC waiver limit qualifying institutions to:

- Any U.S. bank that is insured by FDIC and has a B- or better Weiss rating
- CoBank
- National Rural Utilities Cooperative Finance Corporation (CFC)
- A non-U.S. bank that is one of the 100 largest (among other things)
- A U.S. credit union that is insured by NCUA and has a B- or better Weiss rating

See 47 CFR 54.804(c)(2) and the NTIA LOC waiver for full details.

While a parent company cannot issue a letter of credit for the BEAD program, nothing prohibits the parent company from serving as a guarantor to help the applicant obtain the letter of credit or performance bond from a qualifying financial institution in the required form.