ARConnect
The Arkansas State Broadband Office

BEAD Final Proposal

Draft for Public Comment

August 22, 2025

Table of Contents

Message from the Director

Dear Arkansas Broadband Stakeholder,

It is my honor to present Arkansas' Broadband Equity, Access, and Deployment (BEAD) Program Final Proposal for public comment, representing the culmination of years of work to ensure that every home and business in Arkansas will have access to reliable, affordable high-speed internet.

Arkansas' $1 billion BEAD Program—the single largest publicly-funded broadband investment in our State's history—was designed to be highly competitive, efficient, and market-driven. That approach yielded exceptional results. The State received 730 applications from 33 internet service providers (ISPs), with 23 ISPs ultimately selected for preliminary awards. On average, each eligible location in Arkansas attracted approximately 3.1 applications, reflecting the strength of competition across our State. Through this competitive process, I am proud to report that Arkansas has achieved coverage for every single location in the State.

Incorporating adjustments required by the National Telecommunications and Information Administration's (NTIA) BEAD Restructuring Policy Notice, Arkansas' total BEAD Grant Outlay stands at $308.3 million, a savings of more than $275 million compared to the prior version of the program under the Biden Administration. The average grant award per location is just $3,889, one of the lowest in the country.

Leveraging the State's conservative, market-driven approach to the BEAD Program, the Arkansas State Broadband Office (ARConnect) has long held itself to the standard of awarding the right technology for the right location at a reasonable cost to the taxpayer. The program's final technology mix reflects this mantra: 76% fiber, 16% low-Earth-orbit satellite, 7% licensed fixed wireless, and 1% hybrid technologies. In addition, more than $200 million in grant awards will go to Arkansas-based companies, ensuring that the program not only delivers universal broadband coverage, but also drives lasting economic development across the State.

This Final Proposal represents one of the strongest BEAD programs in the nation. It is the product of rigorous competition, careful stewardship of taxpayer dollars, and an unwavering focus on eliminating the digital divide in Arkansas.

I am deeply grateful for the leadership and support of Governor Sanders, the Arkansas General Assembly, my colleagues at ARConnect, our community partners, and the ISPs who are dedicated to connecting the unconnected. Together, we are building a stronger, more connected future in which every Arkansan is empowered to self-determine their success in the 21st century digital economy.

Naturally connected,

Glen E. Howie, Jr.
Arkansas State Broadband Director

Section 0 Final Proposal Data Submission

0.1 Subgrantees

Complete and submit the Subgrantees CSV file (named "fp_subgrantees.csv") using the NTIA template provided.

See **Exhibit A**

0.2 Deployment Projects

Complete and submit the Deployment Projects CSV file (named "fp_deployment_projects.csv") using the NTIA template provided.

See **Exhibit B**

0.3 BEAD-funded Locations

Complete and submit the Locations CSV file (named "fp_locations.csv") using the NTIA template provided. The Location IDs in this list must match the NTIA-approved final list of eligible locations.

See **Exhibit C**

0.4 No BEAD Locations

Complete and submit the No BEAD Locations CSV file (named "fp_no_BEAD_locations.csv") using the NTIA template provided. The Location IDs in this list must match the NTIA-approved final list of eligible locations.

See **Exhibit D**

0.5 Certification of BEAD-funded CAIs

If the Eligible Entity intends to use BEAD funds to serve CAIs, does the Eligible Entity certify that it ensures coverage of broadband service to all unserved and underserved locations, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C. § 1702(h)(2)?

Yes, ARConnect hereby certifies that it will ensure coverage of broadband service to all unserved and underserved locations, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C. § 1702(h)(2).

0.6 BEAD-funded CAIs

Complete and submit the CAIs CSV file (named "fp_cai.csv") using the NTIA template provided. Although CAIs are not included under (f)(1) deployment projects, to confirm the Eligible Entity's compliance with the BEAD prioritization framework and identify BEAD-funded CAIs, the NTIA template is required . The Eligible Entity must only include CAIs funded via BEAD in this list; the Eligible Entity may not propose funding CAIs that were not present on the approved final list from the Eligible Entity's Challenge Process results.

See **Exhibit E**

Section 1 Subgrantee Selection (Requirement 1)

1.1 Subgrantee Selection Process - Consistent with Approved IP

Describe how the Eligible Entity's deployment Subgrantee Selection Process undertaken is consistent with that approved by NTIA in Volume II of the Initial Proposal as modified by the BEAD Restructuring Policy Notice.

Arkansas' subgrantee selection process for the BEAD program was a fair, open, and competitive process executed consistent with the State's approved Initial Proposal volume 2 (IPv2), as modified to implement the BEAD Restructuring Policy Notice (PN) released on June 6th, 2025. Following the PN, ARConnect published *Arkansas BEAD – BB Round Guidance* on June 24th that provided PN-aligned directives to participants regarding timelines, technology neutrality, optimizing BEAD locations processes, project areas, application updates, Priority Broadband projects, and subgrantee selection.

Throughout the process, ARConnect provided a variety of support and resources for providers interested in participating in the State's BEAD Program. Support and resources included but were not limited to weekly technical-assistance questions, office hours, weekly FAQ documents, an applicant help desk, user guides and demos, an application primer, and a range of data sets. Resources were made available on the ARConnect website and were promoted during weekly provider roundtable calls.

As required by the PN, ARConnect rescinded all preliminary selections under its previous subgrantee selection process. Additionally, ARConnect conducted one additional subgrantee selection round for every BEAD-eligible location (the "Benefit of the Bargain round" or "BB round") from Monday, July 14th through Monday, July 21st. In compliance with the PN, ARConnect's Pre-Registration process was reopened to all interested applicants for the BB round. As allowed by the PN, Pre-Registration submissions were part of the application package for new participants in the Benefit of the Bargain round, while existing qualified applicants were not required to resubmit Pre-Registration documentation. In total, the Benefit of the Bargain round had 49 providers successfully pre-registered, of which 33 participated.

Project areas consisted of Census Block Groups (CBGs), consistent with the State's approved IPv2. In order to facilitate the expected timeline, CBGs were organized into "Project Area Footprints" (PAFs), which served as discrete bidding units. PAFs were determined based on a variety of factors, such as levels of competition and interest in the previous subgrantee selection process as well as geographical considerations. Applicants could bid on exactly one PAF per application - PAFs were not allowed to be combined. Applicants were permitted to submit a maximum of 2 applications per PAF. Per the PN, ARConnect allowed applicants to propose to exclude select broadband serviceable locations that the applicant determined were excessively high-cost locations or would otherwise make the project economically unviable for the technology being used. ARConnect solicited bids during the BB Round from other potential applicants for any such eliminated BSL.

The Benefit of the Bargain round distinguished itself in a few notable ways, including but not limited to a technology neutral approach, the elimination of non-statutory requirements, adoption

of the updated definition of a Priority Broadband Project, and implementation of the required subgrantee selection criteria, all in keeping with the PN. Providers were notified of their Benefit of the Bargain round results on August 13, 2025. The Benefit of the Bargain round received 728 applications from 33 ISPs. 230 applications were preliminarily selected across 23 ISPs. This resulted in 78,450 locations awarded for $307.8M in BEAD outlay.

Following the Benefit of the Bargain round's subgrantee selection process, Arkansas had 822 locations remaining to serve: 769 locations were carved out from preliminarily selected bids, 6 locations belonged to a withdrawn bid, and 47 locations received either no bids or no compliant bids (e.g., all submitted bids were deemed excessively costly). ARConnect successfully solicited 2 additional bids for these remaining 822 locations from applicants that indicated interest during the Benefit of the Bargain round and demonstrated an ability to provide cost-efficient service across a wide geographic area.

In conclusion, the Arkansas BEAD Program achieved the following outcomes:

- 730 total applications from 33 ISPs
- 79,272 locations (100% of BEAD-eligible locations) were awarded for $308.3M (30% of BEAD funds)
- An average cost per BEAD-eligible location of $3,889.

In comparison to previous subgrantee selection results, the Benefit of the Bargain round saved the State an additional $276.9M in BEAD outlay and $3,182 per BEAD-eligible location, ensuring the American taxpayer obtained the greatest value for their broadband investment under the BEAD Program.

1.2 Fair, Open, Competitive Subgrantee Selection

Describe the steps that the Eligible Entity took to ensure a fair, open, and competitive process, including processes in place to ensure training, qualifications, and objectiveness of reviewers.

1.2.1 Fair

ARConnect conducted a Subgrantee Selection Process that was fair, open, and competitive. All applicants were subject to the same neutral criteria, and no exceptions were made. Evaluation criteria were made available in advance through publications and virtual TA sessions.

1.2.1.1 Anti-Collusion

ARConnect required all applicants to certify that they would abide by all applicable federal and state anti-collusion laws. Pre-Registration Question #5 materials required all applicants to certify the following question: "Do you certify your understanding of and commitment to abide by all Arkansas and federal anti-collusion laws? See § 19-11-240 for additional information."

1.2.1.2 Bias and Arbitrary Decisions

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

1.2.1.3 Conflicts of Interest

The Subgrantee selection process adhered to all relevant state policies to avoid the creation of conflicts of interest. Pre-Registration Question #6 required all applicants to "provide information related to potential conflicts of interest, as required under the terms of Executive Order 98-04 and the Regulations pursuant thereto, using the Contract and Grant Disclosure and Certification Form."

Disclosure required by Arkansas Executive Order 98-04: Any contract or amendment to a contract executed by an agency that 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 local government entity, 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 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.

1.2.1.4 Non-disclosure

Applicants were required to certify their commitment to abide by non-disclosure rules modeled on the Federal Communications Commission's (FCC) prohibited communications rules for auctions. This includes a 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. Pre-Registration Question #40 asked: "Please certify your commitment to non-disclosure rules modeled on FCC's prohibited communications rules for auctions. This includes prohibiting applicants from making general public comments or specific comments about their participation intentions or project details for BEAD funding." ARConnect stated in IPv2 that failure of applicants to comply with these rules could result in their disqualification from any remaining rounds. ARConnect kept all applicant material, including the names of applying entities, confidential until the posting of the Final Proposal for public comment and the announcement of the full set of preliminary selections. ARConnect also shared weekly reminders with all applicants, informing them that both applicants and preliminary selectees were prohibited from sharing information about their potential awards.

1.2.2 Open

ARConnect demonstrated its dedication to ensuring the Subgrantee selection process was open to the widest breadth and variety of potential applicants. To this end, ARConnect put the following considerations and guidelines in place to safeguard the openness of the selection process:

1.2.2.1 Timeline Disclosure

ARConnect shared information about the Subgrantee selection timeline and process on a weekly basis via virtual stakeholder meetings. Key milestones and timelines were consistently published and updated throughout the process, and all dates were clearly indicated in a calendar format and published on the ARConnect website.

1.2.2.2 Applicant Outreach

To encourage broad participation, ARConnect conducted outreach through media channels, in-person meetings, and collaboration with the Arkansas County Broadband Committees. Additionally, ARConnect proactively contacted a diverse range of providers via phone and email to ensure that all technology types were represented and had the opportunity to participate.

1.2.2.3 Guidance

ARConnect published an Applicant Primer, multiple User Guides, applicant portal demos, and weekly technical assistance sessions and FAQs to provide applicants with step-by-step instructions for participating in the bidding process. In addition, all relevant data sets were made available on the ARConnect website.

1.2.2.4 Technical Support

Ongoing technical support was given via weekly virtual meetings, online demonstrations, targeted TA webinars, and a dedicated email helpdesk.

1.2.3 Competitive

The aggregated provider participation results for the Benefit of the Bargain Round demonstrate that ARConnect ran an efficient, market-driven BEAD subgrantee selection process. Through the Arkansas BEAD Program's BB Round and negotiations process, the state received 730 total applications from 33 applicants, covering all BEAD-eligible locations.

1.2.3.1 Neutral Criteria

ARConnect used competitively neutral criteria in the evaluation rubric, as required by the BEAD guidelines and the PN.

1.2.3.2 Non-disclosure

As noted above in Section 1.2.1.4, ARConnect required all applicants to certify their commitment to abide by non-disclosure rules modeled on the FCC's prohibited communications rules for auctions. This includes a 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.

1.2.3.3 Confidentiality

Reiterating the need for non-disclosure, ARConnect kept all applicant material, including the names of applying entities, confidential until the submission of the Final Proposal and the announcement of the full set of preliminary awards. ARConnect also shared weekly reminders with all applicants, informing them that both applicants and preliminary selectees were prohibited from sharing information about their potential awards. Additionally, a communication blackout was enforced during all active application sessions to prevent unauthorized disclosures.

1.2.4 Review Process

ARConnect assembled a team of broadband experts to assist in the development and implementation of the BEAD application process.

1.2.4.1 Review Team

The review team consisted of ARConnect staff and third-party consultants, all of whom were selected for their relevant experience in alignment with NTIA recommendations. Evaluation responsibilities were assigned to individuals with appropriate professional backgrounds to ensure a fair and technically sound assessment process. During both the Pre-Registration and bidding phases, application questions were categorized, and Subject Matter Experts (SMEs) were assigned to each category based on their area of expertise. For example, financial statements were reviewed by qualified financial analysts or auditors, and network engineering diagrams were reviewed by professional engineers. This structure ensured that application questions were assessed objectively and by reviewers with the necessary technical knowledge.

1.2.4.2 Review Process

ARConnect employed a tiered system of reviews for both the Pre-Registration and the application bidding qualitative sections. The tiered system required the initial SME to review the section or answer; then, a second individual reviewed the same information as a Tier 2 reviewer. If the reviewers reached differing conclusions, a senior-level reviewer was brought in to examine the evidence and facilitate resolution. If needed, robust discussions would take place until all reviewers reached consensus. To further ensure accuracy and consistency, a final quality assurance/quality control was conducted to ensure that there were no errors.

1.3 No Applications

Affirm that, when no application was initially received, the Eligible Entity followed a procedure consistent with the process approved in the Initial Proposal.

ARConnect affirms that when no application was initially received, it followed the procedure consistent with the process approved in IPv2, as modified by the PN. ARConnect designed a bidding process to minimize the number of locations that did not receive bids.

1.4 Eligible CAI List Methodology

If applicable, describe the Eligible Entity's methodology for revising its eligible CAI list to conform with Section 4 of the BEAD Restructuring Policy Notice.

ARConnect revised its list of eligible Community Anchor Institutions (CAIs) in accordance with Section 4 of the BEAD Restructuring Policy Notice. Each CAI was carefully reviewed to ensure adherence to the statutory definition of a CAI. As specifically outlined in 47 U.S.C. § 1702(a)(2)(E) of the Infrastructure Investment and Jobs Act, ARConnect considered a CAI as only "an entity such as a school, library, health clinic, health center, hospital, or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including low-income individuals, unemployed individuals, and aged individuals." ARConnect narrowly interpreted any "community support organization, as directed in the BEAD Restructuring Policy Notice. Following the guidance provided in NTIA's FAQ Version 12, AR Connect considered "community support organizations" as only those located in "a government-owned facility that provides publicly accessible internet service and currently offers digital skills training." Any CAI that did not fit the statutory definition or clarified guidance on community support organizations was removed from ARConnect's final list of eligible CAIs. Based on these criteria, 22 CAIs were removed from Arkansas' list of BEAD-eligible locations.

1.5 Records Retention Certification

Certify that the Eligible Entity will retain all subgrantee records in accordance with 2 C.F.R. § 200.334 at all times, including retaining subgrantee records for a period of at least 3 years from the date of submission of the subgrant's final expenditure report. This should include all subgrantee network designs, diagrams, project costs, build-out timelines and milestones for project implementation, and capital investment schedules submitted as a part of the application process.

ARConnect hereby certifies that it will retain all subgrantee records in accordance with 2 C.F.R. § 200.334 at all times, including retaining subgrantee records for a period of at least 3 years from the date of submission of the subgrant's final expenditure report. These records will include all subgrantee network designs, diagrams, project costs, build-out timelines and milestones for project implementation, and capital investment schedules submitted as a part of the application process.

Section 3 Timeline for Implementation (Requirement 3)

Section 3.1 Timeline of All BEAD Grant Activities

Has the Eligible Entity taken measures to:

(a) ensure that each subgrantee will begin providing services to each customer that desires broadband service within the project area not later than four years after the date on which the subgrantee receives the subgrant; (b) ensure that all BEAD subgrant activities are completed at least 120 days prior to the end of the Eligible Entity's period of performance, in accordance with 2 C.F.R. 200.344; and (c) ensure that all programmatic BEAD grant activities undertaken by the Eligible Entity are completed by the end of the period of performance for its award, in accordance with 2 C.F.R. 200.344.

ARConnect hereby affirms that it has taken measures to ensure that each subgrantee will begin providing services to each customer that desires broadband service within the project area not later than four years after the date on which the subgrantee receives the subgrant. ARConnect will ensure all subgrantees adhere to submitted project timelines and milestones. A non-exhaustive list of measures ARConnect has taken or will take can be found below:

- Prospective subgrantees were required to submit and certify their “speed to deployment” during the application process; applicants were required to select a timeline of no more than 48 months
- ARConnect will include enforceable penalties for non-performance of final commitments within the subgrant agreement
- ARConnect will establish a comprehensive subgrantee monitoring plan as outlined in the BEAD Program Monitoring Plan to oversee performance, including regular check-ins, document reviews, and in-person site visits
- ARConnect will provide guidance and support by providing training and technical assistance to subgrantees as needed throughout the project
- ARConnect will maintain a clear record of all communications and issues, and take corrective action if project expectations are not being met
- ARConnect will require quarterly updates from subgrantees (at a minimum), covering spending, project milestones, mapping data, and workforce information

ARConnect hereby affirms that it has taken measures to ensure that all BEAD subgrant activities are completed at least 120 days prior to the end of ARConnect’s period of performance, in accordance with 2 C.F.R. 200.344, including plans to prepare a closeout agreement to provide to all subgrantees to implement.

ARConnect hereby affirms that it has taken measures to ensure that all programmatic BEAD activities undertaken by ARConnect are completed by the end of the period of performance for its award, in accordance with 2 C.F.R. 200.344.

Section 4 Oversight and Accountability Processes (Requirement 4)

4.1 Public Waste, Fraud, and Abuse Hotline

Does the Eligible Entity have a public waste, fraud, and abuse hotline, and a plan to publicize the contact information for this hotline?

ARConnect has publicized the websites of the Arkansas Department of the Inspector General and the U.S. Department of Commerce Office of the Inspector General on the ARConnect website at https://broadband.arkansas.gov/bead/ for the reporting of fraud, waste, and abuse. This information is updated frequently and shared with all stakeholders during webinars and in written materials. In addition, ARConnect encourages those with concerns to call the ARConnect broadband hotline at 501-683-6000.

4.2 BEAD Monitoring Plan and Policies

Upload the following two required documents:

(1) BEAD program monitoring plan;

(2) Agency policy documentation which includes the following practices:

a. 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) or on a basis determined by the terms and conditions of a fixed amount subaward agreement; and

b. Timely subgrantee (to Eligible Entity) reporting mandates.

See **Exhibit F** – BEAD Program Monitoring Plan

See **Exhibit G** – Draft Subgrant Agreement (all elements of required agency policy documentation are included in the Draft Subgrant Agreement)

4.3 Subgrant Agreement Certification

Certify that the subgrant agreements will include, at a minimum, the following conditions:

a. Compliance with Section VII.E of the BEAD NOFO, as modified by the BEAD Restructuring Policy Notice, including timely subgrantee reporting mandates, including at least semiannual reporting, for the duration of the subgrant to track the effectiveness of the use of funds provided;

b. Compliance with obligations set forth in 2 C.F.R. Part 200 and the Department of Commerce Financial Assistance Standard Terms and Conditions;

c. Compliance with all relevant obligations in the Eligible Entity's approved Initial and Final Proposals, including the BEAD General Terms and Conditions and the Specific Award Conditions incorporated into the Eligible Entity's BEAD award;

d. Subgrantee accountability practices that include distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursable basis;

e. Subgrantee accountability practices that include the use of clawback provisions between the Eligible Entity and any subgrantee (i.e., provisions allowing recoupment of funds previously disbursed);

f. Mandate for subgrantees to publicize telephone numbers and email addresses for the Eligible Entity's Office of Inspector General (or comparable entity) and/or subgrantees' internal ethics office (or comparable entity) for the purpose of reporting waste, fraud or abuse in the Program. This includes an acknowledge of the responsibility to produce copies of materials used for such purposes upon request of the Federal Program Officer; and

g. Mechanisms to provide effective oversight, such as subgrantee accountability procedures and practices in use during subgrantee performance, financial management, compliance, and program performance at regular intervals to ensure that subgrantee performance is consistently assessed and tracked over time.

ARConnect hereby certifies that the subgrant agreements will include compliance with Section VII.E of the BEAD NOFO, as modified by the BEAD Restructuring Policy Notice, including timely subgrantee reporting mandates, including at least semiannual reporting, for the duration of the subgrant to track the effectiveness of the use of funds provided.

ARConnect hereby certifies that the subgrant agreements will include compliance with obligations set forth in 2 C.F.R. Part 200 and the Department of Commerce Financial Assistance Standard Terms and Conditions.

ARConnect hereby certifies that the subgrant agreements will include compliance with all relevant obligations in the Eligible Entity's approved Initial and Final Proposals, including the BEAD General Terms and Conditions and the Specific Award Conditions incorporated into the Eligible Entity's BEAD award.

ARConnect hereby certifies that the subgrant agreements will include subgrantee accountability practices that include distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursable basis.

ARConnect hereby certifies that the subgrant agreements will include subgrantee accountability practices that include the use of clawback provisions between the Eligible Entity and any subgrantee (i.e., provisions allowing recoupment of funds previously disbursed).

ARConnect hereby certifies that the subgrant agreements will include a mandate for subgrantees to publicize telephone numbers and email addresses for the Eligible Entity's Office of Inspector General (or comparable entity) and/or subgrantees' internal ethics office (or comparable entity) for the purpose of reporting waste, fraud or abuse in the Program, including an acknowledgement of the responsibility to produce copies of materials used for such purposes upon request of the Federal Program Officer.

ARConnect hereby certifies that the subgrant agreements will include mechanisms to provide effective oversight, such as subgrantee accountability procedures and practices in

use during subgrantee performance, financial management, compliance, and program performance at regular intervals to ensure that subgrantee performance is consistently assessed and tracked over time.

Section 5 Local Coordination (Requirement 5)

5.1 Public Comment Period

Describe the public comment period and provide a high-level summary of the comments received by the Eligible Entity during the public comment period, including how the Eligible Entity addressed the comments.

ARConnect held a 7-day public comment period from August 22, 2025 to August 29, 2025 inviting feedback from the general public and political subdivisions. The Final Proposal was posted on ARConnect's website and announced through multiple public channels. Comments were accepted via online form until the posted deadline. ARConnect reviewed all submissions and incorporated relevant feedback. A summary of the comments and an explanation of how feedback was incorporated can be found below.

[Summary of public comments and how they were incorporated, pending conclusion of public comment period]

Section 6 Challenge Process Results (Requirement 6)

6.1 Certification of Challenge Process

Certify that the Eligible Entity has successfully completed the BEAD Challenge Process and received approval of the results from NTIA.

ARConnect hereby certifies that it successfully completed the BEAD Challenge Process on June 20, 2024, and received approval of the results from NTIA on November 22, 2024.

6.2 Public Post Website – Challenge Process

Provide a link to the website where the Eligible Entity has publicly posted the final location classifications (unserved/underserved/CAIs) and note the date that it was publicly posted.

After receiving NTIA approval for the BEAD Challenge Process and completing the required public comment period, ARConnect published the final location classifications on its website at https://broadband.arkansas.gov/bead/ on November 22, 2024.

Section 7 Unserved and Underserved Locations (Requirement 7)

7.1 Coverage of Unserved Locations

Certify whether the Eligible Entity will ensure coverage of broadband service to all unserved locations within its jurisdiction, as identified upon conclusion of the Challenge Process required under 47 U.S.C. § 1702(h)(2).

ARConnect hereby certifies that it will ensure coverage of broadband service to all unserved locations within its jurisdiction, as identified upon conclusion of the Challenge Process required under 47 U.S.C. § 1702(h)(2).

7.2 Unserved Locations – Financially Incapable Narrative

If the Eligible Entity does not serve an unserved location because it is either financially incapable or has determined that costs to serve the location would be unreasonably excessive, explain and include a strong showing of how the Eligible Entity made that determination.

Not applicable.

7.3 Unserved Locations – Financially Incapable Documentation

If applicable to support the Eligible Entity's response to Question 7.2, provide relevant files supporting the Eligible Entity's determination.

Not applicable.

7.4 Coverage of Underserved Locations

Certify whether the Eligible Entity will ensure coverage of broadband service to all underserved locations within its jurisdiction, as identified upon conclusion of the Challenge Process required under 47 U.S.C. § 1702(h)(2).

ARConnect hereby certifies that it will ensure coverage of broadband service to all underserved locations within its jurisdiction, as identified upon conclusion of the Challenge Process required under 47 U.S.C. § 1702(h)(2).

7.5 Underserved Locations – Financially Incapable Narrative

If the Eligible Entity does not serve an underserved location because it is either financially incapable or has determined that costs to serve the location would be unreasonably excessive, explain and include a strong showing of how the Eligible Entity made that determination.

Not applicable.

7.6 Underserved Locations – Financially Incapable Documentation

If applicable to support the Eligible Entity's response to Question 7.5, provide relevant files supporting the Eligible Entity's determination.

Not applicable.

7.7 Certification of Reason Code Use

Certify that the Eligible Entity has utilized the provided reason codes to investigate and account for locations that do not require BEAD funding, that the Eligible Entity will utilize reason codes 1, 2, and 3 for the entire period of performance, and that the Eligible Entity will maintain documentation, following the guidelines provided by NTIA, to justify its determination if there is a reason to not serve any unserved or underserved location on the NTIA-approved final list of eligible locations through a BEAD project. The documentation for each location must be relevant for the specific reason indicated by the Eligible Entity in the fp_no_BEAD_locations.csv file. The Eligible Entity shall provide the documentation for any such location for NTIA review, as requested during Final Proposal review or after the Final Proposal has been approved.

ARConnect hereby certifies that it has utilized the provided reason codes to investigate and account for locations that do not require BEAD funding, that ARConnect will utilize reason codes 1, 2, and 3 for the entire period of performance, and that ARConnect will maintain documentation, following the guidelines provided by NTIA, to justify its determination if there is a reason to not serve any unserved or underserved location on the NTIA-approved final list of eligible locations through a BEAD project. ARConnect understands that documentation for each location must be relevant for the specific reason indicated ARConnect in the fp_no_BEAD_locations.csv file (**Exhibit D**). ARConnect shall provide the documentation for any such location for NTIA review, as requested during Final Proposal review or after the Final Proposal has been approved.

7.8 Certification of Enforceable Commitments

Certify that the Eligible Entity has accounted for all enforceable commitments after the submission of its challenge results, including state enforceable commitments and federal enforceable commitments that the Eligible Entity was notified of and did not object to, and/or federally-funded awards for which the Eligible Entity has discretion over where they

are spent (e.g., regional commission funding or Capital Projects Fund/State and Local Fiscal Recovery Funds), in its list of proposed projects.

ARConnect hereby certifies that it has accounted for all enforceable commitments after the submission of its challenge results, including state enforceable commitments and federal enforceable commitments that ARConnect was notified of and did not object to, and/or federally-funded awards for which ARConnect has discretion over where they are spent (e.g., regional commission funding or Capital Projects Fund/State and Local Fiscal Recovery Funds), in its list of proposed projects.

Section 11 Implementation Status of Plans (Requirement 11)

11.1 Implementation Status of Plans – Cost and Barrier Reduction

Provide the implementation status (Complete, In Progress, or Not Started) of plans described in the approved Initial Proposal Requirement 14 related to reducing costs and barriers to deployment.

The implementation of plans described in the approved Initial Proposal Requirement 14 related to reducing costs and barriers to deployment are in progress. The plans as described in IPv2 Section 2.10.1 are listed below.

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. The state 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. 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 County Broadband Committees 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.

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 is 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. 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. 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. Additional right-of-way efforts may require involvement of local, state, and federal legislative officials.

11.2 Implementation Status of Plans – Labor Activities

Affirm that the Eligible Entity required subgrantees to certify compliance with existing federal labor and employment laws.

ARConnect hereby affirms that all subgrantees were required to certify compliance with existing federal labor and employment laws.

11.3 No Labor Law Compliance Certification

If the Eligible Entity does not affirm that subgrantees were required to certify compliance with federal labor and employment laws, explain why the Eligible Entity was unable to do so.

Not applicable.

11.4 Low-Cost Broadband Service Option Availability

Certify that all subgrantees selected by the Eligible Entity will be required to offer a low-cost broadband service option for the duration of the 10-year Federal interest period.

ARConnect hereby certifies that all subgrantees selected will be required to offer a low-cost broadband service option for the duration of the 10-year Federal interest period.

11.5 No Low Cost Service Option Compliance Certification

If the Eligible Entity does not certify that all subgrantees selected by the Eligible Entity will be required to offer a low-cost broadband service option for the duration of the 10- year Federal interest period, explain why the Eligible Entity was unable to do so.

Not applicable.

11.6 Reliability and Resilience

Certify that all subgrantees have planned for the reliability and resilience of BEAD-funded networks.

ARConnect hereby certifies that all subgrantees have planned for the reliability and resilience of BEAD-funded networks.

11.7 No Reliability and Resilience Compliance Certification

If the Eligible Entity does not certify that subgrantees have planned for the reliability and resilience of BEAD-funded networks in their network designs, explain why the Eligible Entity was unable to do so.

Not applicable.

Section 12 Substantiation of Priority Broadband Projects (Requirement 12)

12.1 Priority Broadband Definition Application

Describe how the Eligible Entity applied the definition of Priority Broadband Project as defined in the Infrastructure Act and the BEAD Restructuring Policy Notice.

In reviewing applications for Priority Broadband status, ARConnect adhered to the statutory definition of "Priority Broadband Project" as established by the Infrastructure Investment and Jobs Act (IIJA), codified at 47 U.S.C. § 1702(a)(2)(I), and further clarified in the BEAD Restructuring Policy Notice issued by the NTIA on June 6, 2025.

Pursuant to IIJA and the Policy Notice, ARConnect defined a Priority Broadband Project as one that:

> "[provides] broadband service at speeds of no less than 100 megabits per second for downloads and 20 megabits per second for uploads, has a latency less than or equal to 100 milliseconds, and can easily scale speeds over time to meet the evolving connectivity needs of households and businesses and support the deployment of 5G, successor wireless technologies, and other advanced services."

Per the Policy Notice, ARConnect eliminated the prior NOFO's restrictive emphasis on end-to-end fiber and instead adopted a technology-neutral approach. ARConnect did not exclude any broadband technology categorically and instead assessed whether each proposed Priority Broadband Project met the statutory definition by assessing, consistent with NTIA's FAQ Version 12, project area geography, topography, density, weather patterns, and the statewide capacity of applicants. ARConnect did not hold any single factor to be determinative; given the wide variation in applicable considerations across the many areas of the state with eligible BSLs, instead the technical review team used a "totality of the circumstances" approach in which the fact-based consideration of multiple factors was incorporated to reach a decision.

To ensure consistency with this technology-neutral framework, ARConnect:

- Permitted any applicant to seek treatment as a Priority Broadband Project, regardless of the technology proposed
- Required applicants to provide supporting documentation sufficient for ARConnect to assess whether the proposed network:
    - Demonstrated that the proposed project will meet or exceed the statutory requirement for broadband speed (100/20 Mbps, ≤ 100 ms latency)
    - Can easily scale speeds over time to meet the evolving connectivity needs of households and businesses and support the deployment of 5G, successor wireless technologies, and other advanced services including a Professional

Engineer certification attesting to the accuracy of the scalability claims made in its application

- Applied a consistent and uniform review methodology based on the review of documentation submitted by applicants and the suggested factors in NTIA's FAQ Version 12, such as "the natural and physical features of a project area (including weather patterns), tree coverage or threats to infrastructure, the concentration of BSLs, [and] statewide capacity of an applicant to meet the Priority Broadband Project definition." This review was conducted by independent network engineers to ensure an objective evaluation and the validity of the findings.

ARConnect ultimately determined that proposed projects using a variety of technologies met the Priority Broadband Project definition, including fiber, non-geostationary satellite, fixed wireless, coaxial cable, and hybrid technology projects.

Section 13 Subgrantee Selection Certification (Requirement 13)

13.1 Subgrantee Selection

Provide a narrative summary of how the Eligible Entity applied the BEAD Restructuring Policy Notice's scoring criteria to each competitive project application and describe the weight assigned to each Secondary Criteria by the Eligible Entity. Scoring criteria must be applied consistent with the prioritization framework laid out in Section 3.4 of the BEAD Restructuring Policy Notice.

In accordance with Section 3.4 of the BEAD Restructuring Policy Notice, ARConnect adopted a technology-neutral evaluation methodology to assess all competitive broadband project applications submitted during the Benefit of the Bargain Round. This framework ensured that awards were made to projects delivering the greatest possible return to taxpayers while compliant with statutory requirements under IIJA and guidance under the BEAD Restructuring Policy Notice.

For the Benefit of the Bargain round, ARConnect adopted the following subgrantee selection criteria in compliance with the PN:

Primary Criteria:

When evaluating competing applications covering the same general project area, ARConnect chose the option with the lowest cost based on minimal BEAD Program outlay. Per the PN, ARConnect selected the combination of project proposals with the lowest overall cost to the Program. This may have involved selecting a proposal that was not the lowest-cost option for a given set of BSLs but was part of the combination of selected projects with the lowest overall cost to the Program. When comparing competing proposals, ARConnect assessed the total BEAD funding that would be required to complete the project (i.e., the total project cost minus the applicant's proposed match) and the cost to the Program per location (i.e., the total BEAD funding that will be required to complete the project divided by the number of BSLs the project will serve). If no eligible Priority proposals for the same general project area fell within 15% of the lowest-cost eligible Priority proposal on a per-BSL basis, or if an application was the sole eligible Priority Broadband Project for a general project area, ARConnect selected the lowest cost application.

Secondary Criteria:

If an application to serve the same general project area proposed a project cost within 15% of the lowest-cost proposal received for the same general project area on a per BSL basis, ARConnect evaluated such competing applications based on the following Secondary Criteria as described in Section 3.4 of the Policy Notice. ARConnect applied the following tiered hierarchy of secondary criteria, assigning 100% weight to each in turn as a cascading tiebreaker:

- Preliminary Subgrantees:
    - For general project areas where ARConnect had previously identified preliminarily selected subgrantees, ARConnect assigned 100% of the weight to this criterion, so long as the Benefit of the Bargain Round application technology type matched that of the previous selection
    - If no applicant was previously preliminarily selected, ARConnect evaluated the second criterion

- Speed of Network and Other Technical Capabilities:
    - ARConnect evaluated the speed, latency, and other technical capabilities of the proposed projects and assigned 100% of the weight to an application's network speed
    - If all network speeds were equal, ARConnect evaluated the third criterion
- Speed of Deployment:
    - ARConnect evaluated the proposed project's binding commitment to provide service by a date certain that earlier than four years after the date on which the subgrantee will receive the subgrant from ARConnect subject to contractual penalties and assigned 100% of the weight to the application's speed to deployment
    - If all applications had equal deployment timelines, ARConnect assigned 100% of the weight to each application's cost

As mandated by the PN, ARConnect's subgrantee selection process prioritized Priority Broadband Projects over non-Priority Broadband Projects. If ARConnect determined that selecting a Priority Broadband Project would incur excessive costs, ARConnect selected a lower cost non-Priority Broadband Project. If ARConnect determined that no proposal met the definition of a Priority Broadband Project, then it selected a non-Priority broadband project that meets the speed and latency requirements of the statute and NOFO.

Section 14 Environmental and Historic Preservation (EHP) Documentation (Requirement 14)

14.1 EHP Documentation Upload

Submit a document which includes the following:

a. **Description of how the Eligible Entity will comply with applicable environmental and historic preservation (EHP) requirements, including a brief description of the methodology used to evaluate the Eligible Entity's subgrantee projects and project activities against NTIA's National Environmental Policy Act (NEPA) guidance.**
b. **The methodology must reference how the Eligible Entity will use NTIA's Environmental Screening and Permitting Tracking Tool (ESAPTT) to create NEPA project records, evaluate the applicability of categorical exclusions, consider and document the presence (or absence) of Extraordinary Circumstances, and transmit information and draft NEPA documents to NTIA for review and approval.**
c. **Description of the Eligible Entity's plan to fulfill its obligations as a joint lead agency for NEPA under 42 U.S.C. 4336a, including its obligation to prepare or to supervise the preparation of all required environmental analyses and review documents.**
d. **Evaluation of the sufficiency of the environmental analysis for your state or territory that is contained in the relevant chapter of the FirstNet Regional Programmatic Environmental Impact Statement (PEIS), available at https://www.firstnet.gov/network/environmental-compliance/projects/regionalprogrammatic-environmental-impact-statements.**
e. **Evaluation of whether all deployment related activities anticipated for projects within your state or territory are covered by the actions described in the relevant FirstNet Regional PEIS.**
f. **Description of the Eligible Entity's plan for applying specific award conditions or other strategies to ensure proper procedures and approvals are in place for disbursement of funds while projects await EHP clearances.**

See Exhibit H

Section 15 Consent from Tribal Entities (Requirement 15)

15.1 Resolution of Consent

Upload a Resolution of Consent from each Tribal Government (in PDF format) from which consent was obtained to deploy broadband on its Tribal Land . The Resolution(s) of Consent submitted by the Eligible Entity should include appropriate signatories and relevant context on the planned (f)(1) broadband deployment including the timeframe of the agreement. The Eligible Entity must include the name of the Resolution of Consent PDF in the Deployment Projects CSV file.

Not applicable – Arkansas has no federally designated Tribal Lands.

Section 16 Prohibition on Excluding Provider Types (Requirement 16)

16.1 Certification of Provider Type Inclusion

Does the Eligible Entity certify that it did not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility for a BEAD subgrant, consistent with the requirement at 47 U.S.C. § 1702(h)(1)(A)(iii)?

ARConnect hereby certifies that it did not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility for a BEAD subgrant, consistent with the requirement at 47 U.S.C. § 1702(h)(1)(A)(iii).

Section 17 Waivers and Public Comment

17.1 Waivers

If any waivers are in process and/or approved as part of the BEAD Initial Proposal or at any point prior to the submission of the Final Proposal, list the applicable requirement(s) addressed by the waiver(s) and date(s) of submission. Changes to conform to the BEAD Restructuring Policy Notice should be excluded. If not applicable to the Eligible Entity, note 'Not applicable.'

Not applicable.

17.2 Waivers Upload

If not already submitted to NTIA, and the Eligible Entity needs to request a waiver for a BEAD program requirement, upload a completed Waiver Request Form here. If documentation is already in process or has been approved by NTIA, the Eligible Entity does NOT have to upload waiver documentation again.

Not applicable.

Section 18 Exhibits

Exhibit A – Subgrantees CSV file

Exhibit B – Deployment Projects CSV file

Exhibit C – Locations CSV file

Exhibit D – No BEAD Locations CSV file

Exhibit E – CAIs CSV file

Exhibit F – BEAD Program Monitoring Plan

Exhibit G – Draft Subgrant Agreement

Exhibit H – Environmental and Historic Preservation (EHP) Documentation