



# ARConnect

The Arkansas State Broadband Office

**Arkansas BEAD Program**

## Frequently Asked Questions Pre-SGA 1:1 Sessions

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Arkansas BEAD Program  
Frequently Asked Questions – Pre-SGA 1:1 Sessions

### **SGA Execution & Program Setup**

1. Is there a deadline for SGA signing?  
Our goal is to execute all SGAs within 30 days of legislative approval; all SGAs must be executed within 6 months of Notice of Approval (June 3<sup>rd</sup>).
2. Where can Subgrantees find the detailed project budget, project implementation plan, and National Environmental Policy Act (NEPA) milestone schedule templates?  
<https://broadband.arkansas.gov/bead/> under “Programmatic Resources (+ Supplemental Guidance)”

### **Milestones & Execution**

3. Are the required network design submissions materially different from what was already submitted?  
They require some additional detail but you may leverage existing design materials already provided in your original application. The main difference is that we are now requiring Shapefiles. The Shapefile schema will be the same as the one you submit for NEPA review. It is important that your final network design submission is the same for both Milestone 1 and NEPA.
4. How does the milestone disbursement model work? Is payment issued upon milestone completion, or must providers submit invoices up to the milestone amount?  
Disbursement is milestone-based (not invoice-based reimbursement). ARConnect will remit payment after verifying milestone progress via internal review of financial and physical evidence. However, providers must retain supporting documentation and receipts for audit purposes.
5. Didn't Subgrantees already submit information for Milestone 1 as part of the project application?  
All previous responses were in draft form; Milestone 1 requirements are for the final, baseline version that reflects the most updated project details. In addition, the templates have been changed to meet program requirements.

6. If milestone completion exceeds actual expenditure (e.g., 60% completion with 50% spent), how is reimbursement handled?

In this example, the Subgrantee would receive the full amount established for the 60% milestone payment. Under a fixed amount subaward, Subgrantees will receive payment based on the achievement of the milestones, not based on demonstration of expenditures.

7. Does Milestone 2 disbursement criteria include pole attachment agreements?

No. Pole attachment agreements are not included in Milestone 2 disbursement.

8. How are milestones tracked in the portal, and can multiple milestones be captured at once?

Milestones 1 and 2 are based on your submission of evidence into the portal. “Locations Passed” milestones are triggered when you make your monthly updates and submit supporting evidence.

While a single field visit may cover multiple milestones if sufficient progress has been made, milestone evidence will be reviewed separately rather than combined.

In addition to deployment evidence, each “Locations Passed” milestone must be supported by additional evidence as submitted in the portal or as presented in a desktop review.

9. What is required for the Milestone 1 Detailed Project Budget, and how does it differ from the application submission?

The Milestone 1 budget requires slightly more detail than the application but should largely align with the originally submitted budget across the PAFs and is intended to serve as an early, achievable milestone. The budget categories align with the NTIA BEAD Semi-Annual Report budget categories.

10. If a single deployment project is built in subareas over time, how is the 10% milestone treated?

Milestones and disbursements are evaluated at the deployment project level; if a milestone is not achieved within a six-month period, a prorated disbursement will be issued proportional to progress toward the next milestone within that deployment project.

11. When will Milestone 1 and 2 payments be disbursed?

Payments will be disbursed after Subgrantees submit all documentation required for the milestone in the portal and a review of available evidence deemed such documentation satisfactory.

12. When will “location passing” payments be disbursed?

Payments will be disbursed after Subgrantees submit documentation of location passings in the portal, a review of such evidence is deemed satisfactory, and, as deemed necessary from the evidence review, a field audit confirms the reported build progress.

13. How soon will a field visit be scheduled once we reach a “location passing” milestone?

After location passings milestone evidence has been reviewed, a field visit may be scheduled if ARConnect deems it appropriate. Subgrantees will receive communication from the engineering team to set up a visit. Timing will vary and will be dependent on many factors, including business schedules and personnel availability.

14. What is meant by “network architecture” in the application and reporting requirements?

In fiber network deployment, network architecture is the high-level, strategic blueprint defining the structure, technology (e.g., GPON vs. Active Ethernet), and topology (e.g., ring, tree). Network design is the tactical, detailed implementation plan, covering specific routing, fiber counts, splitter locations, equipment locations, aerial and buried route placement, etc.

ISPs were asked to turn in their network architecture as part of the application package. ARConnect will NOT be collecting any further information regarding network architecture as part of the Milestones. ARConnect IS collecting the Network Design as part of Milestone 1 in the form of GIS Shapefiles. There is no need to provide CDs or Prelim CDs in a CAD or other format, only Shapefiles.

### **NEPA/EHP & Construction**

15. Can network designs change after Environmental and Historic Preservation (EHP) or NEPA review?

Yes, network designs may change after EHP or NEPA review but may require additional evaluations and approvals or NEPA resubmissions depending on the type of change.

16. Can existing infrastructure or early construction be counted toward match requirements?

The match is considered part of the project and must comply with BEAD Program requirements such as BABA (with the exception of legacy infrastructure that has been installed and placed into service prior to May 14, 2022).

“Early construction” is not allowed and violates EHP Special Award Condition requirements, as outlined in the Subgrant Agreement and the BEAD General Terms & Conditions. ALL newly constructed infrastructure that is funded through your match must begin AFTER NEPA clearance/approval.

17. Can construction begin on some locations while others are still pending NEPA approval?  
Possibly. It depends on whether the locations are within the same NEPA project area. Construction cannot begin within a NEPA project area until the NTP is issued for that area. However, one NEPA project area may receive an NTP and begin construction while NEPA review is still pending in another project area.
18. How much time savings can be expected from using NEPA subproject areas?  
Time savings vary depending on project scope and permitting complexity and can be better evaluated through conversations with your EHP specialist. While the overall project timeline may not change, the use of NEPA subproject areas is intended to allow for review, approval, and NTP on certain NEPA subproject areas while subproject areas that are more regulatorily complicated are under review.
19. How are “local permits” defined for compliance purposes?  
State permits include agencies such as ARDOT; local permits refer to municipal or county permits (e.g., building permits). If no local permits are required, you must obtain and submit as evidence to ARConnect a “No Zoning Required” or “No Permit Replied” letter from the Authority Having Jurisdiction (AHJ). Pole attachments are not considered local permits, as they are private agreements.
20. How should the engineering design progress align with the EHP timeline, given that plans are preliminary and may change?  
Engineering and EHP processes move in parallel. Preliminary designs are used for environmental review with the understanding that plans may evolve as field conditions are encountered. Project changes (e.g. changes to the route or construction methods) that trigger additional NEPA review will require updated submissions, and processes are in place to manage revisions as needed.
21. Can make-ready engineering for pole attachments begin prior to NTP?  
Pole attachment permissible activities prior to NTP include: desktop review, field survey for pre-construction assessment, joint use agreement execution, preparation and

submission of applications, make-ready engineering cost modeling and assessments. You may NOT; however, authorize/begin make-ready construction/moving of equipment/installation, attaching conduit, or any ground disturbing activities. Be cautious when paying the make-ready estimate fees as that might trigger the pole owner to schedule activity.

22. Will providers have access to APPEIT, or is it only used internally by ARConnect?  
APPEIT is a free tool offered by NTIA. Subgrantees are encouraged to use it since they are responsible for identifying anticipated permits and environmental considerations.
23. How should Subgrantees handle private easements that are unusually expensive?  
High-cost easements do not automatically justify excluding a BSL. ISPs should notify ARConnect of potential delays so that NTIA can be engaged early if needed.
24. How should permitting be sequenced relative to NEPA clearance and NTP?  
NEPA clearance and issuance of the official ARConnect NTP must be completed before construction begins. Providers are not required to secure permits years in advance, but they must identify all required permits and the expected timing in the project implementation plan to receive Milestone 1 disbursement. Initial permit applications can and should be submitted while the NEPA permitting package is being prepared and submitted. For Milestone 2 disbursement, subgrantees must provide confirmation from permitting agencies that their applications have been received and accepted for review.
25. For permitting milestones, is proof that permits have been requested sufficient, or must permits be approved?  
You must have proof that your permit application has been “deemed complete” and been received and accepted by the authority having jurisdiction for Milestone 2. Final approval does not trigger a disbursement and is not required at this stage.
26. Does heightened environmental scrutiny primarily apply to new construction activities?  
Yes. The focus of environmental review is on new ground-disturbing or construction activities, particularly in previously unserved areas.
27. Can providers submit a package containing many individual shapefiles, and at what level should submissions be organized?  
Submissions should be made at the deployment project/PAF level. If using NEPA subproject areas, files should be organized accordingly.
28. During environmental review, how are existing structures (e.g., a bridge crossing) evaluated?

Review focuses on potential impacts such as pole placement, vegetation removal, and ground-disturbing activities. If those impacts are already understood and documented, that information should be provided for consideration.

### **Financial Requirements & Match**

29. What happens if a Subgrantee's material costs exceed expectations?

Any budget changes by more than 10% in any Eligible Use cost category need to be submitted to ARConnect for approval.

30. If there are allocation or categorical changes to the approved budget, must a revised budget be submitted?

Yes. Subgrantees will have the opportunity to submit revised budgets throughout the life of the project. Any budget changes greater than 10% in any Eligible Use cost category must be reported to ARConnect for approval.

31. If final match contributions are lower than initially projected due to efficiencies, but still meet the required minimum, how is that treated?

Match contributions may be adjusted downward from the amount approved in the Final Proposal, provided the 25% minimum match requirement continues to be met. Subgrantees must seek approval from ARConnect prior to making any such adjustment. ARConnect is seeking further confirmation from NTIA on this treatment, and subgrantees will be notified if additional requirements or a formal modification process apply.

32. If the mix between in-kind and cash match changes, does that create compliance issues?

Not necessarily. Adjustments to match sources must continue to meet federal eligibility requirements. Any match changes greater than 10% in any Eligible Use cost category must be reported to ARConnect for approval.

33. Does the 25% match need to be provided upfront?

No. Match must be contributed at the same general rate as grant funds.

34. How does the bond requirement work, and what happens in the event of nonperformance?

Subject to certain conditions, subgrantees are required to provide a letter of credit or performance bond equal to 10% of the award amount and helps protect the state and NTIA in the event of the subgrantee's nonperformance. If ARConnect is forced to file a

claim with the surety, the surety will reimburse ARConnect up to the amount of the performance bond.

35. Is the surety required to pay ARConnect if a Subgrantee fails to perform?  
If the bond is executed due to nonperformance, ARConnect will file a claim against the performance bond.
36. If a Subgrantee elects to use a Performance Bond instead of a Letter of Credit, what is required?  
Subgrantees must notify ARConnect of their intent and provide the executed bond within 60 days after execution of the subgrant agreement.
37. What amount is required for the Performance Bond (PB) or Letter of Credit (LoC)?  
A 10% PB or LoC is required if the provider elects to use Section 2.4 of NTIA's Letter of Credit waiver and receives reimbursements at least every 6 months.
38. What if a provider elects to opt out of the programmatic waiver and post a 100% PB or 25% LoC instead?  
If a 100% PB or 25% LoC is posted, the provider is not required to receive pro-rated milestone disbursement every 6 months and will only receive disbursements through milestone achievement.

### **Reporting & Monitoring**

39. Where can Subgrantees find reporting templates?  
All templates for monthly and semi-annual reports will be found in the ARConnect portal.
40. When are monthly reports due following SGA execution (e.g., if signed March 1, is the first report due in April)?  
Monthly reporting will begin the month after either a) the function becomes available in the portal; or b) the Subgrantee signs their SGA, whichever happens last.
41. Does monthly status reporting only apply at project closeout?  
No. Monthly reporting AND semi-annual reporting take place during the life of the project until closeout. There will be additional reporting requirements at closeout.
42. Will monthly reporting and SARs replace the prior quarterly reporting burden?

That is the intent. Monthly reports are designed to roll up into semi-annual reporting to reduce the overall reporting burden.

43. How will compliance reporting work for large projects with significant numbers of BSLs (e.g., 9,000 locations)?

Providers must update BSL status monthly in the portal where updates may be submitted as batches. Milestone templates will be simple uploads, and additional user guides and training will be provided as system enhancements are released.

44. What is the timeline between document submission and formal approval for disbursement once the new accounting system is fully implemented?

After Subgrantees submit documentation in the portal for monthly or semi-annual reporting, a review of such evidence must verify the milestone progress before ARConnect will remit payment.

### **Compliance**

45. Who is responsible for program compliance?

The Subgrantees are the recipients of the federal award and are, therefore, responsible for complying with all applicable federal, state, local, and program-specific requirements. ARConnect, as the facilitator of the grant, oversees Subgrantee compliance and is accountable to NTIA for the program as a whole.

46. What are the prohibited activities?

Grant Funds may not be used for:

- Partisan political activity
- Supporting or opposing candidates, ballot measures, or collective bargaining
- Paying bonuses or commissions for obtaining approval under the Agreement
- Purchasing prohibited communications equipment or services under the Secure and Trusted Communications Networks Act (47 U.S.C. § 1608), 2 CFR § 200.216
- Purchasing fiber optic cable and optical transmission equipment manufactured in the People's Republic of China

Additionally, profit, fees, or incremental charges above actual incurred costs are not allowable, though Project income may be retained without restriction. Refer to Section 4.B of the SGA for additional information.

47. Is a UCC filing required as part of the Subgrant Agreement?

Yes. Pursuant to Section 47C of the BEAD GT&Cs, after acquiring all or any portion of equipment under the award, the Subgrantee must file a UCC-1 with the appropriate State office where the equipment is located in accordance with the State's Uniform Commercial Code. The security interest must be executed prior to any sale or lease and no later than grant closeout. The UCC filings must include language providing public notice of the Federal interest in equipment acquired with BEAD funding, and Subgrantees must attach a clear and accurate inventory of the subject equipment to their submissions. Subgrantees should refer to Section 47C of the [BEAD General Terms and Conditions](#) for additional requirements.

48. What equipment is subject to federal reporting or filing requirements?

2 CFR [insert cite] defines "equipment" as tangible personal property with a useful life of more than one year and a per-unit acquisition cost of \$10,000 or more.

49. What documentation is required to demonstrate Buy America, Build America (BABA) compliance?

A signed certification letter from the manufacturer identifying BABA-compliant SKUs on company letterhead is required. Manufacturer-published BABA compliance information, including website listings, is generally acceptable. Subgrantees must also provide active documentation of materials purchased and reporting tracker for finished waived electronics. The NTIA has a reporting tracker template available for Subgrantees us.

50. If contractors procure materials, who is responsible for BABA certification?

Certification must come from the equipment manufacturer, though contractors may collect the documentation; the Subgrantee remains responsible for compliance and maintaining required records.

51. Is there a specific form that manufacturers must use for BABA compliance?

NTIA has provided [guidance and templates](#) outlining acceptable self-certification language, and Subgrantees must collect and maintain appropriate evidence of compliance, including tracking any waived equipment.

52. How far does a Subgrantee's responsibility extend in verifying subcontractor disbarment status, and is there a prescribed process?

Subgrantees are prohibited from awarding contracts to any party that is debarred, suspended, or otherwise excluded from federal programs per 2 C.F.R. §§ 200.214 and 200.332. At least one of the following three verification methods must be used prior to award — using multiple methods is strongly recommended for audit protection:

1. **SAM.gov Search** — Search SAM.gov for exclusions before awarding the contract. Document and retain the search results (e.g., screenshot or PDF of the "No Results" page) for audit purposes.
2. **Written Certification** — Obtain a written certification from the subcontractor attesting that they are not debarred or suspended.
3. **Contractual Warranty** — Include a clause in the signed agreement warranting that the party is not currently excluded from federal programs.  
This is an ongoing obligation. If a Subgrantee learns that a subcontractor has been debarred at any point during the project, it must immediately notify the Grantee and take steps to terminate the subcontract.

53. If a subgrantee uses a loan or line of credit secured by BEAD-funded property, what encumbrance requirements apply?

Under Section 46 of the BEAD General Terms & Conditions, subgrantees may not encumber BEAD-funded property without prior disclosure to and approval from NTIA and NIST, and no encumbrance may interfere with the construction, intended use, operation, or maintenance of grant-funded property during the Federal Interest Period.

For broadband infrastructure subgrants specifically, encumbrances on real property and equipment are permitted provided that: (1) prior notice is given to NTIA and the Grants Officer, and (2) the DOC holds a first priority or shared first priority security interest entitling it to recover its proportional contribution to project costs upon liquidation.

54. Can USDA RUS financing be used in conjunction with BEAD funding without creating conflicts?

The BEAD NOFO clarifies that federal loans are acceptable, but the NOFO clarifies IJJA, which states:

(B) Source of match.--A matching contribution under subparagraph (A)—

(i) may be provided by an eligible entity, a unit of local government, a utility company, a cooperative, a nonprofit organization, a for-profit company, regional planning or governmental organization, a Federal regional commission or authority, or any combination thereof;

(ii) may include in-kind contributions; and

(iii) may include funds [*BEAD NOFO clarifies this could be grants or loans*] that were provided to an eligible entity or a subgrantee—

(I) under--

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

(bb) the CARES Act (Public Law 116-136; 134 Stat. 281);

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

(dd) the American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4); or

(ee) any amendment made by an Act described in any of items (aa) through (dd); and (II) for the purpose of deployment of broadband service, as described in the applicable provision of law described in subclause (I).

A USDA RUS loan would only be useable if it were funded by one of the above sources. USDA would have to identify the funding sources it uses for its programs.

55. What are program enforcement mechanisms available to ARConnect?

The enforcement requirements in the subgrant agreement describe the corrective action mechanisms available to ARConnect in instances of non-performance or non-compliance. As this is a fixed amount subaward, ARConnect and the Subgrantee are generally insulated from the application of these enforcement actions.

### **Performance Testing & Compliance**

56. Please explain the SGA requirement to complete speed and latency testing once a Subgrantee has achieved at least 70% of BSLs reached.

Subgrantee must complete at least one cycle of performance testing with active subscribers after achieving at least 70% of the Broadband Project locations reached (as that term is defined in Exhibit B) that demonstrates the then-as-built network meets Subgrantee's network speed and latency commitments as set forth in Exhibit A.

57. Are compliance and reporting obligations applied on a per project basis?

Yes. Compliance and reporting requirements are applied on a per project basis.

58. How will BEAD speed testing be conducted, reported, and administered at the state level?

Performance testing must follow NTIA's Performance Measurement Policy Notice, including sampling methodology and pass/fail criteria (modeled after FCC processes). ARConnect administers testing in accordance with NTIA requirements, with results reported to ASBO through the portal rather than directly through the FCC system. Detailed guidance governs testing of serviceable but unsubscribed locations, and the state aims to minimize administrative burden while maintaining federal compliance standards.

### **Public Engagement**

59. Are the ribbon cutting ceremonies required per project or per county?

ARConnect requires a public groundbreaking/ribbon cutting on a per-project basis; ARConnect may approve coordinated/simultaneous ribbon cutting events at its discretion.

60. Is there a required timeline for holding a public groundbreaking after signing the SGA?

No. There is no specified deadline; ARConnect will coordinate with Subgrantees on timing.

61. Is attending a general county meeting sufficient to satisfy the county judge briefing requirement?

No. ARConnect expects a project-specific briefing with the county judge for the county in which the project is located, though it may be coordinated alongside other meetings if appropriate.

### **Other**

62. What happens if a Subgrantee identifies non-serviceable BSLs within its project scope?

The Subgrantee must provide documentation supporting the reason code for the change to a non-BEAD location and submit it to ARConnect through the portal. All non-BEAD location updates are subject to ASBO for approval.

63. How is the low-cost service obligation defined?

The low-cost service obligation under [NTIA's Restructuring Policy Notice](#) requires BEAD subgrantees to offer at least one low-cost broadband service option that meets certain performance standards; eligible subscribers are households eligible for the FCC's Lifeline Program. Unlike the prior NOFO, NTIA does not prescribe specific pricing for this option, as subgrantees propose their own low-cost offering.