Arizona BEAD Program FAQs

Benefit of the Bargain Round Application

These FAQs have been updated based on the [NTIA Restructuring Guidance](#) received June 6, 2025.

NTIA BEAD Restructuring Policy Notice

1. **What is the timeline for the Benefit of the Bargain Round of applications?**
   The Benefit of the Bargain Round project application period, as of this publication, is scheduled to begin on July 8, 2025, at 4:00pm MST, and will extend over a duration of 14 days, concluding on July 22, 2025, 4:00pm MST.

2. **Will there be another round after the Benefit of the Bargain Round?**
   Based on the NTIA's Restructuring Guidance and 90 day timeline, there will be only one Benefit of the Bargain Round, starting on July 8, 2025 and ending on July 22, 2025.

3. **When can applicants expect application materials and access to the portal?**
   Pre-registration and application guidance documents will be available on ACA's website before the Benefit of the Bargain Round launch. Please monitor ACA's website and check your email from broadband@azcommerce.com for updates.

4. **When will the 7-day period for Location Optimization for ULFW start?**
   ULFW evidence collection will be launched in the Arizona Broadband Navigator on June 20, 2025, at 5:00pm MST and will conclude on Friday, June 27, 2025 at 5:00pm MST.

5. **What changes to Project Areas can we expect based on the NTIA Policy Notice?**
   Updated Project Areas and eligible BEAD locations will be published before the launch of the Benefit of the Bargain Round in the Arizona Broadband Navigator.

6. **Where can I find the NTIA BEAD Restructuring Policy Notice?**
   This policy notice can be downloaded from BEAD Restructuring Policy Notice | National Telecommunications and Information Administration.

7. **Is pre-registration required under the new policy notice?**
   No further actions are needed for applicants with approved pre-registrations. For those with open pre-registration RFCs, ACA will review and remove certain requirements per the NTIA BEAD Restructuring Policy Notice.

8. **If you are an ISP applying for a tribal project area, are resolutions of consent from Tribal Governments still required under the new NTIA rules?**
   Yes, Resolutions of Consent from Tribal Government are still required.

9. **Are non-deployment funds, like workforce development, still eligible for BEAD funding?**
   Per the NTIA BEAD Restructuring Policy Notice, "Funding for allowable non-deployment purposes is under review, and NTIA will issue updated guidance in the future." Currently, all non-deployment activities approved in Initial Proposals have been rescinded. If NTIA issues updated

guidance, ACA will follow the updated guidance and, to the extent possible, provide appropriate notice to all proposers of that guidance.

10. **Will Round 1 applications carry over to the Benefit of the Bargain Round, and can applicants revise their submissions?**

Previously submitted applications from Rounds 1 and 2 must be resubmitted for the Benefit of the Bargain Round. Applicants will have access to their previous applications in the portal and will have the ability to review and copy/paste previous application details into the new Benefit of the Bargain Round application. We encourage all previous applicants and provisional awardees to apply again and take advantage of this new opportunity.

11. **Are cybersecurity plans still required?**

Yes, cybersecurity plans remain a requirement.

12. **Is the 14-day public comment period required before submitting the Final Proposal to NTIA?**

Using NTIA's new Final Proposal Guidance and given the timeline for the updated BEAD Program, the public comment period for Arizona will be 7 days. As of this publication, the public comment period is slated for August 25 – September 1, 2025.

Subgrantee Selection Process Timeline and General Info

13. **What is the timeline for the Benefit of the Bargain Round of applications?**

The Benefit of the Bargain Round project application period will commence on July 8, 2025, 4:00pm MST and will extend over a duration of 14 days, concluding on July 22, 2025, 4:00pm MST.

14. **How will the State ensure universal coverage?**

To promote efficiency and a streamlined subgrantee selection process, the award of deployment subgrants will be completed in phases. This approach allows for the highest number of locations to be covered, efficient submission of applications, thorough evaluations, and timely awards. With a focus on efficiency and timely decision-making, ACA is confident that this phased selection process will result in the deployment of effective broadband infrastructure across the State of Arizona to achieve universal coverage to the extent feasible and practical. Obviously, ACA cannot guarantee "universal" coverage but will endeavor to do all that it can to reach that goal.

15. **What is the process of promoting and adopting Dig-Once policies?**

Arizona Revised Statutes Title 28, Article 14 has prioritized the efficient and effective use of taxpayer investments since 2012 by adopting a "dig once" policy to all roadway construction projects supported by state and/or funds. This approach involves installing conduit and other infrastructure during road construction projects to accommodate future broadband deployment, reducing costs and barriers to deployment for ISPs. ACA has a strong partnership with ADOT and promotes and supports the adoption of dig-once policies.

Application Portal and Format

16. **Are there any word or character limits for narrative sections in the pre-registration application?**

No, there are no word or character limits for the narrative sections. If you are experiencing any technical issues, please reach out to Ready.NET at azhelpdesk@ready.net.

17. **Will the same portal and log-in credentials be used for the application phase as with pre-registration?**

Yes, Applicants will be able to use the same log-in credentials and access the same portal for all rounds of the application phase. Ap plicants should, however, verify that their log-in credentials are current and effective in a timely manner to ensure that there are no last-minute problems or concerns. Questions can go to azhelpdesk@ready.net.

18. **If the Potential Applicant has a mailing address in a different state, is an Arizona mailing address required?**

No, a mailing address in Arizona is not required.

19. **What information submitted in an application will be considered privileged or confidential?**

ACA is unaware of any legal privilege recognized by Arizona law that would apply to any information provided by any Applicant in this context. As a result, no information provided as part of an application is or will be treated as "privileged."

With regard to confidentiality, as all Applicants know, the ACA is a state agency, and as a result is governed by the Arizona Public Records Law, A.R.S. §§ 39-101 through 161. The general policy of the State of Arizona is that "[p]ublic records and other matters in the custody of any officer shall be open to inspection by any person." *See* A.R.S. § 39-121. All documents submitted to the ACA as part of this application process are public records that are deemed by law to be open for inspection unless the documents or information is deemed confidential, private or disclosure would not be in the "best interests of the state," as those terms are defined by Arizona law.

ACA recognizes that various Applicants may be submitting (or have submitted) information that the Applicant believes to be confidential as that term is defined by Arizona law, particularly related to trade secret or otherwise protected intellectual property. During the BEAD Application Review process, the information from each Applicant shall be maintained as confidential pursuant to the standard procurement rules of the ACA and the State of Arizona. If an Applicant is submitting information that it believes is confidential, Applicants should:

- Indicate whatever specific information it believes to be confidential is confidential by stamping each page (or portion of any page) of any document that it wants maintained as confidential with the word "CONFIDENTIAL" in a place that is clear and obvious; and
- Submit a statement detailing the reasons that the information should be treated as confidential and not be disclosed, including the specific harm or prejudice which may arise if disclosure is made. ACA notes, it is highly unlikely that an entire application will be confidential. The statement must be signed by an executive-level or director-level employee, and the "CONFIDENTIAL" stamp must appear on every page (or portion of a

page) that the Applicant seeks to maintain as confidential. The Applicant must also comply with all rules and regulations that are applicable to documents submitted to ACA for maintaining confidentiality of documents, per ACA's website and Arizona public records laws, which are incorporated by reference.

During the review of any application, the ACA may evaluate the designations by the Applicants with regard to confidentiality. If ACA determines that an Applicant has designated information as confidential that is not confidential under applicable law, ACA can, at its option, provide notice to the Applicant of its determination that the information is not confidential (*i.e.,* a public record subject to disclosure). The Applicant may, at its discretion, challenge any written determination by ACA that information is not confidential by submitting written information to the ACA requesting ACA to alter its decision. If ACA rejects this request, the Applicant may seek a court order to maintain the confidentiality of such information. Any effort seeking to challenge a determination related to confidentiality must be initiated within ten (10) business days of the Applicant receiving notice in writing that the Applicant's request for a confidentiality designation has been denied.

Additionally, if a public records request is made for information related to an application that is a public record which also contains confidential information, the ACA shall produce the public record and maintain the confidentially designated information as confidential, and notify both the Applicant and the party seeking the information that it has redacted confidential information. If the party seeking public information initiates a legal action of any kind seeking an order compelling disclosure of the information that has been designated as confidential, ACA shall notify the Applicant of the legal action and notify them that they have ten (10) business days to seek a court order (or its reasonable equivalent) maintaining the information as confidential, or otherwise directing ACA to maintain it as confidential pending some legal proceeding. If the Applicant fails to obtain such an order in that time frame or make a reasonable showing that it has taken appropriate steps to attempt to do so the ACA can, at its sole discretion, deem the inaction by the Applicant as a waiver of any claim of Confidentiality, find that the information in question is not confidential, and disclose it as such pursuant to Arizona's Public Records Laws. The ACA can further seek reimbursement from the party that designated documents as confidential but failed to defend them for any damages, in any form, that the ACA incurs related to its efforts to maintain confidentiality. The ACA is not obligated to take any position in any legal action related to any dispute over confidentiality, but has the right to do so as it deems appropriate at its sole discretion.

20. **Is there a form or template for requesting "confidential" treatment?**

Please refer to question 19 regarding privileged and confidential information.

21. **Does the portal allow .zip files?**

No, the portal does not support .zip files. Applicants can upload multiple files in the accepted formats as needed. If they encounter any issues uploading all the required documentation, they should contact azhelpdesk@ready.net for assistance. If an Applicant anticipates needing to upload a substantial amount of data in a form that may create an issue, ACA encourages that

Applicant to start that process far enough in advance of the deadlines for this Project that it does not create a potential problem missing a deadline.

22. **Has the ACA published, or will it publish, the BEAD Pre-Registration Applicant list?**

The list of pre-registered applicants on available on ACA's website. This list can be found on the ACA's website for Pre-Registration.

Project Areas, BSLs, and CAIs

23. **Is it allowed for the Applicants to label misclassified BSLs as served, thereby excluding them from the project scope and the associated costs, and focusing their efforts exclusively on bringing fiber to areas that are genuinely unserved or underserved? Or is it required to include these served locations in their deployment to satisfy the criteria for a priority application?**

For the BEAD application, Applicants should include all eligible locations within the Project Area. Although ACA retains the right to withhold funding for locations considered to be "served", such decisions will be made by ACA during the final grant award process. ACA reserves the right to declare any application that is incomplete because it fails to include part of an eligible location within its Proposal as non-responsive and to reject that application.

24. **Where can Applicants find a copy of the Arizona Broadband Map or Final Project Areas outside of the application portal?**

The updated Project Areas and eligible BEAD locations will be published on the ACA BEAD Application Portal before the launch of the Benefit of the Bargain Round on July 8, 2025.

25. **Can adjacent Project Areas be combined into a single application?**

No, adjacent Project Areas cannot be combined into a single application. While you can select multiple Project Areas in the portal, you must input data, responses, and narratives for each Project Area individually.

26. **If we have planned construction in a Project Area that is not yet completed and is not part of the BEAD project, but will be used to provide service to the BSLs in the Project Area, can that facility be included as an In-Kind contribution to the BEAD project? Including this would help reduce the total cost of the proposal.**

Yes, such a facility can be included as an In-Kind contribution to reduce the total cost of the proposal.

27. **What should Applicants do about BSLs within the Project Area that are already funded or do not have households?**

ACA has already completed a deduplication process with NTIA to remove any BSLs that have already received federal funding from other programs. However, there is a possibility that additional awards for other federal programs outside of BEAD may occur during the procurement process. ACA will conduct another round of deduplication after the awards are made to remove any BSLs that receive additional federal funding or any BSLs that do not contain households or CAIs. Updated information will be available in the Arizona Broadband Navigator before July 8, 2025.

28. **Are only the BSLs designated on the map eligible for BEAD funding? If there are other unserved or underserved locations not shown on the map, are they excluded from BEAD funding?**

    Correct, only the BEAD-eligible locations shown on the map in the portal are included in the BEAD funding. Locations not reflected on the map are not part of the BEAD-funded locations.

29. **Are unserved CAIs required to be included in the project application?**

    Please refer to NTIA's Restructuring Policy.

30. **Why is there a discrepancy in the number of BSLs between the post-challenge data on ACA's website and the portal?**

    The BEAD Grantor Portal accurately reflects ACA's approved challenge data and serves as the final determination of eligible BSLs.

31. **Why do some locations on the portal not have a Fabric ID?**

    CAIs sometimes do not have a Fabric ID. However, all unserved and underserved locations will have a Fabric ID. If Applicants are having difficulty locating the Fabric ID, please email ACA at broadband@azcommerce.com for assistance.

32. **Did ACA adopt a broader definition of CAI? Is there any estimate on the impact of the existing CAI list? Additionally, what is the speed requirements for CAIs?**

    ACA is following the definitions in the NTIA Restructuring Policy released on June 6, 2025.

33. **ACA is currently using V4 Fabric for their list of eligible BSLs, which corresponds to availability data as of December 31, 2024. Will ACA release an updated list of eligible BSLs, and can a link to the latest fabric be provided?**

    ACA will finalize the BEAD-eligible locations in accordance with the NTIA BEAD Restructuring Policy Notice before launching the Benefit of the Bargain Round. Once the locations are updated, they will be displayed at https://az.broadbandnavigator.com/map and ACA BEAD Grantor Portal.

34. **With other federal grants being canceled, will the maps be updated to reflect 'unfunded' or 'now eligible' locations? Can these locations be considered in current applications?**

    ACA will finalize the BEAD-eligible locations in accordance with the NTIA BEAD Restructuring Policy Notice before launching the Benefit of the Bargain Round. Once the locations are updated, they will be displayed at https://az.broadbandnavigator.com/map and the Application Portal.

35. **Can ISPs submit updated speeds that have been updated after the original cutoff date?**

    No, the challenge process has concluded and the NTIA has approved the existing map. The NTIA BEAD Restructuring Policy Notice does not allow for this.

Technology Solutions

36. For question regarding the "Total estimated miles of aerial cable plant to be deployed," are aerial fiber miles considered equal to aerial cable plant if the proposed project is 100% FTTP?

Yes, if the proposed project is 100% FTTP, aerial fiber miles are equal to aerial cable plant.

37. Does an Applicant have to submit their Cyber & SCRM plans with the Benefit of the Bargain application, or only before the execution of the grant agreement?

Yes, the plans must be submitted either during pre-registration or with the application.

Network Design

38. When submitting an application, should Applicants have the Project Area units staked, engineered, and certified by a Professional Engineer (PE) prior to being awarded?

Preliminarily selected Applicants must submit their final engineered network designs prior to ACA grants approval. These detailed designs need to be certified by a Professional Engineer. Furthermore, at project completion, a Professional Engineer must verify that the network has been built and is functioning according to the design.

39. Does the network design need to be PE certified at the application stage, or when projects are awarded? Can the PE be licensed in any state?

Applicants must indicate in their project application if they plan to use PE certified in the state of Arizona during the grant agreement stage or if plan to choose a waiver for PE certification in case of the PE licensed in any other state. The PE Certified network design is to be provided during the grant agreement stage post tentative selection of Applicants.

40. What does the BEAD waiver for the PE certification involve? Do Applicants lose points if they use this waiver?

No, Applicants do not lose points when using this waiver. During the application phase, Applicants only need to provide a statement indicating that if they receive BEAD funding from ACA, any network design will be certified by a PE licensed in Arizona. If the PE is not licensed in Arizona, Applicants should state that they plan to utilize the BEAD Waiver for PE Certification. Applicants will complete this certification when the agreement is signed as potential recipients.

NEPA and NHPA

41. The following questions do not appear to be required in the portal. Should we provide this information at the time of application, or can we submit the environmental and historical analysis after the award?

- Provide a high-level description of the site and the surrounding area (e.g., developed land versus open space; adjacent natural resources; and any protected lands) and any natural or manmade geographic, physical, or other factors such as climate, historic sites, wildlife, etc., that may pose a risk to the development of the project including details related to

flood zones from Federal Emergency Management Agency (FEMA) floodplain maps and impacted wetland or waterways from US Fish and Wildlife Service's (USFWS) National Wetlands Inventory wetland maps.

- Provide detailed plans on how the project will be implemented including outlining the Applicant's approach to remaining compliant with the State Historical Preservation Act (SHPA), National Environmental Policy Act (NEPA) (42 U.S.C. part 4321 et seq.), National Historic Preservation Act (NHPA) (54 U.S.C. part 300101 et seq.), and any other environmental or national historic preservation requirements. If the Applicant has a completed NEPA plan for this project, please upload it.
- Additionally, recommend feasible plans to minimize adverse environmental and historical preservation impacts.
- Applicants are required to complete the "National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA)" (Q780-80) on the portal where they are required to provide:
    - **A high-level description** on the assessment of the site and the surrounding area.
    - Plans outlining the **Applicant's approach** to remaining compliant with the State Historical Preservation Act (SHPA), National Environmental Policy Act (NEPA) (42 U.S.C. part 4321 et seq.), National Historic Preservation Act (NHPA) (54 U.S.C. part 300101 et seq.), and any other environmental or national historic preservation requirements.
- If the Applicant has a completed the **applicable NEPA review or NHPA review** at the project application stage, they will be required to upload it.
- Additionally, Applicant will be required to recommend feasible plans to minimize adverse environmental and historical preservation impacts

Make-Ready / Project Preparedness

42. Is there a specific line item for Make-Ready costs in the BEAD Budget Workbook? Are Make-Ready costs considered eligible expenditures, and should they be listed as In-Kind expenditures in the Budget Workbook?

Make ready costs can be included under "Land/structures, make ready, and ROW appraisals" line item in the workbook.

For considering make-ready costs as eligible in-kind expenditures, it must meet the requirements of 2 CFR 200.06 and meet the following criteria:

- Verifiable from the non-federal entity's records;
- Not included as contributions for any other federal award;
- Necessary and reasonable to accomplish project or program objectives;
- Not paid by the federal government under another federal award, except where the federal statute authorizing a program specifically provides that federal funds made available for such program can be applied to matching or cost sharing requirements of other federal

programs. Note: 'Using Other Program Funds As Match' for BEAD Program exceptions detailed in the BEAD Match Primer; and

- Provided for in the approved budget when required by the federal awarding agency

Further information on eligible allowable and allocable expenditures will be provided with the draft sub-grant agreement.

These questions appear to not be required in the portal, and we were wondering if we need to provide this at application or if we submit environmental and historical analysis post award?

Project Financials

43. Is it permissible for BEAD Applicants in Arizona to employ Smart Grid loan funds as a match for BEAD applications? Furthermore, if the Smart Grid funds are received as a grant from USDA or DOE, can those funds be approved for the match?

For the Arizona BEAD Program, a matching contribution can either be a cash match or an in-kind match. For all matches, the Subrecipients must adhere to the requirements in 2 CFR 200.306. Cash Match, also known as a cash contribution, includes money spent on project-related costs. The cash can be the Applicant's own funds or funds from a third party.

In-Kind Match, also referred to as in-kind contributions, are non-cash donations of property, goods, or services which benefit a federally supported project. These can be counted toward satisfying the non-federal matching requirement of a project's total budgeted costs when these contributions meet specific criteria. In-kind contributions must be both allowable and allocable project expenses and can originate from a third party.

44. How will Applicants be able to participate in the waiver and deliver an LOC of 10%?

Applicants for the Arizona's BEAD Program do not need to provide an actual Letter of Credit (LOC) or performance bond during the preregistration or BEAD application phase. During the application phase, Applicants will be required to submit a commitment to provide the LOC or performance bond up to a specific dollar amount. An actual LOC or performance bond will be required prior to execution of the grant agreement based on the actual award amount. This can be accomplished with a letter from an eligible bank or credit union (with a Weiss Bank Safety Rating of B- or higher) committing to provide the LOC if the award is granted. Alternatively, a letter from a company with a federal surety certificate committing to issue a performance bond is also acceptable.

When choosing to obtain an LOC from a bank per the BEAD NOFO, the Applicant must confirm that their organization will obtain and submit an LOC before signing the grant agreement, and the bank must commit to issue an irrevocable standby LOC of no less than 25% of the sub-award amount. Additionally, the Applicant's organization must submit an opinion letter from legal counsel stating that in bankruptcy proceedings, the LOC or the proceeds of the LOC would not be treated as property of the winning Subgrantee's bankruptcy estate.

Originally, the BEAD program stipulated that subgrantees must obtain a Letter of Credit (LOC) from an eligible bank, valued at minimum of 25% of the sub-award's amount. However, the NTIA later issued a Notice of Programmatic Waiver, allowing states more flexibility. The Notice provided four options:

1. Subgrantees can obtain the LOC from a credit union that conforms to the model set by the Rural Digital Opportunity Fund (RDOF) and meets certain conditions.
2. Subgrantee may obtain a qualified performance bond instead of obtaining a Letter of Credit from a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570 in a value of no less than 100 percent of the subaward amount.
3. Subgrantees may reduce the amount of the LOC or performance bond based on project milestones (this option is not allowed in ACA's implementation of the BEAD program).
4. Subgrantees may secure an initial 10% LOC or performance bond, under specific circumstances including reimbursement-based funding from ACA, a commitment to maintain the LOC or bond until the project completion or end of the performance period, and that the reimbursement period does not exceed six months.

ACA is adopting Options # 1, # 2, and # 4 for its implementation of the BEAD program as these options provide subgrantees with more flexibility in terms of the LOC or Performance Bond amount. If applying for an LOC waiver, Applicants can indicate the waiver option they would choose in the project application out of these three options for each Project Area included in the application. Based on the option selected, Applicants at the project application stage will be required to provide a letter from the bank or credit union committing to issue an LOC or a surety letter from an acceptable surety committing to issue a performance bond prior to signing of the grant agreement.

45. **Why is there no Option #3 for LOC in the portal, as it jumps from Option #2 to Option #4?**

Option #4 was designed to be more lenient and effectively replaces Option #3. ACA adopted this structure directly from NTIA's LOC guidelines. Option #3 is a more restrictive version of Option #4. Therefore, ACA only included Options # 1, # 2, and # 4.

46. **In Arizona's Initial Proposal Volume II, Section 2.4.11, Subsection "Subgrantee Option for Alternative Initial LOC or Performance Bond Percentage", there is a provision for a lower percentage requirement for a LOC, as detailed in sub-bullet 3. Does this sub-bullet imply that, right from inception, the initial and ongoing LOC requirement is consistently fixed at 10% throughout the course of the project, or does it propose that the initial deposit is set at 25% and, subsequently, at some point, sees a reduction to a 10% requirement?**

The section in question outlines a scenario where the initial and ongoing requirement for a letter of credit or performance bond can be set to 10% from the onset of the project. This arrangement is conditional upon meeting and maintaining the following criteria:

- Funding by the State Broadband Office is issued on a reimbursable basis, in accordance with Section IV.C.1.b of the NOFO.
- The reimbursement period does not exceed six months.

- The subgrantee commits to maintaining a letter of credit or performance bond at 10% of the subaward amount. This commitment is upheld until the subgrantee has satisfactorily demonstrated to the State Broadband Office the completion of the buildout of 100% of locations to be served by the project, or until the end of the performance period of the subaward, whichever occurs first.

Therefore, this condition allows for an initial and ongoing requirement of a 10% letter of credit or performance bond, without the necessity to start at a higher percentage (25% for LOC or 100% for performance bonds under standard requirements) and then reduce it to 10%.

For the LOC waiver - the requirement regarding "The reimbursement period does not exceed six months" is associated with compliance with progress report submission requirement. The objective is to ensure that subgrantees are regularly reporting the project progress and to ensure that subgrantees have sufficient working capital to support on-time implementation of broadband infrastructure project(s).

According to BEAD NOFO section IV.C.1.b (Securing Subgrantee Accountability) and ACA Initial Proposal Vol II section 2.16.2(a), ACA is planning to distribute project funding on a reimbursement basis to subgrantees for all broadband deployment projects. The BEAD NOFO (section VII.E.2) requires that subgrantees provide at minimum semiannual reports to ACA throughout the subgrant's / project duration. Additionally, the IP Vol II also conveys that prior to processing any reimbursements, verification will be performed on the subgrantee's reported progress, such as the number of installations accomplished based on established metrics. Lastly, ACA's Initial Proposal Vol II 2.16.2(d) proposes that ACA would establish a payment processing system for reimbursements before finalizing the project grant agreement. This aligns with the requirement for a maximum six-month reimbursement period to qualify for the LOC waiver.

47. **What is sufficient evidence for match verification?**

Acceptable evidence includes cash, a loan, a federal grant, or an in-kind contribution. An example would be an official letter from a bank or financial institution stating the loan amount or any other relevant authority's confirmation.

48. **Is an Applicant's bank statement verifying available funds sufficient for match verification?**

Yes, and ACA recommends that these statements be submitted as confidential. Please refer to question 19 regarding privileged and confidential information.

49. **Does the match requirement include two separate letters: a Letter of Credit commitment from a financial institution and a second letter showing access to capital to finance the project?**

The first letter should suffice, but both would be preferred.

50. **Is ACA now requiring an irrevocable letter of credit at the application stage rather than at the award stage?**

No, ACA requires a commitment letter from a financial institution, not necessarily an ILOC, but a commitment that the Applicant has sufficient funds to meet the required match.

51. **Please confirm that BEAD Applicants must provide evidence they can secure 25% of the Grant Amount requested, not the full match amount the ISP is bringing to the project.**

   This is incorrect. ACA requires evidence aligning with the Match Amount the Applicant is proposing. For instance, if an Applicant submits a 35% Match Amount, ACA requires evidence of a 35% Match.

52. **Even upon submission, will ACA continue to follow up with any clarification questions or is the submission final?**

   During the application review period, ACA will provide curing comments and follow up with the Applicants with request for clarifications (RFCs).

53. **I understand that the match is 25%, unless a surety bond is used, in which case the bond would guarantee the award value requested. Is that correct?**

   Yes, the minimum Match Amount required is 25%. A letter from the bank confirming the 25% can be submitted. If Applicants opt for a Performance Bond at Performance Security, a separate letter will be required as evidence of matching.

54. **Should there be one letter with the total match for all projects, or one per project?**

   One separate letter for each Project Area is required.

55. **If we have one letter sufficient to cover the LOC/bond requirement for all applications, can we attach that letter to each application? Or do Applicants need to obtain a separate, smaller valued LOC/bond commitment letter for each application?**

   ACA requests the latter, with a smaller-valued LOC/bond commitment letter for each separate application.

56. **Have the reference prices changed from Round 1 to The Benefit of the Bargain Round?**

   Reference prices and any changes to them will be available upon opening the Benefit of the Bargain Round to those who are pre-qualified only.

Contractors/Subcontractors

57. **Does ACA have any recommendations for how Applicants can respond to the contractor/subcontractor sections if those entities are still to be determined?**

   Applicants should follow their procurement policy for contractor/subcontractor selections. If Applicants have a list of potential contractors/subcontractors they plan to use, they can provide that list. If not, this information can be provided prior to the execution of the contract.

Scoring

58. **What criteria are used to score a BEAD Priority Project?**

   Will score in accordance to the NTIA BEAD Restructuring Policy and the latest version of the FAQs from NTIA. Further details will be available in the Benefit of the Bargain Round Application Guidance, available on the ACA BEAD Website the week of June 30, 2025.

59. **What is the reference benchmark cost?**

The underlying cost reference was derived from the CostQuest data.

60. **What is the reference price?**

The reference price is the amount of the subsidy available by the state for all the BEAD eligible locations included in each Project Area.

61. **How does ACA determine the "Reference Price" for each Project Area? What factors and data sources are considered in this calculation?**

The "Reference Price" was derived from NTIA's cost modeling, which is based on a model that assumes a 25% match and was not determined by ACA.

62. **If an Applicant's subsidy request for a Project Area is significantly higher than the reference price, will the application not be scored?**

All completed applications will be scored.

63. **Is there a formal cost list that was used for the reference price that Applicants can use to understand the projected cost from ACA's point of view?**

As an eligible entity, ACA has a unique contract with CostQuest, in collaboration with the FCC and NTIA, which includes various features. It appears that Applicants also have licenses with CostQuest that enable them to view the cost benchmarking assigned to the state. However, ACA is not exactly sure what other licenses allow.

ACA cannot share its data publicly, which is why it is protected behind pre-registration. However, if an Applicant's license with CostQuest permits, they will be able to see the same cost modeling analysis from NTIA and the FCC. This benchmark, based on NTIA cost modeling for Arizona, will be what Applicants follow when submitting their grant applications.

64. **Do Potential Applicants need to adjust the Reference Benchmark Cost number down based on percentage of locations excluded that are calculated BEFORE the Cost Reasonableness percentage is calculated?**

The reference price provided by ACA represents the maximum available subsidy amount, which is 75% of the reference benchmark cost for the entire Project Area. This includes serving all unserved and underserved BSLs included in the Project Area. To evaluation of project costs and cost reasonableness, ACA will pro-rate the reference benchmark costs based on number of BSLs excluded for a given Project Area.

65. **Will Round 1 Applicants be notified about the scoring they received on their Round 1 applications prior to The Benefit of the Bargain Round opening?**

No. We are in active procurement for the BEAD program. To preserve the integrity and fairness of our competitive application process, we do not disclose applicant scores. Maintaining this confidentiality ensures that all participants have an equal opportunity within the process and the best interests of the state are not compromised.

Award and Deconfliction

66. **If an Applicant is awarded a grant to a BSL and another provider builds out fiber to service that location before the Awardee can build their network, is the Awardee still required to build out fiber to that location?**

This depends on the timing. ACA will submit their final proposal to NTIA in August 2025, and NITA will complete its review within 90 days of submission. All states are required to undertake a deduplication process before executing contracts to prevent 'double-dipping' on federal funding. Therefore, any locations serviced by other ISPs before contract execution are not required to be built out by the Awardee. However, this does not apply to locations serviced by other ISPs after contract execution. If such a situation occurs, it would warrant a discussion between the Awardee and the State Broadband Office to adjust the project allocation.

67. **If an Applicant is awarded more Project Areas than anticipated, can they reject certain Project Areas to reduce the match requirement and project mileage?**

   ACA aims to avoid this situation under any circumstances. ACA emphasizes the importance of serving all Project Areas. While Applicants are encouraged to apply for any and all Project Areas of interest, ACA wants to ensure that no Applicant is overcommitted. To address this, ACA requires crucial documentation, such as the Letter of Credit, financial support statements, and financial statements, to ensure that Applicants are not exceeding their financial capabilities when submitting multiple applications.

68. **What will happen to the proposed Project Areas that have conflicting applications?**

   When a proposed Project Area overlaps with another proposed Project Area, ACA will follow the deconflicting approach for the same which is covered in detail in the Initial Proposal Volume II which is posted on ACA's website.

69. **How does ACA handle awards and contracts for partnerships within an application?**

   If Applicants identify one organization as the main Applicant in the portal when submitting a grant application, all agreements will be issued to that organization at the Project Area level. ACA will not issue separate contracts for subcontractors or partners. However, as specified in the NOFO, ACA is permitted to monitor subcontractors as part of BEAD compliance. This means that while the primary Applicant will receive all contract documentation, ACA will also monitor the performance of subcontractors involved in the project. If two companies are partnering and submitting a joint application, they must identify one company as the primary Applicant, and all contracts and documentation will be issued to the primary Applicant.

70. **Is there a maximum amount any one provider can receive from the Arizona BEAD program?**

   ACA has not indicated a maximum or minimum award amount for any one provider. Based on the NTIA cost model, there is a $50m maximum cost-reference price per Project Area, but this benchmark can be exceeded for specific projects.

Tribal

71. **If a tribal group is applying for a Project Area that is outside of their tribal area, are there any specific considerations that the Applicant will need to address?**

   No, there are no specific considerations for a tribal group applying for a Project Area outside of their own tribal lands. They can proceed through the regular application process without any additional requirements.

72. Are tribes excluded from the BEAD in-kind match requirements?

BEAD does not have any exclusions for in-kind match. Third-party matches are eligible for both cash and in-kind, and the Tribe may provide in-kind match for a project as long as it is allowable under subpart E of CFR 200.306. Matches may be compiled from a variety of sources, and the BEAD Program Guidelines do not prevent a Tribal community from providing match for an application from a Tribal ISP serving the community. For additional information, please see the BEAD Match Primer.

73. Tribal Applicants are required to upload or describe various policies and procedures. Do you have sample templates for these responses?

ACA does not have sample templates. These policies are typically created by the potential subgrantees. Therefore, if the Tribal Government is the Applicant, these policies need to be provided by them.

74. If a Tribe is the primary Applicant, is it necessary to provide a Letter of Support for themselves?

If the application is being submitted by a tribal utility or any entity that is separate from the Tribal Government, then yes, a Letter of Support is required.

75. Are there any changes to NTIA's required 25% provider match following the NTIA's emphasis on minimal BEAD Outlay?

Per the Restructuring Policy Notice, p. 12 still refers to "the applicant's proposed match." *See also* BEAD Match Primer (referring to 25%); NOFO. P. 20, and IIJA 60102(h)(3)(A)). The following RPN language does not change the requirement:

> *"Minimal BEAD Program Outlay.* The Eligible Entity must select the combination of project proposals with the lowest overall cost to the Program. This may involve selecting a proposal that is not the lowest-cost option for a given set of BSLs but is part of the combination of selected projects with the lowest overall cost to the Program.
>
> When comparing competing proposals, Eligible Entities shall assess the total BEAD funding that will 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)."

76. Will Round 1 Tentative Awardees have preference in the Benefit of the Bargain Round?

No, the NTIA BEAD Restructuring Policy Notice states that for the Benefit of the Bargain Round to allow competition on a level playing field, an applicant may seek to have its application treated as a Priority Broadband Project, regardless of prior participation or technology used, and that each application must be scored on its own merit under the new guidelines.

77. Can applicants remove locations to reduce costs, and are there limitations on this action?

The NTIA BEAD Restructuring Policy Notice states that applicants may propose to exclude select broadband serviceable locations (BSLs) that the applicant determines are excessively high-cost

locations from the project area (or would otherwise make the project economically unviable for the technology being used).

78. **If an application is rejected due to high costs, will applicants have a chance to adjust their application?**

Based on the NTIA's Restructuring Guidance and 90-day timeline, there will be only one Benefit of the Bargain Round, starting on July 8, 2025, and ending on July 22, 2025. Unreasonably high costs could result in rejection of an application.