Broadband, Equity, Access, and Deployment Program (BEAD)

Initial Proposal, Volume II

Arizona Commerce Authority

May 2024

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The Arizona Commerce Authority State Broadband Office has drafted the following document to meet the requirements for Volume II of the Broadband Equity, Access and Deployment (BEAD) Initial Proposal:

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This document represents the current draft of Arizona's BEAD Initial Proposal Volume II. The State Broadband Office is sharing this working draft to gather early public input as we further refine our approach to the program. Over the coming weeks, the State Broadband Office will work to improve this draft, taking into account feedback from various stakeholders. Public input is a crucial aspect of developing a successful broadband infrastructure program that meets the needs of Arizona's communities and businesses.

Following a 30-day public comment period, and review and consideration of received comments, the State Broadband Office plans to submit this document to the National Telecommunications and Information Administration (NTIA), in partial fulfillment of the BEAD Initial Proposal Volume II requirements.

The Arizona Commerce Authority State Broadband Office will incorporate any guidance received from NTIA on this BEAD Initial Proposal Volume II draft to ensure compliance with the BEAD requirements, as enabled by existing provisions.

2.1.1 Objectives

Outline the long-term objectives for deploying broadband; closing the digital divide; addressing access, affordability, equity, and adoption issues; and enhancing economic growth and job creation. Eligible Entities may directly copy objectives included in their Five-Year Action Plans.

In the 21st century, reliable high-speed internet is a necessity for individuals and industry alike including business owners, medical practitioners, first responders, teachers, students, farmers, and consumers. The COVID-19 pandemic has highlighted the importance of affordable and reliable broadband service and the negative consequences that insufficient access to high-speed internet has on daily life. Communities without access to high-speed broadband services are at a competitive disadvantage and lack of access disproportionately impacts low-income households, unserved and underserved communities, putting them at a greater risk of falling behind.

According to the [FCC National Broadband Map](#)[1], approximately 12.2 percent of households in Arizona do not have access to a wireline or licensed fixed wireless connection capable of achieving 100 Megabits per second (Mbps) download and 20 Mbps upload speed (100/20 Mbps). The Arizona Commerce Authority State Broadband Office and Governor Hobbs are committed to working diligently to advance the development of broadband infrastructure across the state to provide high-speed, affordable, and reliable broadband services to every resident in Arizona.

Arizona has set a clear vision of delivering dependable and affordable high-speed internet services to every community, along with access to essential digital skills for every resident to fully participate in the digital world.

To achieve this vision, the Arizona Commerce Authority State Broadband Office has established precise objectives in line with the BEAD requirements to guide the implementation of broadband infrastructure development, making the provision of universal coverage to all unserved and underserved areas a top priority. In cases where resources permit, the objective will extend to providing 1 gigabit per second (Gbps) symmetrical service to eligible community anchor institutions (CAIs) as determined by the Arizona Commerce Authority State Broadband Office. The objectives are designed to harness existing infrastructure and programs, effectively maximize the state's investment and enhance access to high-speed internet services.

Local coordination and mobilization of resources are essential to ensuring that communities across the state can take full advantage of the BEAD Program and Digital Equity (DE) Program. To this end, the State Broadband Office has developed an Engagement Outreach plan that will equip local and tribal communities with the necessary information needed for the duration of these programs. The State Broadband Office has committed to continuous coordination efforts aimed at fostering collaboration amongst local governments, tribes, and service providers to support the implementation and deployment of BEAD and DE programs.

Furthermore, this approach aligns with our Digital Equity (DE) Plan, which is an important component in ensuring that Arizona is able to address the long-term objectives for deploying

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[1] [FCC's Broadband Serviceable Location Fabric (Fabric) dataset from June 2023](#)

broadband, closing the digital divide, addressing access, affordability, equity, and adoption issues, and enhancing economic growth and job creation. Through its Digital Equity Plan, Arizona is working to ensure that all residents, regardless of income or geographic location, have access to affordable broadband internet services, and the skills and resources they need to fully benefit from that access. This is being accomplished through targeted investments in broadband infrastructure, educational programs focused on digital literacy and workforce development, and partnerships between state and local governments, private companies, and non-profit organizations.

Each goal and objective laid out in the Digital Equity Plan was created with the specific barriers encountered by Arizonans in mind. For example, we plan to designate a Digital Equity Specialist for each county, and for at least five tribes by 2026. These individuals will receive training around Digital Equity and Inclusion resources and best practices, and become local experts in programs that address access, affordability, and adoption issues ensuring continuous improvement in programs deployed around the state. We will create space for ongoing conversations and engagement, which will continue throughout the life of both the BEAD and DE programs.

Other goals and objectives laid out in the Digital Equity Plan aim to address device affordability, and availability, ongoing formal and informal digital literacy upskilling opportunities for all Arizonans, providing access to and support for Telehealth services across the state and more.

Community participation will be extended through various organizations such as the County Supervisors Association (CSA), Leagues of Cities and Towns, the Inter-Tribal Council of Arizona, and the Governor's Interagency and Community Broadband Advisory Council Working Groups. The State Broadband Office will leverage traditional, digital, and social media channels, community boards, and targeted email outreach to provide information and encourage active engagement. These diverse outreach methods align with the state's objective of fostering inclusive community participation and representing various perspectives to ensure comprehensive engagement.

The Arizona Commerce Authority State Broadband Office has established the following objectives for Broadband Equity, Access, and Deployment (BEAD) Program deployment.

Table 1: Objectives

#	Topic	Objectives
1	Broadband Deployment	Provide universal connectivity to unserved and underserved areas and ensure high-speed internet access is available to every household, business, eligible CAI, tribe, and community in Arizona. • Identify areas in the state where high-speed internet access does not meet the minimum broadband requirement of 100/20 Mbps. • Identify and mitigate obstacles and barriers preventing broadband expansion and adoption. • Remove regulatory barriers that hinder investment in broadband infrastructure. • Coordinate with all levels of government and utility providers to streamline permitting and right of way processes. • Develop and execute a data driven grant program that invests in new broadband infrastructure to meet minimum broadband

#	Topic	Objectives
		standards.
2	Closing the Digital Divide	Promote digital equity and inclusion through increased digital skills and access to devices for all Arizona residents including tribes. • Collaborate and strengthen partnerships with local and national stakeholders to enhance current and planned digital equity programs. • Develop and implement programs to promote digital literacy and digital skills. • DE Plan Alignment: Support Digital Navigator and Health Navigator programs, create Digital Equity Specialist cohorts. • Ensure Arizonans have the resources and support necessary to obtain and utilize affordable devices. • Create and maintain a publicly available Digital Equity Asset Inventory. • Integrate broadband infrastructure investments with healthcare, education, public safety, workforce, and economic development initiatives, both statewide and within tribal lands. • Leverage the Statewide Middle-Mile program and other federal and state funded programs to ensure that all residents have access to 100/20 Mbps or higher speed internet. • Leverage the state universities work via the Sun Corridor Network and partner with community colleges to expand broadband infrastructure across the state. • Enhance and coordinate with other investments in social programs, telehealth education, and economic equity and development to increase broadband deployment, affordability and adoption.
	Addressing Access, Affordability, Equity, or Adoption Issues	Promote broadband service pricing that is affordable to all Arizonans including tribes. • Encourage internet service providers to offer affordable plans for low-income households and create programs to make broadband services and affordability programs more accessible. • Promote programs like the Affordable Connectivity Program (ACP) and other programs that offer subsidies that reduce the cost of internet service to low-income households. • DE Plan Alignment: Support Digital Navigator programs, ACP Cohort model (via Education Superhighway) • Encourage competition in the market and provide incentives for service to high cost unserved and underserved locations.
4	Enhancing Economic Growth and Job Creation	Ensure a 21st century-ready workforce where Arizonans and tribes can succeed in the rapidly evolving job market where the state helps create, grow, and attract high wage businesses to increase economic development. • Utilize the Arizona Commerce Authority's extensive business development expertise and the Office of Economic Opportunity to create workforce development programs focusing on technology to support the new digital economy.

#	Topic	Objectives
		• Coordinate with Arizona institutions of higher education to develop and enhance programs with K-12, community colleges, universities and technology and vocational schools to provide real world opportunities for students to qualify for technology jobs. • DE Plan Alignment: Provide workforce development opportunities to individuals who will play a vital role in the implementation of the BEAD program. • Coordinate with Arizona@Work and BuilditAZ Apprenticeship initiative. • Coordinate with local workforce boards and the Workforce Arizona Council, established under the Workforce Innovation and Opportunity Act (WIOA). • Collaborate with agencies and organizations to create and improve programs that provide reskilling and upskilling opportunities for individuals who have been displaced or dislocated from the workforce.

For these objectives, the Arizona Commerce Authority State Broadband Office has developed the following key performance measures to track, monitor and report the progress regarding deploying broadband infrastructure, closing the digital divide, addressing access, affordability, equity, and adoption, and enhancing economic growth and job creation in the state.

• Increase in broadband access for rural and tribal communities.

• Number of households served with minimum speed of 100/20 Mbps or higher.

• Number of unserved and underserved locations connected to high-speed internet.

• Number of CAIs connected to high-speed internet.

• Number of households participating in the Affordable Connectivity Plan or its successor program.

• Number of participants in digital literacy programs, navigators and partnerships.

• Number of Arizonans who have successfully participated in an industry focused workforce development program.

• Number of jobs created within the broadband industry in Arizona.

The Arizona Commerce Authority State Broadband Office has developed specific sections of the Initial Proposal in compliance with the requirements of the BEAD Program. These specific sections are represented as Volume II and comprise the second of two submissions that will make up Arizona's complete BEAD Initial Proposal to NTIA BEAD Program.

After receiving approval for Volume I and submission of Volume II, the Arizona Commerce Authority State Broadband Office will begin the Challenge Process to determine the eligible unserved and underserved locations and eligible CAIs for BEAD deployment projects. The two-volume submission process enables the Arizona Commerce Authority State Broadband Office to maintain an accelerated timeline for the approval and implementation of BEAD Program funds.

The Volume II responds to sixteen of twenty requirements for the Initial Proposal as per the BEAD NOFO. For more information about how the Initial Proposal, as well as other documents under the BEAD Program align with closing the digital divide, additional resources are available at the Arizona Commerce Authority's website: https://www.azcommerce.com/broadband/arizona-broadband-equity-access-deployment-program/.

2.2   Local, Tribal, & Regional Broadband Planning Processes (Requirement 2)

2.2.1 Alignment with Existing Planning Efforts

Identify and outline steps that the Eligible Entity will take to support local, tribal, and regional broadband planning processes or ongoing efforts to deploy broadband or close the digital divide. In the description, include how the Eligible Entity will coordinate its own planning efforts with the broadband planning processes of local and tribal governments, and other local, tribal, and regional entities. Eligible Entities may directly copy descriptions in their Five-Year Action Plans.

The Arizona Commerce Authority State Broadband Office coordinated across local, tribal, and regional entities to ensure alignment with current and planned BEAD Program-related activities. Current efforts are described further in Section 2.3.1 and ensured that the office had a clear understanding of local and tribal processes and priorities for broadband deployment and digital equity work.

On September 14, 2023, Governor Hobbs announced the creation of the Interagency and Community Broadband Advisory Council to support strategic planning for broadband deployment in Arizona. This council includes state agencies, tribal stakeholders and representatives, local governments, labor representatives, industry and business representatives, telehealth representation, and higher education institutions. The CEO and President of the Arizona Commerce Authority serve as the Chairs of the council, which meets quarterly and divides into working groups that analyze and recommend suggestions for Arizona broadband policy. The working groups will focus on researching policy issues and make recommendations to the Council for Arizona broadband deployment and digital inclusion in Arizona. The State Broadband Office will then present the ideas to stakeholders, including ISPs through the stakeholder meetings and presentations.

Local coordination and mobilization of resources are critical to ensuring that communities throughout the state can fully leverage the opportunity of the BEAD Program. The Arizona Commerce Authority State Broadband Office, through local government roundtables and a survey of local governments, gathered information about policies, plans, and assets that support BEAD Program development and implementation. The survey asked local governments about priorities and barriers to infrastructure deployment. By engaging with local stakeholders and collecting information, we are working to ensure that the BEAD Program aligns with local needs and priorities.

Between July and October 2023, the Arizona Commerce Authority conducted an online survey of local government agencies across Arizona. The purpose of the survey was to gather insights about the Digital Divide as viewed by local government agencies in Arizona; steps that these agencies are taking to address these issues; and challenges that communities face when trying to improve broadband access, adoption, and usage among their residents.

During this time, 36 unique respondents provided information; of those, 35 respondents completed the survey and one respondent provided partial responses. These data represent all responses as of October 16, 2023.

The information presented in this report was gathered to assist and support the Arizona Commerce Authority's BEAD Program and Digital Equity planning. There are 22 federally recognized tribes across the state of Arizona, and the Arizona Commerce Authority State Broadband Office acknowledges and respects each tribal nation's sovereignty. The State Broadband Office adheres to the formal tribal consultation policy when interacting with the tribes, as described in Section 2.3.2.

Moreover, the Arizona Commerce Authority State Broadband Office has hosted interagency coordination roundtables amongst its internal and external partners. The State Broadband Office planned a series of workshops with two key partners, the League of Arizona Cities and Towns and the County Supervisors Association to introduce the BEAD Program and conduct policy discussions to inform the BEAD Program development. In addition, the State Broadband Office coordinated Digital Equity planning activities to hold community regional listening sessions to collect data that informs the Digital Equity plan.

The stakeholder engagement process for the BEAD Program in Arizona was developed to align with the requirements of the Digital Equity Plan Act and give a voice to communities with the greatest digital needs. The State Broadband Office recognizes the importance of ongoing community feedback to track the impact of execution strategies and planned activities, ensuring that the priorities identified in the plan are achieved. To further this effort, a community engagement and outreach specialist will be hired to coordinate stakeholder engagement activities.

Overall, the implementation plan for the BEAD Program is comprehensive and considers the unique needs of different regions and communities in Arizona. By leveraging stakeholder engagement and prioritizing key areas of focus, the Arizona Commerce Authority intends to maximize the impact of the BEAD Program, ultimately achieving its goal of universal broadband access in a way that also advances digital equity across Arizona. This stakeholder engagement plan will only be possible with the combined efforts of the Arizona Commerce Authority, Governor Hobbs, local and tribal governments, subgrantees, community stakeholders and the NTIA.

The table below provides a comprehensive list of organizations that currently or will play a vital role in the deployment of the BEAD Program and efforts in closing the digital divide in Arizona. These agencies will assist the Arizona Commerce Authority State Broadband Office as existing or potential partners.

Table 2: State Broadband Office Partners

Partners	Description of Current or Planned Role in Broadband Deployment and Adoption
Arizona Commerce Authority	• Coordinator and administrator of all broadband infrastructure funding programs in Arizona • Key administration stakeholder and Subject Matter Expert (SME) on digital inclusion
Executive Office of the Governor	• Designates the administering entity for program funds for broadband infrastructure development • Guides state broadband policy and convenes stakeholders in coordination with ACA via the Governor's Interagency and Community Broadband Advisory Council • Guides BEAD and Digital Equity strategy, engagement, and requirements within administration
State Legislative and Federal Congressional Members	• Provide legislative support for regulatory changes • Constituent input and services • Guide federal policy on broadband and create and fund federal broadband programs
Arizona Corporation Commission – Utilities Division	• Provides context on telecom/cable issues • Works closely with FCC
Arizona Department of Agriculture	• Coordinates with and advocates rural communities for development of broadband infrastructure
Arizona Department of Health Services	• Engages directly with vulnerable and covered populations • Assists with Digital Equity program coordination
Arizona Department of Education	• Provides expertise in digital skills and training • Coordinates with vulnerable populations via local schools • Coordinates with the complementary E-rate program
Arizona Department of Transportation (ADOT)	• Multimodal transportation agency involved in planning, building, and operating the highway system. ACA collaborates with ADOT to streamline broadband deployment opportunities and its Arizona's Middle Mile program • Owns certain broadband assets that can be leveraged for middle mile backbone
Arizona Office of Economic Opportunity	• Assists in ensuring Arizonans have the necessary skills to succeed and meet industry needs
Arizona Department of Housing and Urban Development	• Engages with public housing entities, which are home to many people from Digital Equity Act (DEA) and BEAD covered populations, qualify as CAIs eligible for gigabit symmetric service under BEAD
Arizona Strategic Enterprise Technology (ASET) Office	• Responsible for the statewide IT strategy while also providing capabilities, services, and infrastructure to ensure the continuity of mission-critical and essential systems.

Partners	Description of Current or Planned Role in Broadband Deployment and Adoption
Arizona Department of Environmental Quality	• Assists with environmental permitting
Arizona Department of Corrections	• Engages with covered populations • Provides perspective on workforce development
Arizona Attorney General Civil Rights Division	• Provides context and outreach on issues of digital equity and inclusion
Arizona State Historic Preservation Office	• Assists state and federal agencies in carrying out their historic preservation responsibilities pursuant state and federal law, including a review of potential effects of an undertaking on historic properties
Arizona Department of Economic Security	• Assists with promoting digital equity, developing the capacity of communities, and adoption of broadband services • Engages directly with vulnerable and covered populations
Arizona Department of Administration (ADOA)	• Assists in creating new broadband sector related jobs • Assists with administration and business operations of state government
Arizona State Land Department	• Assists in identifying and managing extensive state lands • Assists in facilitation of broadband infrastructure deployment • Manages state GIS mapping portal - AZGeo
Arizona Department of Public Safety	• Assists coordination with public safety broadband and telecommunication networks
Arizona Telemedicine Program	• Fosters the use of broadband for telemedicine
Arizona Board of Regents (ABOR), State Universities, Community Colleges and LEAs	• Promotes digital learning and skills • Supports broadband demand • Serves as anchor tenants for internet exchange points and other backhaul assets
Arizona State Library, Archives and Public Records	• Publicly available resource specializing in providing access to knowledge and information with a presence throughout the state • Supports digital equity activities • Promote participation in the Affordable Connectivity Program • Provides support to libraries to facilitate the loaning of devices for accessing the internet • Provide e-resources for homework and job help • Provides the Connect Arizona Digital Navigator service • Provides to support to libraries for E-Rate applications
Covered Population Organizations	• Provides the ACA with information and context for addressing the needs of Digital Equity Act covered populations (i.e., aging individuals, incarcerated individuals, veterans, individuals with disabilities, individuals with a language barrier, racial and ethnic minorities, rural community members) to ensure BEAD and DE planning meets the needs of every individual in the state.

Partners	Description of Current or Planned Role in Broadband Deployment and Adoption
Community Anchor Institutions	• Focuses on the needs of the state's many and varied community anchor institutions
Community Organizations	• Engages with residents, businesses, institutions, and NGOs at the local community level throughout the state • Provides guidance on local engagement for digital equity planning and how to engage community organizations for implementation
Deployment Supporting Organizations	• Advises on infrastructure planning, development, and implementation by providing insight to barriers and opportunities for coordination to rights-of-way, permitting, pole attachments, and other physical deployment needs of broadband networks • Streamlining and coordinating permit processes
Economic Opportunity Supporting Organizations	• Provides guidance to the plan on how the business and economic development communities can leverage new broadband networks to create economic opportunity for Arizona residents and businesses
Tribal Communities	• Provide guidance and input to unique connectivity needs that can be addressed with BEAD Program support
Local Government	• Provides valuable insights into the connectivity needs of Arizona's many and varied communities • Assists the Arizona Commerce Authority with broadband map development
Workforce Development Organizations	• Ensures that Arizona has a well-trained workforce (unions, educational entities, trade associations, etc.) that can use information and communications technology to support timely deployment of broadband infrastructure in the short-term and to grow Arizona's economy into the future
Digital Equity Organizations	• Non-profits and civic organizations bringing together partners from across the public, private, and academic sectors to work alongside local organizations and school districts to deliver digital equity programs
League of Arizona Cities and Towns	• League of Arizona Cities and Towns is an association of a collective group of cities and towns across Arizona that provides regional leadership over critical policy areas
County Supervisors Association of Arizona	• County Supervisors Association of Arizona provides regional leadership over critical policy areas, including policies necessary to ensure safe communities, protect public health, promote economic development, and plan and manage land use for sustainable development by providing a mechanism to share information and to develop a proactive state and federal policy agenda
Electric Service Providers	• Electric service providers including electric cooperatives that can advance and expand the broadband access to underserved and rural communities in Arizona

2.3   Local Coordination (Requirement 4)

2.3.1   Plan for Ongoing Coordination

2.3.2   Supporting Documentation for Local Coordination Tracker Tool

The stakeholder engagement process for the BEAD Program in Arizona was developed in alignment with the requirements of the Digital Equity Plan Act. The Arizona Commerce Authority State Broadband Office recognizes the importance of ongoing community feedback to track the impact of implementation strategies and planned activities to ensure that the priorities identified in the plan are achieved.

To ensure that the BEAD and Digital Equity Plans are well-coordinated, the Arizona Commerce Authority State Broadband Office has established regular working sessions and updates between the internal teams and stakeholders assigned to each plan. Additionally, the BEAD and Digital Equity planning teams have collaborated to foster comprehensive stakeholder engagement. This includes:

- Identifying key stakeholders;
- Developing engagement processes;
- Establishing timelines;
- Conducting outreach and communication;
- Hosting roundtable discussions;
- Administering surveys; and
- Sharing information.

These local coordination efforts supported the development of both plans.

The Arizona Commerce Authority State Broadband Office recognizes that engaging with stakeholders is not a one-time event but a continuous process. Therefore, stakeholders are encouraged to provide feedback on an ongoing basis to ensure that the BEAD and Digital Equity Plans remain relevant and impactful. By collaborating with stakeholders, we intend to increase access to high-quality broadband services across Arizona and ensure that no community is left behind in the digital age.

The model shown below allowed for robust engagement and provided opportunities for all Arizonans to participate in the planning process.

Figure 1: Local Coordination Framework
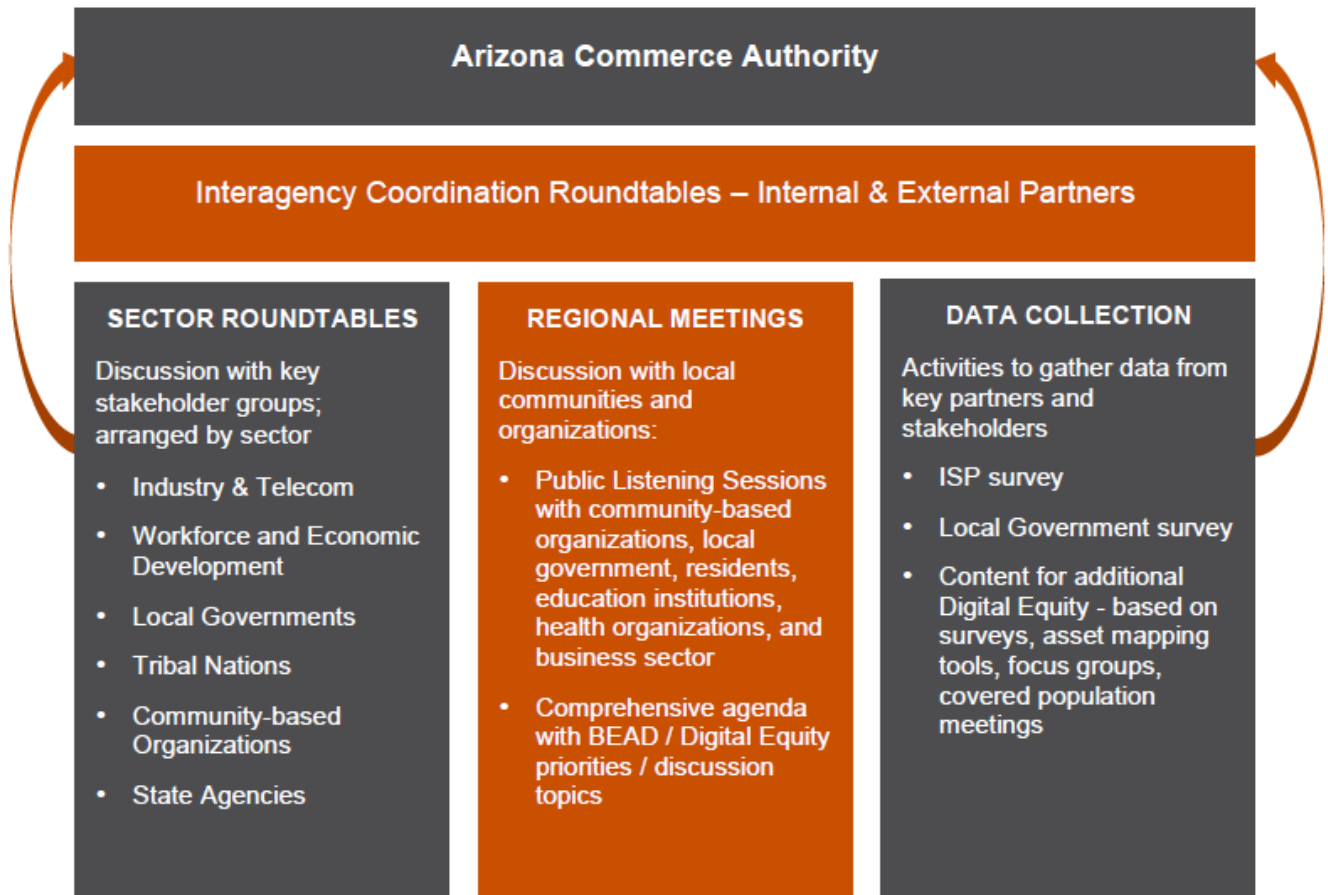
The deployment of broadband infrastructure is a multifaceted effort that involves numerous stakeholders. While the Arizona Commerce Authority State Broadband Office has been designated as the primary entity for broadband in Arizona by the Office of the Governor, it is necessary to involve partners with unique areas of expertise and perspective for the Office to be successful.

Engagement Strategy

By working with a broad network of partners, the Arizona Commerce Authority plans to leverage unique perspectives and expertise to inform its strategy for broadband deployment in Arizona. These partnerships will help enable the Arizona Commerce Authority State Broadband Office to identify and address the diverse needs of Arizona communities and ensure that all voices are heard. Through these collaborative efforts, our goal is to create a more digitally inclusive Arizona for all.

The State Broadband Office will engage with local government officials, community leaders in all 15 counties, and all 22 tribes to gather direct input on the unique challenges facing each of these individual communities. These engagements will be ongoing each year to ensure collaboration and feedback through the life of the BEAD program.

To ensure consistent engagement and interaction, the State Broadband Office will also organize a Statewide In-person Outreach Tour. This initiative will involve quarterly visits to each county and

tribal nation, emphasizing direct engagement, comprehensive dialogue, and collaborative efforts within the local community. The goal of this effort is to engage with local governments and tribal communities regularly to comprehend the distinct broadband needs, challenges, and aspirations of each region. The planned on-going coordination efforts of the State Broadband Office include facilitating collaboration between local governments, Tribal Nations and service providers to support the deployment of BEAD. The objective is to establish strong relationships, share valuable insights, and collectively develop strategies to improve broadband accessibility and connectivity at the local and tribal level.

A. Geographic Coverage

To gain insights into local organizations' and residents' internet access, affordability, and usage barriers, the Arizona Commerce Authority State Broadband Office hosted meetings in numerous Arizona communities. Given Arizona's rural nature, with 80 percent of the population residing on only 20 percent of the land and 64 percent living in one county (Maricopa), many parts of the state have very low population density. The State Broadband Office engaged with urban, suburban, and rural parts of the state and gained an understanding of regional broadband challenges. Furthermore, to integrate local broadband plans into the BEAD planning processes, the Arizona Commerce Authority State Broadband Office conducted outreach to all local governments, collecting their broadband plans for analysis.

This insight allows Arizona to better address the specific challenges faced by local communities, and to devise tailored strategies that reflect the unique needs of different regions. By leveraging this knowledge, the BEAD Program can ensure that all regions of the state receive the maximum benefit of increased connectivity.

B. Outreach to Diverse Groups

To ensure diverse representation and universal connectivity in the BEAD Program, the Arizona Commerce Authority State Broadband Office is prioritizing community-based organizations' involvement and stakeholder engagement, with policymaker support. The virtual partnership roundtables invited broadband industry representatives, tribes, local governments, unions, CIAs, and nonprofits to offer invaluable feedback for the BEAD Program's development. The State Broadband Office has been holding sector roundtables since May 2023, fostering open dialogue and gathering input from key stakeholder groups, including voluntary broadband and telecom industry participants, tribes, and local government representatives.

- Arizona Broadband Workshops – the Arizona Commerce Authority State Broadband Office partnered with the US Department of Commerce's NTIA, the US Department of Agriculture (USDA), and Economic Development Administration (EDA) to hold webinars for city officials, economic developers, and business leaders to provide updates regarding on-going broadband programs and initiatives. The objective was to create a roadmap for planning broadband infrastructure projects, including identifying funding opportunities and service providers. These workshops were conducted prior to the initiation of the BEAD Program.
- Arizona Statewide Broadband Strategy Meetings – The State Broadband Office conducted over 25 stakeholder consultation sessions with various public and private sector organizations to solicit their feedback and engage in vital discussions regarding the statewide middle-mile broadband program. These discussions provided valuable insights regarding the challenges and opportunities for developing robust broadband infrastructure and achieving the State's

broadband goals of fast, affordable, and reliable broadband service to all Arizonans. These stakeholder consultation sessions were conducted prior to the initiation of the BEAD Program.

- Industry & Telecom Roundtable – to ensure fair competition and equal access while implementing the BEAD Program in Arizona, the State Broadband Office is collaborating with ISPs as external partners. These partners possess critical information required for program success, such as infrastructure costs, customer demand, and network sustainability. Two roundtable meetings were organized by the State Broadband Office and its advisors to engage with the broadband industry and glean insights into their attitudes and concerns regarding the BEAD Program. The first meeting provided policy context and decision point discussions, while the second meeting focused on program feedback. The graphic below displays the key takeaways of the main topics covered in discussion.

Extremely High-Cost Threshold

Key takeaway: Reassurance that more recent data will be used to accurately determine the appropriate threshold

BEAD Subgrantee Selection Scoring Rubric

Key takeaway: The State Broadband Office encourages participants to share their opinion on the future subgrantee scoring rubric to ensure a fair rubric and selection process

Geospatial Competition and Closing the Divide

Key takeaways:

- Suggestion for service providers to be clear to ensure the accuracy of coverage maps by participating in the BEAD challenge process as announced in the Initial Proposal
- Focus on serving unserved and underserved locations first
- Support for a low-cost option and ACP adoption

Middle Mile and Long Haul

Key takeaway: Prioritization for last mile reconfirmed

- Local Government Roundtables – To involve local governments in Arizona, the Arizona Commerce Authority State Broadband Office launched outreach efforts such as local

government surveys and roundtable meetings for county supervisors and municipal leaders. The BEAD County Supervisors Association (CSA) roundtable meetings played a vital role in gathering Arizona stakeholders to tackle the challenges of the BEAD Program. The State Broadband Office also conducted roundtable meetings with the League of Arizona Cities and Towns, whose members are public officials representing over ninety municipalities in Arizona. The Arizona Commerce Authority State Broadband Office plans to continue gathering input from local governments to inform the development and implementation of the BEAD Program.

C. Engagement with Underrepresented Groups

The Arizona Commerce Authority State Broadband Office recognizes the importance of community input especially from underrepresented groups and is committed to ensuring that all stakeholders have a voice in the BEAD Program development. The State Broadband Office has partnered with community-based organizations and advocacy groups to understand the unique challenges these populations face when it comes to accessing broadband services. We have also held meetings, listening sessions, community forums, and surveys to solicit feedback and input from underrepresented communities to better understand gaps in connectivity and needs. Refer to Appendix A for Stakeholder Asset Inventory and list of organizations. Additionally, we have prioritized funding for projects that serve these communities and have included equity measures in our evaluation criteria to ensure that we are meeting the needs of all Arizonans. By taking these steps, the State Broadband Office is committed to ensuring that the BEAD Program is inclusive and accessible to all communities in our state.

Arizona strives to achieve affordability, access, and digital literacy by expanding digital inclusion, enhancing adoption, and conducting comprehensive community engagement efforts to obtain feedback from underrepresented communities about their connectivity requirements. The Arizona Commerce Authority State Broadband Office understands that stakeholder and community input is necessary for the BEAD Program's success, and it will maintain its engagement efforts throughout the program's planning and implementation phases.

Between June and August 2023, the Arizona Commerce Authority State Broadband Office organized a series of statewide community forums and listening sessions for the Digital Equity Plan to discuss internet access, technology, and their impact on local communities. These sessions gave local communities an opportunity to discuss BEAD and digital equity priorities, raise concerns, and ask questions. These sessions also provided a platform for collecting feedback and data to guide the development and implementation of the BEAD Program and Digital Equity Plan. By adopting a community-centered approach, the State Broadband Office seeks to ensure that all Arizona residents, regardless of location or background, have equitable access to digital resources.

D. Multiple Awareness & Participatory Mechanisms

The Arizona Commerce Authority State Broadband Office raised awareness of the BEAD Program by using various channels to disseminate information and solicit feedback. The Arizona Commerce Authority's website served as a hub for community forums, industry roundtables, local government meetings, and online resources such as video recordings of Broadband Workshops. The State Broadband Office will also send regular communications and updates to stakeholders via other communication channels, including social media platforms and local events. Arizonans

had multiple channels to provide their feedback via virtual or in-person listening sessions, surveys, public meetings, or the State Broadband Office website.

E. Transparency

Maintaining transparency and communication with the community is a priority in Arizona's Five-Year Action Plan driving BEAD Program planning, spending, and deployment where it's needed the most. The Arizona Commerce Authority State Broadband Office is committed to community engagement, regularly updating its website and sharing monthly call updates with key stakeholder groups, including community organizations, tribes, local governments, and industry partners. The public can comment on the Initial Proposal, Volumes I and II, with feedback incorporated into final planning documents as appropriate. The public comments process for the Initial Proposal Volumes I and II was facilitated through an online portal and other methods. These include allowing stakeholders to submit their comments through an online form, filling out a PDF form with comments, or e-mailing a PDF form with comments. For each Volume, the public comment period remained open for over 30 calendar days, and announcements were made through multiple channels, including e-mail, social media, and stakeholder outreach meetings. The State Broadband Office cataloged each comment received from political subdivisions, tribal governments, and stakeholders into key elements of the BEAD Program and incorporated comments and suggestions received. Additionally, the State Broadband Office will incorporate comments and suggestions received into the Final Proposal as appropriate.

F. Data Collection Activities

Data collection played a vital role in stakeholder engagement and local coordination for the BEAD Program. In addition to live roundtables, the Arizona Commerce Authority State Broadband Office launched individual surveys for internet service providers, local governments, community anchor institutions, and residents. These surveys offered detailed and short response options to increase accessibility and participation. The State Broadband Office e-mailed the surveys to partners and stakeholder groups, encouraging active participation by soliciting prompt responses.

- ISP Survey – From May to July 2023, the Arizona Commerce Authority State Broadband Office conducted a survey of the broadband industry in Arizona, using a confidential and comprehensive list of service providers in the state to elicit responses. Forty unique respondents provided information, with 24 completing the survey and 16 providing partial responses. A diverse group of ISPs participated, with most serving fewer than 10,000 households in the state.

- Local Government Survey – The Arizona Commerce Authority State Broadband Office administered the local government survey from June to October 2023 to collect information on local broadband needs, deployment barriers, ways local governments can support BEAD implementation, and infrastructure assets in local communities.

- Community Member Digital Equity Survey – The Arizona Commerce Authority State Broadband Office offered a digital equity survey available to all Arizonans from May 18, 2023, to August 23, 2023, to collect data on internet access, device availability and use, and digital literacy. The survey was translated into multiple languages for accessibility, and the online version was also available in Navajo. Survey results were analyzed by geography and population to understand resources, challenges, and barriers to digital equity statewide, informing the Initial Proposal and Digital Equity Plan.

G. Impact of Local Coordination Efforts

The Arizona Commerce Authority State Broadband Office's coordination and engagement with stakeholders and partnerships with other state and local agencies, including tribes, are crucial to achieving BEAD Program goals and advancing digital equity in Arizona. Local coordination efforts shaped the Initial Proposal and other program documents, reflecting Arizonans' perspectives in this essential funding program. Key program details described in the Initial Proposal Volume II were informed by the data collection and stakeholder outreach conducted by the State Broadband Office. For example, the State Broadband Office planned six webinars with members of the League of Arizona Cities and Towns and the Arizona County Supervisors Association to provide members an overview of state broadband efforts, the BEAD process, and the challenge process.

- October 5, 2023, Arizona League of Cities and Towns
- September 14, 2023, Arizona League of Cities and Towns
- August 24, 2023, Arizona League of Cities and Towns
- July 20, 2023, County Supervisors Association
- July 13, 2023, County Supervisors Association
- June 23, 2023, County Supervisors Association

H. Ongoing Coordination Efforts

The Arizona Commerce Authority State Broadband Office acknowledges the critical role of stakeholder engagement in achieving the BEAD Program goals and intends to continuously gather community feedback to deliver equitable and effective program implementation. The State Broadband Office will continue to maintain connections with stakeholder groups and local communities throughout BEAD Program implementation to aid in broadband-ready community development and effective grant program management.

The planned on-going coordination efforts of the Arizona Commerce Authority State Broadband Office include facilitating collaboration between local governments, tribes and service providers to promote effective broadband network deployment and expansion, investing in broadband workforce training and digital skills training programs in partnership with communities and higher education institutions, promoting investment in digital skills training for maintaining digital infrastructure, and ensuring that municipal, county, and tribal governments can review and advocate for changes to coverage maps to ensure accuracy.

The Arizona Commerce Authority State Broadband Office will continue monthly community roundtable conversations to communicate updates, answer questions, and receive feedback from communities and stakeholders. Additionally, the Arizona Commerce Authority State Broadband Office will continue engagement with tribes, holding monthly roundtable discussions. By building and maintaining relationships with local communities, the Arizona Commerce Authority State Broadband Office will continue to provide technical assistance and effective implementation of the BEAD Program.

The Arizona Commerce Authority State Broadband Office has tracked every engagement meeting since the beginning of the BEAD Program. All stakeholder engagements are summarized in this section.

Table 3: BEAD and Digital Equity Planned Stakeholder Engagement Activities/Timeline

Internet for All Summit		
Frequency: Activity:	One-time January 23-24, 2024; This multi-day workshop will bring together critical stakeholders in Arizona from the federal, state, tribal, and local governments, industry, and other key collaborators to discuss coordination on broadband efforts as the state prepares to receive significant broadband funds from the Infrastructure Investment and Jobs Act. Connecting all people in Arizona to affordable, reliable high-speed internet is critical to our economic stability and this event will provide an opportunity for us to discuss ways we can work together to utilize these federal dollars efficiently and effectively to the maximum extent.	

Statewide In-person Outreach Tour		
Frequency: Activity:	Initial Tour in 2024 and as required going forward The State Broadband Director and the State Digital Equity Manager will engage with local government officials and community leaders in all 15 counties to gather direct input on the unique challenges facing these individual communities. This initiative involves quarterly visits to each county, emphasizing direct engagement, comprehensive dialogue, and collaborative efforts within the local community These engagements are intended to ensure collaboration and feedback for the BEAD Program.	
	Quarter 1:	January 1st - March 31st	North-East Region – Apache and Navajo County Northern Region – Coconino County
	Quarter 2:	April 1st - June 30th	Eastern Region – Gila County, Graham County, Greenlee County South-East Region – Cochise County and Santa Cruz County
	Quarter 3:	July 1st – September 30th	South-West Region – Pima County and Yuma County Central Region – Maricopa County and Pinal County
	Quarter 4:	October 1st – December 31st	Western Region – La Paz County, Mohave County, and Yavapai County

Arizona Commerce Authority Community Roundtable Conversations		
Frequency: Activity:	Monthly The Arizona Commerce Authority will continue hosting virtual Community Roundtable Conversations bringing together community and non-profit organizations (faith-based, school, library, health, housing, etc.), industry leaders, local governments, and other key stakeholder groups from around the state. The Arizona Commerce Authority will identify specific content around covered populations to strategically engage with community members and organizations to discuss specific goals and objectives towards implementation of the Digital Equity strategy and BEAD Deployment. • Dedicated Roundtable for each of the covered populations • Dedicated Roundtable for tribal members and tribal specific topics	

	• ISP Roundtables (include tribal)

Governor's Interagency and Community Broadband Advisory Council

Frequency:	Quarterly
Activity:	The Governor's Office in coordination with the State Broadband Office will hold quarterly meetings to analyze and recommend strategies to advise the Governor to ensure universal connectivity to all household in rural, urban, suburban and tribal communities across Arizona. These groups will facilitate engagement on state broadband and digital inclusion, bringing together experts from the field.

Governor's Interagency and Community Broadband Advisory Council Working Groups

Frequency:	Monthly
Activity:	These working groups have been established to facilitate engagement on state broadband and digital inclusion, bringing together experts from the field. The working group members offer their expertise, assist with stakeholder engagement, and contribute to other tasks that support the Council's objectives.
	• Infrastructure and Permitting: This group focus on streamlining infrastructure projects and permitting processes for increased efficiency.
	• Mapping: The mapping group is responsible for creating and maintaining geospatial data to support informed decision-making.
	• Digital Inclusion: This group is committed to ensuring equitable access to digital resources and technologies for all community members.
	• Affordability: The affordability group seeks solutions to make essential services more affordable and accessible to residents.
	• Workforce: This group concentrates on strategies to enhance the local workforce, fostering economic growth and prosperity.
	• Outreach: The outreach group will promote awareness and participation making sure the group engages with the community and stakeholders in our advisory group's initiatives.

State Agencies Interagency Coordination Meetings

Frequency:	Quarterly
Activity:	Coordination of state agencies' activities related to infrastructure development, permitting, digital inclusion, use of broadband for improvement of health and education outcomes, workforce development and cybersecurity.

Arizona Council of Governments (COGS)

Frequency:	Annual	
Activity:	The State Broadband Director and the State Digital Equity Program Manager will meet with each of Arizona's Council of Governments to provide updates on broadband activities and get feedback from their membership.	
	Quarter 1:	January 1st - March 31st	Northern Arizona Council of Governments (NACOG)
	Quarter 2:	April 1st - June 30th	Central Arizona Governments (CAG) Maricopa Association of Governments (MAG)
	Quarter 3:	July 1st - September 30th	South-Eastern Arizona Council of Government (SEAGO)
	Quarter 4:	October 1st - December 31st	Western Council of Governments – (WACOG)

Stakeholder Meetings	
Frequency: Activity:	As requested The Arizona Commerce Authority will provide updates to various stakeholder groups. • Arizona Broadband Stakeholder Network • Arizona Digital Inclusion Network • Arizona Telecommunications & Information Council • Southwest Cable Communications Association • Maricopa County Broadband Task Force • County Supervisors Association • League of Arizona Cities and Towns • Workforce Arizona Council
Broadband Newsletter	
Frequency: Activity:	Quarterly The Arizona Commerce Authority State Broadband Office will publish a newsletter and widely distribute it to stakeholders and post it on their website. • Update on broadband infrastructure deployment progress • Digital Inclusion • State and Federal Policy and Legislative updates • Success stories • Community Spotlight • Tribal Corner • Calendar of Events
Broadband Website	
Frequency: Activity:	Ongoing The Arizona Commerce Authority State Broadband Office will redesign and build a public-facing website that engages and updates stakeholders across sectors on Broadband and Digital inclusion information on their webpage. • Infrastructure Deployment • Digital Equity and Inclusion • Affordability and Availability • Mapping and Data • Publications • Funding – Awards and Opportunities • Local links to RFPs and Resources • FAQs • Calendar of Events • Contact Us and Feedback
Social Media	
Frequency: Activity:	Ongoing The Arizona Commerce Authority State Broadband Office will develop a social media strategy and actively utilize various social media platforms to share timely and relevant information about the Broadband Office activities.

The Statewide In-Person Outreach Tour will include stakeholder engagements with all 22 tribes within the designated regions. These engagements will enable the State Broadband Office to better understand each tribe's perspective on topics related to universal broadband connectivity, digital equity, affordability, and the unique challenges tribes face in bridging the digital divide. Key program details outlined in the Initial Proposal Volume II were informed by the feedback received through stakeholder outreach conducted by the State Broadband Office. Like other key stakeholder groups, the State Broadband Office planned webinars and roundtable discussions with tribal members to provide them an overview of state broadband efforts, the BEAD process, and the challenge process.

- October 18, 2023, Northern Arizona Tribal Broadband Roundtable
- December 11, 2023, Southern Arizona Tribal Broadband Roundtable

The State Broadband Office will work closely with each tribe to make these engagements as accessible as possible to tribal community members. This approach is a crucial component of building trust and fostering dialogue while enabling the State Broadband team to understand the geographic and socio-economic barriers that have historically plagued some of the most unserved and underserved communities.

Table 4: Planned Tribal Stakeholder Engagement Activities

Statewide In-person Outreach Tour			
Frequency: Activity:	Initial Tour in 2024 and as required going forward		
	The State Broadband Director and the State Digital Equity Manager will provide engagement opportunities with all 22 tribes within the designated regions listed below to gather direct input from the tribal perspective on topics related to universal broadband connectivity, digital equity, and the unique challenges they face regarding their unique, sovereign nations.		
	Quarter 1:	January 1st - March 31st	Navajo Nation, Hopi Tribe, Zuni Pueblo, and San Juan Southern Paiute.
	Quarter 2:	April 1st - June 30th	White Mountain Apache Tribe, Tonto Apache Tribe, and San Carlos Apache Tribe
	Quarter 3:	July 1st - September 30th	Fort McDowell Yavapai Nation, Salt River Pima-Maricopa Indian Community, Gila River Indian Community, Ak-Chin Indian Community. Pascua Yaqui Tribe, Tohono O'odham Nation, Fort Yuma-Quechan Tribe, and Cocopah Tribe.
	Quarter 4:	October 1st - December 31st	Yavapai-Prescott Indian Tribe, Yavapai-Apache Nation, Colorado River Indian Tribes, Fort Mojave Indian Tribe, Hualapai Tribe, Havasupai Tribe, and Kaibab-Paiute Tribe
Frequent Communication			
Activity:	Using the enhanced or developed tools described above, the Arizona Commerce Authority Tribal Liaison will update tribal leaders and key stakeholders on program		

	progress, important deadlines, and all relevant news, ensuring tribes have frequent and regular access to information.
Transparent Reporting	
Activity:	Ensuring that all coordination and outreach activities are clearly communicated and providing explanations of how recommendations were addressed. This includes publicly posting proposals prior to submission to NTIA for public comment and providing a more easily navigable website with up-to-date information.

2.3.3 Federally Recognized Tribal Consultation

Describe the formal tribal consultation process conducted with federally recognized Tribes, to the extent that the Eligible Entity encompasses federally recognized Tribes. If the Eligible Entity does not encompass federally recognized Tribes, note "Not applicable."

2.3.4 Supporting Documentation for Tribal Consultation

The Arizona Commerce Authority State Broadband Office aims to achieve total representation and inclusion of tribal governments throughout the planning, development, and deployment of BEAD. In the past, tribes have been left out of important discussions and not included early enough to be fully informed and engaged stakeholders. Arizona is committed to ensuring that tribal leaders and their respective communities receive regular updates on key BEAD and Digital Equity programs and milestones.

The Arizona Commerce Authority State Broadband Office, in collaboration with the Governor's Office on Tribal Relations, issued formal notices of consultation by sending a "Dear Tribal Leader" letter to all 22 tribes in Arizona, offering direct support to discuss broadband concerns, needs, and opportunities on tribal lands. This included the May 2023 Tribal Consultation led by Governor Hobbs, demonstrating her administration's strong commitment to broadband and Tribal relations. The Arizona Commerce Authority State Broadband Office recognizes the need for broadband access in Arizona's tribal communities and has prioritized consulting with tribes across the state. On March 22, 2023, the Arizona Commerce Authority State Broadband Office hosted an in-person engagement session with tribal stakeholders to learn more about challenges specific to their communities. On July 11, 2023, the Arizona Commerce Authority State Broadband Office hosted a Tribal Communities Roundtable meeting with key stakeholders interested in broadband on Tribal lands. The roundtable provided an opportunity to hear directly from Tribes, understand their challenges with high-speed internet access, and discuss important topics related to broadband infrastructure development.

During the National Tribal Telecommunications Association Broadband Summit held on August 28 – 30, 2023, the Arizona Commerce Authority State Broadband Office hosted engagement meetings with tribal representatives. Additionally, the Governor's Office on Tribal Relations, the Inter-Tribal Council of Arizona, and the American Indian Policy Institute hold seats on the Governor's Interagency and Community Broadband Advisory Council to ensure that Arizona's broadband policy fully encompasses tribal perspectives. Prior to the roundtable, the Arizona Commerce Authority State Broadband Office and the Governor's Office on Tribal Relations had many interactions and engagements with Tribal leaders across the state. The Arizona Commerce Authority will support tribal communities to develop their strategic plans towards deploying

broadband infrastructure and digital equity in their respective areas. The Tribal Liaison will be visiting tribal communities to discuss options and opportunities, following up on general correspondence, working with Tribal Governments to establish Tribal data-sharing agreements and ensuring that perspectives and feedback are communicated back to the State Broadband Office.

Achieving comprehensive broadband access across Arizona's 22 Tribes requires a nuanced and well-strategized stakeholder outreach plan. Each tribe presents unique situation, with some even operating their own internet service providers (ISPs). Addressing this complexity mandates an approach that respects tribal sovereignty, acknowledges their distinct needs, and is collaborative in nature.

The goal of stakeholder outreach in this context is not merely broadband access but the establishment of enduring relationships based on mutual respect, collaboration, and the shared objective of digital inclusion. By understanding each tribe's unique situation and challenges, and by engaging them as equal partners in the journey, Arizona is working towards holistic digital empowerment for all its tribal communities with a robust, multi-pronged approach that includes:

1. Ongoing Assessment

2. Addition of a Tribal Liaison to the Arizona State Broadband Team

3. Statewide In-Person and Virtual Roundtable Discussions and Focused Consultations

4. Financial Partnership Opportunities

5. Long-term Partnership Commitment

1. *Ongoing Assessment*

Prior to initiating outreach, the Arizona State Broadband Team assessed the scope of work required to gather data on Arizona's 22 Tribal Sovereign Nations. This includes understanding the unique challenges into each tribe's geography, topography, demographics, economic landscape, and whether the tribe has an existing tribal ISP. The research and assessments are an ongoing collaborative process that continues to inform dialogue with Tribes to understand where service gaps exist and what mapping data they currently share with the FCC. Furthermore, these initial conversations have helped identify challenges with respect to future projects, existing grant funds, infrastructure, permitting, and capacity building.

The Arizona State Broadband Team understands the significance of tribal sovereignty and takes the position that each tribal nation understands best how to serve their community. With respect to that understanding, Arizona has taken the stance that no BEAD infrastructure projects shall be constructed on tribal land without a written letter of tribal consent.

2. *Addition of a dedicated Tribal Liaison to the Arizona State Broadband Team*

In the summer of 2023, the Arizona Commerce Authority and the Arizona State Broadband Team hired a tribal liaison who has expertise in tribal affairs to serve as the primary point of contact. The primary responsibilities of this role include establishing relationships based on trust and respect, addressing concerns, and answering questions, and channeling communication between state agencies and tribal communities. Additionally, they serve as the face of Arizona Tribal Broadband and travel the state for in-person consultations with tribal leaders or their delegates, attend

workshops and symposiums, and represent the Arizona Commerce Authority at public gatherings and events.

3. **Statewide Virtual and In-Person Roundtable Discussions and Focused Consultations**

Statewide Virtual and In-Person Roundtable Discussions:

The Arizona State Broadband Team introduced BEAD to tribes in winter and spring of 2023 to share the main objectives, scope, and expected outcomes of this broadband initiative. The workshop discussions started with a brief overview of the Infrastructure Investment and Jobs Act (IIJA) and existing programs dedicated to middle mile, digital equity, and tribal connectivity. The presenters, which included members of the Arizona State Broadband Team also provided an overview of Arizona's overall goals with BEAD funds, allowing time for discussions on the following topics:

- Tribal Data Sovereignty and Privacy

- Broadband Access, Adoption, and Use

- Infrastructure Deployment

- Technical Assistance

The dates of those roundtables and tribes represented are listed below.

a. *First Tribal Roundtable Discussion:* December 16, 2022, at the Arizona Commerce Authority office, including representatives from 1) the Tohono O'odham Utility Authority, 2) Gila River Telecommunications, Inc., 3) Ak-Chin Indian Community, 4) the Havasupai Tribe, and 5) the Yavapai Apache Nation, alongside members of the Arizona State Broadband Team and NTIA.

b. *Second Tribal Roundtable Discussion:* February 7, 2023, including representatives from 1) the Colorado River Indian Tribes, 2) Fort McDowell Yavapai Nation, 3) the American Indian Policy Institute, 4) the Hopi Telecomm, 5) the Yavapai Apache Nation, 6) Gila River Telecommunications, Inc., and 7) Ak-Chin Indian Community alongside members of the Arizona State Broadband Team and NTIA.

c. *Arizona Tribal Partners Broadband Meeting*: March 22, 2023, an in-person meeting at the Gila River Casino during the spring National Tribal Telecommunications Association (NTTA) Broadband Summit, including representatives from 1) Hopi Telecomm, 2) the Indigenous Digital Inclusion Workgroup, 3) Yavapai-Apache Nation, 4) Navajo Nation Telecommunications Regulatory Commission (NNTRC), 5) Colorado River Indian Tribes, 6) American Indian Policy Institute, 7) Digital Equity Institute, 8) Tohono O'odham Utility Authority, and 9) Gila River Telecommunications, Inc., alongside members of the Arizona State Broadband Team, the Arizona Governor's Office, Arizona Office of Education, and NTIA.

d. *First Tribal Roundtable and Consultation with Gov. Hobbs*: May 19, 2023, was the Arizona Tribal Consultation on BEAD and Digital Equity co-hosted by the Arizona Governor's Office, the Arizona State Broadband Team, and the Inter-Tribal Council of Arizona (ITCA). Tribal representatives from 1) Colorado River Indian Tribes, 2) Fort McDowell Yavapai Nation, 3) the Yavapai-Apache Nation, 4) Gila River Telecommunications, Inc., 5) Ak-Chin Indian Community, 6) NNTRC, 7) Tohono O'odham Nation, 8) Tohono O'odham Utility Authority, 9) San Juan Southern Paiute Tribe, 10) Yavapai-Prescott Tribe, 11) San Carlos Apache Tribe, and 12) Triplet Mountain Telecommunications, alongside members of the Arizona Governor's

Office, Arizona State Broadband Team, ITCA, and NTIA. Notable guests included tribal leaders from the Colorado River Indian Tribes, Navajo Nation Council Delegate, the Tohono O'odham Nation, and the Gila River Indian Community.

By organizing and participating in this workshop, the Arizona Governor's Office and the State Broadband Team hope to demonstrate their commitment to transparency and open dialogue. This type of stakeholder engagement helps in building trust and ensures that tribes have a voice in shaping the direction of the program from its inception and are consulted along every phase of planning, implementation, and deployment.

Specific questions from attendees regarding BEAD and Digital Equity programs included:

- "Is tribal consent required for the Five-Year Plan or the Initial Proposal?"

- "Can you clarify on 'Tribal Letters of Consent" for Digital Equity planning?"

- "Can nonprofits apply for IIJA funding and subgrant the funds to tribes?"
- "Where does the deduplication of federal funds come in?"

- "What resources are available and how can tribes get started in Digital Equity?"
- "What are the guidelines for supplemental funds associated with changing costs of Tribal Broadband Connectivity Program (TBCP) project materials?"

- "Geographies on tribal lands for project areas are based on inaccurate data, what is the impact to our potential 600 sites?"

- "Tribes have very little or no capacity for mapping and would need to partner with other organizations (e.g., ITCA). What is meant by high cost in BEAD and how does this get determined? Is there any set aside for tribes for either BEAD or Digital Equity?

Each tribal community represented expressed varying priorities for its members. Through discussions and interactions during engagements like this, it becomes easier to understand and catalog these priorities, ensuring they are addressed in the project's subsequent phases.

e. *Third Tribal Roundtable on BEAD and Digital Equity*: July 11, 2023, a statewide webinar including representatives from 1) NNTRC, 2) American Indian Policy Institute, 3) Tohono O'odham Utility Authority, 4) Gila River Telecommunications, Inc., and 5) Havasupai Tribe alongside members of the Arizona State Broadband Team, the Arizona Governor's Office, and NTIA. Additional attendees included local nonprofit organizations, telehealth program providers, and other non-tribal consulting firms.

f. *Fourth Tribal Roundtable at the NTTA Tribal Broadband Summit*: August 29 – 30, 2023, members of the Arizona Governor's Office and the Arizona State Broadband Team attended the National Tribal Telecommunications Association.

Broadband Summit hosted drop-in consultation hours. The informal sessions allowed tribal stakeholders to gather information at their leisure, collect printed materials from NTIA, meet members of the Arizona State Broadband Team and request formal consultations.

The net result of this event included two scheduled tribal consultations and one scheduled tribal engagement that happened in northern Arizona.

g. *Northern Arizona Tribal Broadband Roundtable*: October 18, 2023, an in-person and virtual meeting in Flagstaff, Ariz., including representatives from 1) Hopi Telecomm, 2) the Hualapai Tribe, 3) Navajo Nation Alliance for Broadband, 4) Colorado River Indian Tribes, 5) American

Indian Policy Institute, 6) ITCA, 7) Gila River Telecommunications, Inc., 8) the Hopi Tribe, 9) St. Michaels Chapter House, 10) tribal consultants, 11) Navajo Nation Department of Information Technology, 12) Navajo County Supervisor proxy, 13) the USDA, 14) Havasupai Tribe, 15) Yavapai Apache Nation, and 16) the Indigenous Digital Inclusion Workgroup, alongside members of the Arizona State Broadband Team, the Arizona Governor's Office, and NTIA.

Registrants were given advance notice of the guiding questions that would facilitate the conversation with the option of pre-filling the answers to those questions or providing verbal comments during the roundtable. The discussions started with a brief overview of IIJA, and existing programs dedicated to middle mile, digital equity, and tribal connectivity. The presenters, which included members of the Arizona State Broadband Team, also provided an overview of Arizona's overall goals with BEAD and Digital Equity funds.

A sample of the guided questions included:

- What is the attendee perspective on the current broadband environment?

- How aware are attendees of BEAD, Digital Equity, and TBCP objectives and timelines?

- What impacts are the tribal governments anticipating from these activities across the community?

- What concerns are being raised across tribal lands?

Participants were invited to weigh in with their thoughts as a member of the Broadband Team recorded their answers. The feedback was candid and passionate, some of the feedback captured the following sentiments on BEAD.

Key takeaways and topics included:

- Identifying extremely high-cost areas on tribal lands and plans to address funding issues as a result of additional expenses.
- Comfort levels with sharing information on homes in the tribal community that need service. The tribal community was not comfortable with providing address data, via shapefile but can show general areas that preserve privacy and area of need.

- Will the state work with tribal communities to identify CAIs that serve a purpose in tribal communities but that may not fall within the state's definition of a CAI?

A similar roundtable discussion is planned for early December of 2023 for southern Arizona tribes. Focused consultations with Tribes, Tribal Delegates of Authority, and Tribal ISP providers are essential, especially in the context of broadband deployment or any other collaborative project that involves tribal lands and interests. Tribal own systems of governance and decision-making. Focused consultations acknowledge and respect this sovereignty, recognizing that tribes are distinct entities with their own rights and jurisdictions.

The dates of those focused consultations are listed below.

i. *Gila River Telecommunications, Inc.:* On July 17, 2023 – The consultation with the Gila River Telecommunications, Inc. included (GRTI) staff, NTIA staff, the Governor of Gila River Indian Community, the Arizona State Broadband Team, and staff from the Arizona Governor's Office. GRTI discussed their plans for BEAD and their desire to work in partnership with other tribal communities to expand broadband service. Additional topics included capacity building and tribal data sovereignty.

ii. _San Carlos Apache Telecommunications, Inc._: August 3, 2023 – This consultation was a one-on-one stakeholder conversation with San Carlos Apache Telecommunications Utility, Inc. (SCATUI) management staff and a member of the Arizona State Broadband Team. SCATUI shared plans for their tribal ISP to serve their community, in addition to expanding service to identified surrounding communities. They also shared that they were happy to know there is someone that can work directly with them at the Arizona Commerce Authority.

iii. _Hopi Telecommunications Inc.: August 22, 2023:_ The consultation with Hopi Telecommunications Inc. included the (HTI) executive assistant, its general manager, and a member of the Arizona State Broadband Team. Items discussed included existing projects underway with federal dollars from USDA, TBCP funding, and updating/replacing copper wire with fiber. Some challenges they have identified include supply chain issues, expensive consultant fees, and questions associated with the challenge process. HTI also expressed a need for a qualified candidate pool to deploy the infrastructure associated with broadband projects and inflation costs exceeding original budget projections. Separately, HTI talked about the need to address cyber security concerns for the Hopi Tribe. The Arizona State Broadband Team followed up with HTI to check their availability for a tribal broadband consultation with the State Broadband Director.

iv. _Colorado River Indian Tribal Broadband Team: August 31, 2023:_ The tribal consultation with the Colorado River Indian Tribes (CRIT) included the CRIT Tribal Broadband Team, the Arizona State Broadband Team, and NTIA. Topics discussed during the meeting included unserved, underserved, and community anchor institutions. There were additional questions and concerns about "high-cost thresholds" especially regarding moving and unearthing new soil on tribal lands. There was also a shared concern about non-tribal ISPs overstating their capacity and making sure the Arizona Commerce Authority does not continue to work with them providing a shoddy experience. The Arizona State Broadband Team assured CRIT and its legal counsel that no project would be built on tribal lands without that tribe's letter of consent.

v. _Cocopah Indian Tribe: September 18, 2023:_ This tribal consultation with the Cocopah Tribe included the tribal emergency manager, the tribal planner, the tribal business development director, the Yuma County broadband consultant, and a representative of the USDA. A member of the Arizona State Broadband Team and Arizona's NTIA program manager joined the discussion to learn about the tribe's broadband plans and other projects in the pipeline. Due to the patchwork land parcels that make up their tribal community, the tribe expressed its need to work with county and city officials to obtain permits for the rights of way to deploy broadband infrastructure. They also requested more information on the TBCP round two funding and shared their desire to have their own tribal ISP. Upon returning to Phoenix, the Arizona State Broadband Team emailed the necessary links and information to TBCP round two funding.

vi. _Havasupai Tribe: October 17, 2023:_ The tribal consultation with the Havasupai Tribe included their tribal legal counsel, members of the Arizona State Broadband Team, and a representative from the Arizona Governor's office. Legal counsel expressed hesitation sharing tribal member addresses but offered to send a Shape file for mapping/challenge process purposes.

They also requested assistance with GIS capabilities and explained they are ready to take the next step of advising tribal council and getting approval to move forward in this

collaborative process. The Arizona State Broadband Team explained the tribe's area is "unserved" – but every tribal household needs a unique ID number in order to connect to internet service. Additional topics discussed included financial studies, right of ways, collaboration with neighboring tribal communities, and existing projects with TBCP funding. The State Broadband Team advised if the tribe was planning to submit data to the FCC, to do so before March 2024 so those projects can be included in the proposal.

vii. *Navajo Nation Telecommunications Regulatory Commission: Ongoing Bi-Weekly Meetings:* The Navajo Nation is one of the largest tribes in the United States. It spans approximately 27,000 square miles, making it the largest tribal land area that extends into the states of Arizona, New Mexico, and Utah. The Navajo Nation has 110-chapter houses, with approximately 73 chapters located within the Arizona portion of the Navajo Nation. Due to the considerable number of tribal members and its expansive geography, the Arizona State Broadband Team meets bi-weekly with the Navajo Nation to stay apprised of its broadband plans and activities.

4. Financial Opportunities

The Tribal Liaison and the Arizona Commerce Authority are committed to fostering effective communication and collaboration with Tribes in the state. One of the key aspects of this partnership is ensuring that tribal communities have access to critical financial opportunities.

To achieve this, the Tribal Liaison and the Arizona Commerce Authority will work closely to disseminate information about various financial programs, grants, and initiatives that can benefit Tribes. The Tribal Liaison will also offer coordination services to assist Tribes in navigating the complexities of the application and compliance processes. This hands-on approach aims to facilitate tribal access to financial resources and ensure that tribal projects align with state and federal goals for sustainable development and improved quality of life within tribal territories.

5. Long-term Partnership Commitment

Arizona is home to 22 federally recognized Native tribes, but historically, broadband initiatives have not always effectively served Tribal communities. To address this, the State Broadband Office and Governor Hobbs' Office on Tribal Relations will prioritize the coordination, involvement, and sharing of information with Tribes throughout the development of the BEAD Program and deployment of BEAD funds. The Arizona Commerce Authority State Broadband Office and Governor Hobbs are committed to working directly with tribal leaders, communities, and other stakeholders to ensure their voices are heard and their needs are considered throughout the broadband deployment process.

Recognizing that tribal communities are among the most unserved and underserved when it comes to broadband access, targeted efforts are being made to engage with these communities. The emphasis is on understanding each tribe's unique challenges and needs, and collaboratively working towards solutions that ensure they too can benefit from the digital transformation sweeping the state.

The Arizona Commerce Authority State Broadband Office, in partnership with the Governor's Office on Tribal Relations, has taken significant steps towards addressing broadband concerns on tribal lands by issuing notices of consultation to all 22 Tribes in Arizona. These notices offer direct support for discussing broadband needs and opportunities with Tribes. In addition, Governor Hobbs led a May 2023 Tribal Consultation which demonstrated her administration's commitment to broadband and tribal relations. The State Broadband Office has prioritized consulting with Tribes across Arizona with an in-person engagement session with Tribal leaders

on March 22, 2023, and a Tribal Communities Roundtable on July 11, 2023, which facilitated discussion of broadband infrastructure development and other important topics affecting these communities.

During the August 28 - 30, 2023 National Tribal Telecommunications Association Broadband Summit, the Arizona Commerce Authority State Broadband Office held one-on-one meetings with tribal representatives. Prior to the summit, the State Broadband Office and Governor's Office on Tribal Relations engaged with tribal leaders statewide to ensure their perspectives were included in Arizona's broadband policy. Additionally, the Inter-Tribal Council of Arizona and the American Indian Policy Institute hold seats on the Governor's Interagency and Community Broadband Advisory Council. The State Broadband Office will support tribal communities in developing infrastructure deployment and digital equity strategic plans, while the Tribal Liaison will visit tribal communities to discuss opportunities and follow up on correspondence.

To achieve comprehensive broadband access for Arizona's 22 Tribes, an effective stakeholder outreach plan is necessary. Given the unique situations presented by each tribe - including the operation of their own internet service providers (ISPs) - any plan must be nuanced and well-strategized. This approach should respect tribal sovereignty, recognize their individual needs, and promote collaboration.

2.4 Deployment Subgrantee Selection
(Requirement 8)

2.4.1 Plan for Fair, Open, and Competitive Process

Describe a detailed plan to competitively award subgrants to last-mile broadband deployment projects through a fair, open, and competitive process.

The Arizona Commerce Authority State Broadband Office has developed a comprehensive and transparent subgrantee selection process aimed at selecting the most qualified applicants for broadband infrastructure deployment in Arizona. The approach outlined in this section is designed to achieve a fair, open, and competitive process for selection of subgrantees for the deployment program. To ensure a fair and transparent selection process, the State Broadband office will ensure that appropriate precautions are in place to prevent collusion, conflicts of interest, and bias. The application will include a non-collusion affidavit requiring the applicant not divulge information on pricing or other key aspects of the application including target project areas and technology strategy. The State will further conflict of interest forms and related certifications. The State Broadband Office has established disqualification criteria for any attempts to inappropriately influence the evaluation process or engage in collusion. These measures will help safeguard the integrity of the subgrantee selection process and ensure that all applicants are given equal consideration. Furthermore, State has set up a transparent process that includes publicly available maps that provide with relevant information including the scoring criteria. This will provide all potential grant applicants with access to the information, tools, and resources needed to participate fully in this opportunity and will help prequalify and score applications without bias.

To promote efficiency and a streamlined the 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. The below section describes the phases of the subgrantee selection process. With a focus on efficiency and timely decision-making, the State Broadband Office 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. The estimated program timeline is as follows:

Figure 2: BEAD Deployment Subgrantee Selection Process

BEAD Deployment Program Structure/Timeline

	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025
Pre-marketing and Qualification Phase		3 months				
NTIA Review and Approval of Initial Proposal Volume II	3 months					
Round 1 Project Applications			6 months			
Round 2 Project Applications (if needed)					4 months	
Negotiations Round 1 and 2				8 months		
Submit Final Proposal			12 months after approval of Initial Proposal Volume II			

*Timing is estimated and subject to NTIA review and approval of Initial proposal Volume II

The State Broadband Office will provide information through webinars, subgrant application guides and application documents, all shared and promoted on the Arizona Commerce Authority's website. These resources will help prospective applicants to understand the application process, eligibility criteria, and requirements, and provide guidance on how to prepare a competitive application. Additionally, the State Broadband Office will ensure that notices are made available for at least a 45 calendar day period to encourage a wide variety of applicants to participate, and allow prospective applicants sufficient time to prepare and submit their submissions. Furthermore, pre-marketing phase with the marketing campaign is to specifically inform the ISP and key stakeholders on the program. Overall, the State Broadband Office is committed to providing timely access to information and resources, and ensuring clear communication and adequate notice to prospective applicants to ensure a fair and competitive grant application process that maximizes the potential for successful BEAD Program implementation.

Project Area

2.4.1.1 Defining Project Areas

The Arizona Commerce Authority State Broadband Office will define draft project areas throughout the state which will then be further refined and modified based on industry and stakeholder feedback as described later in the section. The selection of project areas has been made with the objective of improving competition, expediting administrative processes with efficient deconfliction, and ensuring all eligible unserved and underserved locations within the state are served through the BEAD Program. For the planning purpose, the State Broadband Office is anticipating up to 65 project areas to cover the entire state.

The following key considerations will govern the creation of the project areas:

- Census block groups and governmental unit boundaries such as county borders
- Expected project size

- Geography and terrain

- Current competitive landscape and available backbone infrastructure

Note that Tribes are expected to constitute separate project areas. The project areas in Tribes will be limited to the State of Arizona boundary.

2.4.1.2   Criteria Related to Project Areas

- Every eligible BSL covered: Applicants will be required to serve every eligible unserved and underserved Broadband Service Location (BSL) within the project area.

- Maximizing Eligible CAIs: Additionally, after covering every eligible BSL included in the project area, applications that maximize the number of eligible CAIs to be served with in a project area will be scored higher (see scoring rubric defined later in this section).

- Grouping of Project Areas: Applicants may group more than one project areas subject to the following criteria:

    o Project areas grouped in one application must be reasonably adjacent.
    o Applicants must provide a breakdown of key metrics including cost to build for each project area, number of BSLs, project schedule, infrastructure technologies, project costs, and other program requirements.

- Partnerships: Applicants are encouraged to identify partners as needed to ensure that eligible BSL within the proposed project area will be served. Applicants must identify which entity will serve as the lead subgrantee for the project and will be responsible for executing the project agreement and for ensuring that the project is completed in accordance with the terms and conditions specified in the agreement.

A public facing interactive mapping tool will be made available to all potential applicants through the State Broadband Office website. Geospatial files for project areas will also be made available to prospective applicants.

Pre-marketing and Qualification Phase

To streamline the subgrantee selection process for the BEAD Program, the State Broadband Office will implement a pre-marketing and qualification phase that involves pre-registration of prospective applicants and data collection on proposed project areas. This phase is designed to save time and reduce redundancies in the application process. During this phase, prospective applicants will be encouraged to provide input to the predefined project areas, including the geographical area of their focus, and preregistration documents. The State Broadband Office will use this information to assess the demand for broadband deployment projects across different regions in Arizona, prioritize deployment areas where the need is greatest, and identify challenges or gaps in the existing broadband infrastructure. Preregistration process is intended to expedite the application process for BEAD deployment projects and assist the prospective applicants to ensure that they have adequate financial, managerial and technical capabilities necessary. By expediting the application process and focusing on effective data collection, the premarketing and qualification phase can help improve the BEAD Program's efficiency and effectiveness.

The State Broadband Office is planning to conduct the pre-marketing and qualification phase activities in the second quarter of 2024 (Q2 2024). The State Broadband Office will provide additional information on its website regarding the pre-marketing and qualification phase.

2.4.1.3   Marketing Campaign

To ensure that the BEAD Program subgrantees selection process is designed effectively and meets the needs of communities across Arizona, the State Broadband Office will gather feedback from prospective applicants and other market participants. We will conduct Market Sounding which involves listening sessions and gathering feedback through other means such as surveys or meetings to gather the input and feedback of prospective applicants. The feedback will be focused on key program elements, such as the predefined project areas and overall application process. This activity will involve open communication between the State Broadband Office and prospective applicants, resulting in a better understanding of how-to best address connectivity needs and ensure a competitive grant process.

The State Broadband Office is planning to launch the marketing campaign in first quarter of 2024 (Q1 2024)—approximately three (3) months prior to the Round 1 application phase--to gain better understanding unique perspectives, concerns, and priorities of the prospective applicants and to ensure that the grant program effectively addresses the connectivity challenges in unserved and underserved regions, while encouraging cooperation between the state, local communities, and prospective applicants. Marketing campaign will help identify critical factors, such as funding needs, technological barriers, or community impact, that influence the project areas. The comprehensive feedback gathered from this exercise will help the State Broadband Office to refine its approach for the deployment projects, ultimately leading to more successful and timely deployment of projects.

2.4.1.4   Applicant Preregistration

The BEAD subgrantee selection process will begin while NTIA is reviewing Arizona's Initial Proposal Volume II for approval and during the BEAD Challenge Process period. The State Broadband Office acknowledges the potential risk of starting the applicant preregistration process prior to obtaining approval from NTIA for Initial Proposal Volume II. This phase is intended to expedite the application process and facilitate data collection on proposed project areas. However, the State Broadband Office is aware that NTIA approval is required before any subgrantee selection and grant-making can take place. The State Broadband Office will therefore ensure that any pre-application activities comply with NTIA's requirements and guidelines, and the subgrantee selection process will not commence until the NTIA has approved the Initial Proposal Volume II.

The State Broadband Office will require prospective applicants to provide preregistration information. This preregistration is mandatory for the prospective applicant's participation of the BEAD program. Guidelines for the preregistration process will be provided by the Arizona Commerce Authority State Broadband Office, along with informational webinars and Q&A sessions to support applicants. Pending NTIA's approval of the Initial Proposal Volume II, the State Broadband Office reserves the right to request additional information from the prospective applicants as part of the pre-registration process.

The information collected during preregistration can apply to all future applications, including multiple project applications, as it is intended to collect information that applies at an applicant/organization level. Only the primary applicant will need to preregister. Preregistration is intended to streamline the application process, serving as a gating stage to ensure applicants meet the program's minimum and mandatory requirements. The State Broadband Office will review and evaluate the preregistration documents and information provided by the prospective applicants. Additionally, the State Broadband Office will notify the outcome of its review of the pre-registration documents to the prospective applicants.

The State Broadband Office will provide guidance to the prospective subgrantees regarding how they can provide the requested information as part of pre-registration process. Information that will be requested as part of preregistration includes, but not limited to:

- Financial Capability (Section IV, D, 2.a of the BEAD NOFO and requirement 2.4.11 below)

- Managerial Capability (Section IV, D, 2.b of the BEAD NOFO and requirement 2.4.12 below)

- Technical Capability (Section IV, D, 2.c of the BEAD NOFO and requirement 2.4.13 below)

- Compliance with applicable laws (Section IV, D, 2.d of the BEAD NOFO and requirement 2.4.14 below)

- Operational Capability (Section IV, D, 2.e of the BEAD NOFO and requirement 2.4.15 below)

- Ownership Information (Section IV, D, 2.f of the BEAD NOFO and requirement 2.416 below))

- Public Funding Information (Section IV, D, 2.g of the BEAD NOFO and requirement 2.4.17 below)

- Fair Labor Practices and Highly Skilled Workforce (Section IV, C, 1.e of the BEAD NOFO and requirement 2.2.1)

- Environmental and Historical Preservation "EHP" and Build America and Buy America Act "BABA" compliance: (Section VII, D, 4. and 6. Of the BEAD NOFO and requirement 2.4.5)

- Cybersecurity compliance and Supply chain risk management compliance: (Section IV, C, 2.c.vi. of the BEAD NOFO and requirement 2.16.4)

- History as a business servicing and working in the State of Arizona

- Current SAM.GOV registration and valid Unique Entity ID (UEI)

Any additional information required for preregistration will be communicated to the applicant as the documentation is reviewed by the State Broadband Office.

2.4.1.5   *Mapping Information for Project Applications and Letter of Interest (LOI)*

In addition to requesting applicants to preregister their organization for the BEAD program, the Arizona Commerce Authority State Broadband Office will provide additional information through a public facing mapping tool that includes all project areas. The public facing mapping tool will assist in project application development and submission by providing applicants with additional information. The tool will allow applicants to select a project area or group of project areas and the tool will provide additional information used in scoring based on the selection. For instance,

the match requirements will be scored against a sliding scale. Applications that include greater matching funds to their proposed project will score more points. The ratio of grant to project costs must not be higher than 75 percent, (except where projects include "high-cost" locations per designation by the NTIA).

The following additional information will be provided based on the selected project areas in the online interactive public facing mapping tool:

- The expected cost to deploy infrastructure to all unserved, underserved, and eligible CAI locations within the selected project area, based on a cost benchmark model and data;
- Applicable affordability benchmarks for middle class affordability plans, as described in Chapter 2.13 of this proposal;
- Applicable match scoring scale based on selected project area; and
- Other applicable benchmarks that will be used in scoring.

The public map will also allow for prospective applicants to select project areas that the applicant intends to propose in Round 1 as part of preregistration on a confidential basis. This will provide the State Broadband Office with valuable information in assessing market interest on the draft project areas. This will also improve transparency and assist with automating the deconfliction process. The predefined project areas selected as part of the preregistration will not be binding and will only be used as information by the State Broadband Office to refine the application and evaluation process, and to help ensure all eligible locations within the state are served.

In addition to submitting project areas of interest, applicants will have the option to submit a Letter of Interest (LOI) on a confidential basis to the State Broadband Office. The LOI process provides an opportunity for market participants to communicate their needs and challenges to the Arizona Commerce Authority State Broadband Office, which will help the State Broadband Office further refine project area definition and tailor grant processes accordingly.

Factoring all the feedback during this phase, the State Broadband Office will then update its public facing mapping tool; the draft project areas will then be modified and refined into final project areas prior to start of Round 1.

Round 1 Project Applications

Round 1 for BEAD deployment projects will serve as the primary application. Applicants will be requested to submit applications using information provided in the interactive online public facing mapping tool as part of their application in the grant portal. The results of Round 1 will be tentative project allocations and initial negotiations.

2.4.1.6   *Information to be Provided by the Applicant*

During Round 1 of the BEAD deployment project application process, applicants will be required to submit key information collected and formatted by the online public facing mapping tool. This information will include:

- A defined project area.

- **Fiber Preference and Outlier Definition**: The Arizona Commerce Authority State Broadband Office has a strong preference towards end-to-end fiber solutions where it is financially

feasible. If the cost to serve a location using an end-to-end fiber solution is higher than a predefined multiple of the average cost to serve for the rest of the BSLs in the selected project area, the applicant shall identify these locations as outliers ("Outliers"). The applicant shall provide a cost to serve each outlier location with fiber and by using alternative technologies. The identification of outliers should only occur based on the extreme impracticability of end-to-end fiber deployment because of geography, topography, or excessive cost. The State Broadband Office will evaluate outlier locations as part of the application project area and assess the use of alternative technologies or remove them from the project area to be served by a separate project as part of Round 2. Information collected from locations identified as outliers will help define the extremely high cost per location threshold (EHCPLT). In the event that the State Broadband Office determines alternative technologies best serve an outlier location, the corresponding project will then be deemed as an "Other Last-Mile Project" non-priority project and will be evaluated using the corresponding scoring criteria.

Additional information that will be requested of applicants and used in the scoring process include:

- Total project area cost

- Project Deployment schedule

- Broadband technology of planned network

- Percentage of Match proposed for the project area

- Cost of service plans guaranteed to customers served by BEAD funded networks

- Evidence of local government support and community engagement conducted in the project area. If the project area is a Tribal Nation or a local government entity, the applicant may submit a letter of support from the Tribe or local government
- Information on pricing of service plans for middle class affordability

- Information on use technologies that exhibit greater ease of scalability with lower future investment

- Evidence of records and plans for compliance with Federal labor and employment laws

- If an applicant plans to provide open access to last-mile broadband service providers for the life of the subsidized networks

- Binding commitments with respect to advancing equitable workforce development and job quality objectives

- Applicants will be required to provide a letter confirming their agreement to comply with the BEAD requirements, including a non-collusion affidavit that the prices quoted in their applications have been independently determined, and that there has been no collusion with competing prospective contractor(s)

These requirements will ensure that the BEAD deployment projects can be fairly and transparently evaluated. The Arizona Commerce Authority State Broadband Office will provide guidance and resources to assist applicants in completing the above requirements as part of the application process.

2.4.1.7 Information Provided to the Applicant

The State Broadband Office will provide all prospective applicants access to a public facing mapping tool. The mapping tool will provide the following information based on the applicants selected project area:

- Number of unserved and underserved BSL, including "high cost" BSLs as defined by the NTIA

- Number of eligible CAIs

- The scoring rubric that will be used to evaluate "Grant to Project Cost" evaluation criteria and the minimum required match percentage. The scoring rubric will factor in the no match requirement for "high cost" locations per designation by the NTIA.

- Affordability benchmarks used for scoring "Affordability" criteria, and

- Infrastructure deployment cost estimates based on a cost model which will be used for scoring "Cost Reasonableness."

This information will be used by the Arizona Commerce Authority State Broadband Office to score the project application.

2.4.1.8 Post Application Assessment

Following the submission of the application, the Arizona Commerce Authority State Broadband Office will conduct a thorough post-application assessment. This process will include a comprehensive review of all submitted information, including an evaluation of project feasibility, compliance with program requirements, and alignment with strategic priorities. We will closely review all sections of the application and may request additional information to clarify any ambiguities or address issues that may arise during the review process to ensure that the subgrantee selection process is open, fair, and competitive. The goal of the post-application assessment is to ensure that all proposals align with the objectives of the BEAD Program and comply with all applicable legal and regulatory requirements. The post-application assessment will be completed using the process described below.

- **Step 1 - Initial Screening**: Applications will be screened to ensure they meet minimum criteria outlined in Section 2.4.1.6 and required information is submitted in the correct format. Information reviewed during the preregistration phase will be confirmed complete and up to date.

- **Step 2 - Scoring and Deconfliction**: Applications will next be reviewed based on the application project areas, identifying if the proposed application area overlaps with another application area. These applications will be assessed differently based on the steps below if corresponding applications areas overlap or not. Using this approach, the Arizona Commerce Authority State Broadband Office can prioritize applications that are most likely to succeed while also ensuring that proposals are financially responsible and aligned with the BEAD Program's goals.

    o **Step 2.1 - Applications That Have No Overlap**: If a project has no overlapping project areas with any other application, it will be assessed against cost benchmarks based on the project area.

- **Step 2.1.1. - Project Cost Below Estimated Cap**: If the proposed cost to serve the project area included in the application requires less than the estimated cost to build based on the NTIA cost model plus a percentage contingency, or the subsidy request is less than the estimated Net Present Value (NPV) (when negative) plus a percentage contingency, the application will be moved forward in the selection process. For project areas where the State Broadband Office receives only one application for a given project area, the State Broadband Office will score the application and move it forward in the selection process.

  - **Step 2.1.1.1 "Outlier" Locations**: If a project contains outlier locations, the State Broadband Office will determine whether these locations will be removed from the application to explore negotiations with alternative/adjacent providers, including use of alternative technologies for these locations with the current applicant or alternative provider. If the negotiation does not provide a viable solution for these locations, the outliers will be removed from the application and included for consideration in Round 2.

- **Step 2.1.2 - Project Cost Above Estimated Cap:** If the proposed project cost or subsidy request exceeds the cost model estimate values including an additional contingency, the application will not be scored and deferred for future consideration. These project applications will be referred to as "deferred applications".

○ **Step 2.2 - Applications That Have Overlap (Deconfliction Required):** When a proposed project area overlaps with another proposed project area, the following approach will be followed for reviewing and deconflicting applications.

- **Step 2.2.1 – Assess Project Cost:** The State Broadband Office will review and score all applications received for a given project area. If the proposed cost to serve the project area included in the application requires less than the estimated cost to build based on the NTIA cost model plus a percentage contingency, or the subsidy request is less than the estimated NPV (when negative) plus a percentage contingency, the application will continue in the deconfliction process. If the proposed project cost or subsidy request exceeds the estimate values with additional contingency, the application will be considered as a "Deferred Application" and will be reserved for future consideration.

- **Step 2.2.2 – Deconfliction - Overlapping Project Areas**: If applications contain overlapping project areas, scoring will be used to deconflict the overlapping project areas and award the overlapping project area to the highest scoring project. Ahead of the deconfliction step, the State Broadband Office will perform a comparison of the project cost proposed to internal benchmarking based on the NTIA cost model for all applications that have overlapping project areas.

- **Step 2.2.2.1 -** Score Project Areas: Project areas that have multiple applications will be scored with the appropriate rubric for the technology the project proposed to deploy. For example, applications offering end-to-end fiber will be scored using the priority project rubric, and applications offering other reliable broadband, qualifying broadband, or alternative technologies will be scored using the non-priority project rubric. The State Broadband Office will prioritize technologies that meet definition of the Reliable Broadband for the BEAD Program. However, the Office will consider alternative technologies if subsidizing a project is not economically feasible. If there's no feasible Reliable Broadband technology that fits BEAD Program subsidy limits, the State Broadband Office may evaluate other qualifying technologies that provides a minimum internet service speed of 100/20 Mbps and latency equal to or less than 100 milliseconds in accordance with NTIA guidelines and proven success in other regions for decision-making. The scoring rubrics that will be used are described in Section 2.4 *Arizona BEAD Deployment Scoring – Priority Project* below.

- **Step 2.2.2.2– Deconflicting Project Areas:** The highest scoring application for a project area will receive the overlapping project areas. The State Broadband Office will then consult with the project applicant who will not be awarded the overlapping project area and confirm if their application can continue with remaining project areas (i.e., overlapping project area/s removed).

- **Step 2.2.2.3 – "Outlier" Locations:** The State Broadband Office will apply the same process for outlier locations identified in Step 2.1.1.1 above.

- **Step 3 – Assessment of Outstanding Unserved/Underserved BSLs:** Once tentative project selection has been made through the competitive award process in Round 1, the State Broadband Office will assess remaining project areas and the respective BSLs, and CAIs to determine if the remaining funds will be adequate to serve these locations.

  - **Step 3.1 - Cost Estimate for Remaining BSLs and CAIs:** All unserved/underserved BSLs that have not been included in any proposed application will be identified. The State Broadband Office will then calculate the cost to serve these locations, considering successful applications received as part of Round 1 and a contingency factor to allow for unforeseen circumstances. This will determine the total funding required to serve the remaining areas.

  - **Step 3.2 – Cost to Fund Remaining BSLs Assessment:** The State Broadband Office will compare the amount of remaining funding available with the total subsidy required to serve the remaining unserved/underserved BSLs. This analysis will help us to determine if remaining funding is sufficient to serve all remaining locations.

- o **Step 3.3 Tentative Project Awards for Deconflicted Project Applications:** Based on this assessment, the State Broadband Office will make tentative awards to applications received for Round 1.

- **Step 4 – Assessment of "Deferred Applications":** Following the assessment of remaining funds, the State Broadband Office will assess and score the applications deemed "deferred applications", those that were above the threshold cost or NPV subsidy benchmark values with added contingency. We may consider these applications for tentative award at this time based on the remaining funding available or rollover these applications to be included in Round 2, if a second round of applications is necessary.

2.4.1.9   Post-Round 1 Negotiations

The Arizona Commerce Authority State Broadband Office requires applicants to serve every eligible unserved and underserved BSL within the project. Although end to end fiber network is the priority for Arizona, the State Broadband Office is encouraging all technology solutions providers to participate in the Round 1 application process.

After Round 1 tentative project awards, the State Broadband Office will identify BSLs that were not included in a proposed project. These BSLs will be termed as "stranded". If the stranded BSL is adjacent to the project areas of a submitted application, the State Broadband Office may negotiate with applicants to determine a cost to append them to the applicant's tentative Round 1 project area.

If the stranded BSL is adjacent to an existing coverage area of a non-applicant provider, the State Broadband Office may also negotiate with the non-applicant provider to obtain sole source or negotiated proposals for the stranded BSL. These proposals will be evaluated for conditional award, and any project areas that are not tentatively awarded will move to Round 2 for further evaluation. As part of these negotiations, the State Broadband Office will also consider "outlier" locations and determine if these can be included in an existing project or can be negotiated as a separate project.

Round 2 Project Applications

Following Round 1 negotiations, the Arizona Commerce Authority State Broadband Office will determine whether Round 2 is required. Our goal is to have every project area awarded as part of Round 1 and that Round 2 should only be initiated if necessary. In Round 2 of the BEAD Program's application evaluation and deconfliction process, the public-facing map will be updated to reflect the tentative awards made in Round 1 and Post-Round 1 Negotiations. Any applications that are part of the group of "deferred applications" and were not awarded as part of Round 1 will be included for Round 2.

The same process used in Round 1 and Post-Round 1 Negotiations is repeated for Round 2 and Post-Round 2 Negotiations. The deconfliction process is similar to Round 1, and the State Broadband Office will use scoring to resolve any project area overlaps between applications.

The process will ensure the highest scoring projects are prioritized for tentative award, with remaining locations covered through the Post Round 2 Negotiations. Round 2 is specifically designed for eligible BSLs that did not receive applications as part of Round 1. The updated project area will be designed to attract potential subgrantees to Round 2 application process. The

State Broadband Office will work collaboratively with prospective subgrantees to ensure that all eligible locations within the state are served.

2.4.2 Prioritization and Scoring Process

Describe how the prioritization and scoring process will be conducted and is consistent with the BEAD NOFO requirements on pages 42 – 46.

2.4.2.1 Supporting Documentation for Scoring Rubric

To ensure that BEAD deployment projects are evaluated with utmost credibility, the Arizona Commerce Authority State Broadband Office's scoring rubric follows NTIA's mandated scoring criteria. The NTIA scoring system primarily emphasizes three critical criteria, accounting for 75 percent of the total score, along with secondary criteria that can include both NTIA's prescribed metrics and additional Arizona policy priorities. This approach ensures that all submitted proposals are judged on a fair and objective basis, with an emphasis on achieving the state's policy priorities while satisfying NTIA's requirements. There are two different scoring rubrics provided below. One will be used for "priority projects" and the other for "non-priority" projects.

Each application can earn a maximum of 500 points. The evaluation criteria are categorized into primary and secondary segments, with 375 points allocated to the primary category and 125 points to the secondary category. Each of these categories encompasses several elements to be assessed and rated according to the specified considerations within each area. The details of each scoring category, subcategory, and relative weighting of each are described below in more detail. For the application to be considered for the BEAD Program funding, it has to receive minimum of 250 points or higher.

Arizona BEAD Deployment Project Scoring - Priority Project

BEAD priority projects are those that fulfill two key criteria. The first criterion focuses on delivering broadband service that adheres to the speed, latency, reliability, consistency in quality of service, and other criteria that the Assistant Secretary shall determine. In other words, priority projects must offer high-quality broadband services that meet specific performance thresholds.

The second criterion requires that priority projects provide services via end-to-end fiber-optic facilities to reach end users. This ensures that projects are built using the most reliable and efficient technological infrastructure available, delivering the highest quality broadband service possible. Using fiber-optic architecture ensures that broadband services are both fast and future-proof, able to scale with the ever-growing needs of the communities that they serve.

The scoring rubric for priority projects is included below. The criteria and weighting marked with an asterisk are mandated by the NTIA.

Table 5: Scoring Rubric for Priority Projects

Category	Description	Category Weighting	Overall Weighting
Primary Criteria:			
Minimal BEAD	**Grant to Project Cost.** This category scores the ratio of the requested grant fund compared to the total project	50%	75%*

Category	Description	Category Weighting	Overall Weighting
Program Outlay*	cost. Applications that bring greater matching funds to their proposed project will score more points. Greater matching funds ensures that BEAD funds will allow connections to every unserved and underserved location and eligible CAIs. The ratio of grant to project costs must not be higher than 75 percent, (except where projects include "high cost" locations per designation by the NTIA). This scoring criteria will be a sliding scale of match percentage ranges.	(250 points)	(375 points)
	Cost Reasonableness. This category scores the overall project cost against a benchmark estimate developed from a cost model. The reference benchmark cost for each project area will be shared with applicants as part of the application materials. Points will be awarded for projects aligned to or below the benchmark estimate for cost.		
	Resiliency. This category scores if the network design is more resilient than what is considered to be industry standard.		
Affordability*	**Affordability of 1 Gbps/1 Gbps Service.** This category scores prospective subgrantee's commitment to providing the most affordable total price to the customer for 1 Gbps symmetrical service in the project area for priority projects. This scoring criteria will be a sliding scale of service cost ranges.	15% (75 points)	
Fair Labor Practices*	**Fair Labor Practices Compliance and Commitment.** This category scores a prospective subgrantee's demonstrated record of and plans to be in compliance with Federal labor and employment laws.	10% (50 points)	
Secondary Criteria:			
Speed To Deployment*	**Project Schedule Commitment**. All subgrantees that receive BEAD Program funds for network deployment must deploy the planned broadband network and begin providing services to each customer that desires broadband services within the project area not later than four years after the date on which the subgrantee receives the executed subgrant agreement. This category scores prospective subgrantee's binding commitment to provide service by an earlier date.	2% (10 points)	25%* (125 points)
Technological Requirements	**Technological Requirements.** This criterion scores applications that propose (a) to use technologies that exhibit greater ease of upgrade with lower future investment for priority projects; and (b) open wholesale access to last-mile broadband service providers for the life of the funded networks, on a fair, nondiscriminatory basis to all potential retail providers. See below for a	9% (45 points)	

Category	Description	Category Weighting	Overall Weighting
	more detailed description of how this criterion will be scored.		
Local and Tribal Coordination	**Local and Tribal Coordination.** This criterion assesses a prospective subgrantee's coordination with the local units of government and/or Tribes that intersect the proposed project area. This criterion also assesses if meaningful community engagement activities have occurred to gain additional insight into specific community needs.	5% (25 points)	
Community Anchor Institutions	**Community Anchor Institutions.** This scoring criteria assesses if an applicant has included eligible CAIs as published by the State Broadband Office within the project area as part of the application. Points will be awarded to an application that has the highest number of CAIs included for the project area. For more information, refer to Section 2.4.1.2.	4% (20 points)	
Equitable Workforce Development and Job Quality	**Workforce Development.** This criterion scores a subgrantee's commitments with respect to advancing equitable workforce development and job quality objectives as referenced in the state workforce plan. For more information, refer to Section 2.7.1.	5% (25 points)	

- **Minimal BEAD Program Outlay for Priority Projects - 250 Maximum Points**: Three elements will be evaluated as part of the minimal BEAD Program Outlay for priority projects.

    a. Grant to Project Cost – 150 Maximum Points: This category pertains to the overall grant funding requested to complete the project area specified in the application, accounting for both the projected total cost and the applicant's proposed contribution. Applications that bring greater matching funds to their proposed project will score more points. The ratio of grant to project costs must not be higher than 75 percent, (except where projects include "high cost" locations per designation by the NTIA). Applications will be scored based on the ratio of the requested grant fund compared to the total project cost as shown in table below.

Table 6: Grant to Project Cost Scoring for Priority Projects

Scoring	Priority Projects Points
> 75% of Total Project Cost	0
> 65% to ≤ 75% of Total Project Cost	40
> 55% to ≤ 65% of Total Project Cost	80
> 45% to ≤ 55% of Total Project Cost	120
≤ 45% of Total Project Cost	150

b. Cost Reasonableness – 50 Maximum Points: This category pertains to the cost reasonableness of the project. Applications will be scored based on the overall project cost against a benchmark estimate developed from a cost model. The reference benchmark cost for each project area will be shared with prospective applicants. Points will be awarded on a sliding scale for projects aligned to or below the benchmark estimate for cost. For example, an applicant will receive no points if their funding request is 25 percent more than the reference benchmark cost estimate to serve that project area and they will receive the maximum points (50 points) if their funding request is 10 percent or less than the reference benchmark cost model estimate. Points will be awarded for projects aligned to or below the benchmark estimate for cost as shown in table below.

Table 7: Cost Reasonableness Scoring for Priority Projects

Scoring	Priority Projects Points
> 25% of Reference Benchmark Cost Estimate	0
> 15% to ≤ 25% of Reference Benchmark Cost Estimate	5
> 5% to ≤ 15% of Reference Benchmark Cost Estimate	15
> 0% to ≤ 5% of Reference Benchmark Cost Estimate	25
> -10% to ≤ 0% of Reference Benchmark Cost Estimate	35
≤ 10% of Reference Benchmark Cost Estimate	50

c. Resiliency – 50 Maximum Points: This category pertains to the network resiliency (such as the use of alternative power sources, retrofitting or hardening existing assets, the use of buried cables, etc.). Applications that propose to use technologies and network design that exhibit longer usable lives and resilience than what may be considered to be industry standard will score higher. Scoring for this criteria will be cumulative, in that each one of the resiliency criteria listed below addressed will be awarded points.

Table 8: Resiliency Scoring Criteria for Priority Projects

Scoring	Priority Projects Points
Applicant demonstrates network or power source redundancies for minimum of 50% of locations within the project areas	10
Applicant demonstrates scalability in the network design	10
Applicant commits to retrofitting and/or hardening its existing broadband infrastructure assets	10
Applicant commits to burying at least 75% of fiber cables within the project area	10
Applicant demonstrates other network resiliency measures	10

- **Affordability for Priority Projects - 75 Maximum Points**: This section assesses the applicant's commitment to delivering 1Gbps/1Gbps symmetrical services within the project areas specified in the application, at a price that is affordable for subscribers. The State

Broadband Office will use the 80 percent of the FCC urban benchmark rate[2] as the affordability standard. The State Broadband Office will use a graded scale for scoring criteria to incentivize affordability. The applicant will be required to commit this pricing structure for a minimum of five (5) years of the project completion.

Under this section, applicants will receive points if the cost of the 1 Gbps symmetrical service package is $114.07 per month or lower, inclusive of all taxes, fees and charges imposed on the subscriber. The sliding scale is presented below.

Table 9: Affordability Scoring Criteria for Priority Projects

Scoring	Priority Projects Points
>$114.07	0
$114.07 - $99.81	50
$99.80 - $85.55	65
<$85.55	75

Additionally, applicants will be encouraged to provide a marketing plan as part of their application that incorporates mechanisms to improve knowledge of the availability of the low-cost broadband service option and to raise awareness of subsidy programs such as ACP.

- **Fair Labor Practices for Priority Projects - 50 Maximum Points:** Applicants are required to provide a written account of their historical adherence to federal labor and employment laws, as well as their intentions to continue adhering to these laws. In this category, the Arizona Commerce Authority State Broadband Office will evaluate and assign scores to the narrative responses provided by applicants. Applications that furnish all necessary information and make a binding commitment to comply with the established labor requirements as stipulated in the BEAD NOFO will receive up to 50 points in this category. Applicants, that are new entrants in the industry, who do not have a previous record of compliance with labor and employment laws can make forward looking commitments to strong labor and employment standards and protections with respect to BEAD funded projects. Points will be awarded based on the information provided for each aspect of the fair labor category. Applications that do not provide any response will receive 0 points in this category.

The State Broadband Office will score fair labor practices for priority projects based on 1) record of compliance with federal labor and employment laws and 2) forward looking commitments to fair labor practices as described below.

1) Record of Compliance with federal labor and employment laws: This will be assessed and scored based on certification from an Office/Director-level employee or equivalent evidencing past compliance, and written confirmation and disclosures of violations for the past three years

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[2] https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources

2) Forward looking commitments to fair labor practices: Forward looking commitments that will be scored will align with the State's expectations outlined in Section 8 – Requirement 11.

The above criteria will be assessed for the applicant, contractors, and subcontractors.

Secondary Selection Criteria for Priority Projects

- **Speed to Deployment for Priority Broadband Projects – 10 Maximum Points:** All recipients of BEAD Program funds designated for network deployment are required to use technologies that exhibit greater ease of scalability and execute the planned broadband network and commence delivering services to all subscribers seeking broadband services within the application project area(s) no later than four years after the subgrantee receives the award from the Arizona Commerce Authority State Broadband Office.

The State Broadband Office will assess applications based on their pledged speed of deployment using a sliding scale system as shown below. Additionally, the State Broadband Office will include penalties for not meeting the project schedule for the BEAD deployment project in the grant agreement for the corresponding project. The State Broadband Office will inform the prospective subgrantees on the terms and conditions of the grant agreement during the marketing campaign phase and throughout the subgrantee selection process.

Table 10: Speed to Deployment for Priority Projects

Deployment Schedule	Priority Projects Points
< 24 months	10
24 - 36 months	8
36 - 42 months	6
42 – 47 months	4
48 months	0

- **Technological Requirements for Priority Projects – 45 Maximum Points:** Two elements will be evaluated as part of the technological requirements.

a. For applications suggesting the adoption of technologies that offer enhanced scalability with reduced future expenditure for priority projects, the State Broadband Office will evaluate long-lasting capital assets using a sliding scale system.

Table 11: Technological Requirements for Priority Projects

Technology	Priority Project Points
Up to 10 Gbps download and 10 Gbps upload or greater	35
Up to 10 Gbps download and 2.5 Gbps upload	25
Up to 2.5 Gbps download and 1 Gbps upload	20
Up to 1 Gbps symmetrical	5

b. The BEAD program permits the state to offer points for open access wholesale opportunities to last-mile broadband service providers throughout the duration of the subsidized network's existence on a fair, equitable, and unbiased terms for all prospective retail service providers. Applicants pledging to offer open access wholesale broadband services at reasonable and non-discriminatory rates and conditions for the entire useful life of the network assets will earn points contingent on the open access details outlined in their application. Points will be awarded based on the information furnished for each component, including physical infrastructure, access points, network operations center, etc., of the open access category shown below.

Table 12: Open Access for Priority Projects

Open Access Details	Priority Project Points
Details regarding open access policy	10

- **Local and Tribal Coordination for Priority Projects – 25 Maximum Points:** The BEAD Program advocates for the adoption of selection criteria that emphasize the applicant's coordination with local and tribal governments with jurisdiction over the project areas they intend to serve. This regional and tribal coordination is intended to address connectivity gaps where broadband coverage is lacking, allowing tribes, counties, towns, and cities to coordinate with the prospective applicants for their region. As part of the requirements for the BEAD Program, applicants must consult with local and tribal authorities regarding their qualifications and plans within the project area. Points for this category will be awarded based on the degree of collaboration and support demonstrated. By conducting consultations and collaborating with local and tribal authorities, applicants can enhance the effectiveness and success of their project proposal while promoting community involvement and support. Prospective applicants can support the coordination of local and tribal communities in the BEAD Program by identifying key community stakeholders and organizing meetings, developing outreach materials, facilitating community workshops, etc.

Local and Tribal Governments may provide support for one or more applicants within the BEAD Program with letters of support that will factor into the scoring criteria. The scoring will be based on two factors, as shown below. The letters of support will be evaluated based on any financial commitments from the relevant Local or Tribal Government, diversity, any commitments made by the relevant Local or Tribal Government(s) (including direct or in-kind commitments like right of way access or permitting assistance), and recognition of the potential subgrantee's coordination efforts in the community through the letter(s) of support. The Engagement Plan will be scored based on the extent of commitments made by the prospective applicant on community engagement, including ACP awareness campaigns, integration with Digital Navigator program, organizing meetings, developing outreach materials, and facilitating community workshops, among other coordination activities.

Table 13: Local and Tribal Coordination for Priority Projects

Local and Tribal Coordination Details	Priority Project Points
Local and/or Tribal Coordination – Letter of Support	15
Local and/or Tribal Coordination Engagement Plan	10

- **Community Anchor Institutions for Priority Projects – 20 Maximum Points:** The BEAD Program will promote digital equity and expand broadband access in unserved and underserved areas. CAIs play a key role in achieving these objectives by serving as critical community resources for education, healthcare, and emergency services. Applications that have included eligible CAIs as published by the State Broadband Office within the project area as part of the application will be scored. Twenty points will be awarded to an application that has the highest number of eligible CAIs included for the project area. Applications that do not include eligible CAIs within their project areas will receive 0 points in this category. Applications that include some eligible CAIs for the project area will be scored using a sliding scale system.

- **Equitable Workforce Development and Job Quality for Priority Projects – 25 Maximum Points:** Applicants are required to present a narrative demonstrating their dedication to making appropriate investments in cultivating a skilled and diverse workforce to fulfill the job requirements and meet the infrastructure development deadlines outlined in their application. For this criterion, the Arizona Commerce Authority State Broadband Office will evaluate and assign scores based on the narrative responses provided. The State Broadband Office will evaluate applicant's narrative provided in the application along with all the necessary information pertaining to workforce development and commit to fostering a skilled workforce, training program, educating workers about their rights and obligations related to union neutrality, and a particular emphasis on hiring locally for scoring application using a sliding scale system.

Arizona BEAD Deployment Project Scoring – Non-Priority Projects

The following criteria will apply to all other last mile deployment projects providing a minimum speed of 100/20 Mbps which are not considered priority projects. The criteria and weighting marked with an asterisk are mandated by the NTIA.

Table 14: Scoring Rubric for Non-Priority Projects

Category	Description	Category Weighting	Overall Weighting
Primary Criteria:			
Minimal BEAD Program Outlay*	**Grant to Project Cost.** This category scores the ratio of the requested grant funding compared to the total project cost. Applications that bring greater matching funds to their proposed project will score more points. Greater matching funds ensures that BEAD funds will allow connections to every unserved and underserved location and CAI. The ratio of grant to project costs must not be higher than 75 percent, (except where projects include "high cost" locations per designation by the NTIA). This	50% (250 points)	

Category	Description	Category Weighting	Overall Weighting
	scoring criteria will be a sliding scale of match percentage ranges.		75%* (375 points)
	Cost Reasonableness. This category scores the overall project cost against a benchmark estimate developed from a cost model. The reference benchmark cost for each project area will be shared with applicants as part of the application materials. Points will be awarded for projects aligned to or below the benchmark estimate for cost.		
	Resiliency. This category scores if the network design is more resilient than what is considered to be industry standard.		
Affordability*	**Affordability of 100/20 Mbps Service.** This category scores prospective subgrantee's commitment to providing the most affordable total price to the customer for 100/20 Mbps service in the project area for non-priority projects. This scoring criteria will be a sliding scale of service cost ranges.	15% (75 points)	
Fair Labor Practices*	**Fair Labor Practices Compliance and Commitment.** This category scores a prospective subgrantee's demonstrated record of and plans to be in compliance with Federal labor and employment laws.	10% (50 points)	
Secondary Criteria:			
Speed To Deployment*	**Project Schedule Commitment**. All subgrantees that receive BEAD Program funds for network deployment must deploy the planned broadband network and begin providing services to each customer that desires broadband services within the project area not later than four years after the date on which the subgrantee receives the executed subgrant agreement. This category scores prospective subgrantee's binding commitment to provide service by an earlier date.	2% (10 points)	
Speed of Network and Other Capabilities	**Speed of Network and Other Capabilities.** This criterion scores applications based on network speeds, latency, and other technical capabilities of the technologies proposed by applicants. See below for a more detailed description of how this criterion will be scored.	9% (45 points)	25%* (125 points)
Local and Tribal Coordination	**Local and Tribal Coordination.** This criterion assesses a prospective subgrantee's coordination with the local units of government and/or Tribes that intersect the proposed project area. This criterion also assesses if meaningful community engagement activities have occurred to gain additional insight to specific community needs.	5% (25 points)	
Community Anchor Institutions	**Community Anchor Institutions.** This scoring criteria assesses if an applicant has included eligible CAIs as published by the State Broadband Office within the project area as part of the application. Points will be	4% (20 points)	

Category	Description	Category Weighting	Overall Weighting
	awarded to an application that has the highest number of CAIs included for the project area. For more information, refer to Section 2.4.1.2.		
Equitable Workforce Development and Job Quality	**Workforce Development.** This criterion scores a subgrantee's commitments with respect to advancing equitable workforce development and job quality objectives as referenced in the state workforce plan. For more information, refer to Section 2.7.1.	5% (25 points)	

- **Minimal BEAD Program Outlay for Non-Priority Projects - 250 Maximum Points**: Three elements will be evaluated as part of the minimal BEAD Program Outlay for priority projects.

   a. Grant to Project Cost – 150 Maximum Points: This category pertains to the overall grant funding requested to complete the project area specified in the application, taking into account both the projected total cost and the applicant's proposed contribution. Applications that bring greater matching funds to their proposed project will score more points. The ratio of grant to project costs must not be higher than 75 percent, (except where projects include "high cost" locations per designation by the NTIA). Applications will be scored based on the ratio of the requested grant funding compared to the total project cost as shown in table below.

   Table 15: Grant to Project Cost Scoring for Non-Priority Projects

Scoring	Non-Priority Projects Points
> 75% of Total Project Cost	0
> 65% to ≤ 75% of Total Project Cost	40
> 55% to ≤ 65% of Total Project Cost	80
> 45% to ≤ 55% of Total Project Cost	120
≤ 45% of Total Project Cost	150

   b. Cost Reasonableness – 50 Maximum Points: This category pertains to the cost reasonableness of the project. Applications will be scored based on the overall project cost against a benchmark estimate developed from a cost model. The reference benchmark cost for each project area will be shared with prospective applicants. Points will be awarded on a sliding scale for projects aligned to or below the benchmark estimate for cost. For example, an applicant will receive no points if their funding request is 25 percent more than the reference benchmark cost estimate to serve that project area and they will receive the maximum points (50 points) if their funding request is 10 percent or less than the reference benchmark cost model estimate. Points will be awarded for projects aligned to or below the benchmark estimate for cost as shown in table below.

Table 16: Cost Reasonableness Scoring for Non-Priority Projects

Scoring	Non-Priority Projects Points
> 25% of Reference Benchmark Cost Estimate	0
> 15% to ≤ 25% of Reference Benchmark Cost Estimate	5
> 5% to ≤ 15% of Reference Benchmark Cost Estimate	15
> 0% to ≤ 5% of Reference Benchmark Cost Estimate	25
> -10% to ≤ 0% of Reference Benchmark Cost Estimate	35
≤ 10% of Reference Benchmark Cost Estimate	50

c. Resiliency – Maximum 50 Points: This category pertains to the network resiliency (such as the use of alternative power sources, retrofitting or hardening of existing assets, the use of buried cables, etc.). Applications that propose to use technologies and network design that exhibit longer usable lives and resilience that what may be considered to be industry standard will score higher. Scoring for this criteria will be cumulative, in that each one of the resiliency criteria listed below addressed will be awarded points.

Table 17: Resiliency Scoring Criteria for Non-Priority Projects

Scoring	Non-Priority Projects Points
Applicant demonstrates network or power source redundancies for minimum of 50% of locations within the project areas	10
Applicant demonstrates scalability in the network design	10
Applicant commits to retrofitting and/or hardening its existing broadband infrastructure assets	10
Applicant commits to burying at least 50% of fiber cables within the project area	10
Applicant demonstrates other network resiliency measures	10

- **Affordability for Non-Priority Projects - 75 Maximum Points**: This section assesses the applicant's commitment to delivering 100/20 Mbps services within the project areas specified in the application, at a price that is affordable for subscribers. The State Broadband Office will use the 80 percent of the FCC urban benchmark rate (https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources) as the affordability standard. The State Broadband Office will use a graded scale for scoring criteria to incentivize affordability. The applicant will be required to commit this pricing structure for a minimum of five (5) years of the project completion. Under this section, applicants will receive points if the cost of the 100/20 Mbps service package is $84.02 per month or lower, inclusive of all taxes, fees and charges imposed on the subscriber. The sliding scale is presented in table below.

Table 18: Affordability Scoring Criteria for Non-Priority Projects

Scoring	Non-Priority Projects Points
>$84.02	0
$84.02 - $73.52	50
$73.51 - $63.02	65
<63.02	75

Additionally, applicants will be encouraged to provide a marketing plan as part of their application that incorporates mechanisms to improve knowledge of the availability of the low-cost broadband service option and to raise awareness of subsidy programs such as ACP.

- **Fair Labor Practices for Non-Priority Projects - 50 Maximum Points:** Applicants are required to provide a written account of their historical adherence to federal labor and employment laws, as well as their intentions to continue adhering to these laws. In this category, the Arizona Commerce Authority State Broadband Office will evaluate and assign scores to the narrative responses provided by applicants. Applications that furnish all necessary information and make a binding commitment to comply with the established labor requirements as stipulated in the BEAD NOFO will receive up to 50 points in this category. Points will be awarded based on the information provided for each aspect of the fair labor category. Applicants, that are new entrants in the industry, who do not have a previous record of compliance with labor and employment laws can make forward looking commitments to strong labor and employment standards and protections with respect to BEAD funded projects. Applications that do not provide any response will receive 0 points in this category.

The Arizona Commerce Authority State Broadband Office will score fair labor practices for non-priority projects based on 1) record of compliance with federal labor and employment laws and 2) forward looking commitments to fair labor practices as described below.

1) Record of Compliance with federal labor and employment laws: This will be assessed and scored based on certification from an Office/Director-level employee or equivalent evidencing past compliance, and written confirmation and disclosures of violations for the past three years

2) Forward looking commitments to fair labor practices: Forward looking commitments that will be scored will align with the State's expectations outlined in Section 8 – Requirement 11.

The above criteria will be assessed for the applicant, contractors, and subcontractors.

Secondary Selection Criteria for Non-Priority Projects

- **Speed to Deployment for Non-Priority Broadband Projects – 10 Maximum Points:** All recipients of BEAD Program funds designated for network deployment are required to use technologies that exhibit greater ease of scalability and execute the planned broadband network and commence delivering services to all subscribers seeking broadband services

within the application project area(s) no later than four years after the subgrantee receives the award from the Arizona Commerce Authority State Broadband Office.

The Arizona Commerce Authority State Broadband Office will assess applications based on their pledged speed of deployment using a sliding scale system as shown below. Additionally, the State Broadband Office will include penalties for not meeting the project schedule for the BEAD deployment project in the grant agreement for the corresponding project. The State Broadband Office will inform the prospective subgrantees on the terms and conditions of the grant agreement during the marketing campaign phase and throughout the subgrantee selection process.

Table 19: Speed to Deployment for Non-Priority Projects

Deployment Schedule	Non-Priority Projects Points
< 24 months	10
24 - 36 months	8
36 - 42 months	6
42 – 47 months	4
48 months	0

- **Speed of Network and Other Capabilities for Non-Priority Projects – 45 Maximum Points:** Two elements will be evaluated as part of the technological requirements.
  a. Applications will be scored based on the network speeds, latency, and other technical capabilities of technologies proposed for the non-priority project. For applications suggesting the adoption of technologies that offer enhanced scalability with reduced future expenditure for non-priority projects, the Arizona Commerce Authority State Broadband Office will evaluate long-lasting capital assets using a sliding scale system.

Table 20: Speed of Network and Other Capabilities for Non-Priority Projects

Technology	Non-Priority Project Points
Hybrid fiber coaxial (HFC) DOCSIS 4.0	35
Hybrid fiber coaxial (HFC) DOCSIS 3.1	25
Wireless using licensed spectrum 4	20
Wireless using unlicensed spectrum 2	10
Low Earth (LEO) satellite	5

  b. Applicants pledging to offer open access wholesale broadband services at reasonable and non-discriminatory rates and conditions for the entire useful life of the network assets will earn points contingent on the open access particulars outlined in their application. Points will be awarded based on the information furnished for each component of the open access category shown in table below.

Table 21: Open Access for Non-Priority Projects

Open Access Details	Non-Priority Project Points
Details regarding open access policy	10

- **Local and Tribal Coordination for Non-Priority Projects – 25 Maximum Points:** The BEAD program advocates for the adoption of selection criteria that emphasize the applicant's coordination with local and tribal governments with jurisdiction over the project areas they intend to serve. This regional and tribal coordination is intended to address connectivity gaps where broadband coverage is lacking, allowing tribes, counties, towns, and cities to coordinate with the prospective applicants for their region. As part of the requirements for the BEAD Program, applicants must consult with local and tribal authorities regarding their qualifications and plans within the project area. Points for this category will be awarded based on the degree of collaboration and support demonstrated. By conducting consultations and collaborating with local and tribal authorities, applicants can enhance the effectiveness and success of their project proposal while promoting community involvement and support. Prospective applicants can support the coordination of local and Tribal communities in the BEAD Program by identifying key community stakeholders and organizing meetings, developing outreach materials, facilitating community workshops, etc.

Local and Tribal Governments may provide support for one or more applicants within the BEAD Program with letters of support that will factor into the scoring criteria. The scoring will be based on two factors, as presented below. The letters of support will be evaluated based on any financial commitments from the relevant Local or Tribal Government, diversity, any commitments made by the relevant Local or Tribal Government(s) (including direct or in-kind commitments like right of way access or permitting assistance), and recognition of the potential subgrantee's coordination efforts in the community through the letter(s) of support. The Engagement Plan will be scored based on the extent of commitments made by the prospective applicant on community engagement, including ACP awareness campaigns, integration with Digital Navigator program, organizing meetings, developing outreach materials, and facilitating community workshops, among other coordination activities.

Table 22: Local and Tribal Coordination for Non-Priority Projects

Local and Tribal Coordination Details	Non-Priority Project Points
Local and/or Tribal Coordination – Letter of Support	15
Local and/or Tribal Coordination Engagement Plan	10

- **Community Anchor Institutions for Non-Priority Projects – 20 Maximum Points:** The BEAD Program aims to promote digital equity and expand broadband access in unserved and underserved areas. CAIs play a key role in achieving these objectives by serving as critical community resources for education, healthcare, and emergency services. Applications that have included eligible CAIs as published by the State Broadband Office within the project area as part of the application will be scored. Twenty points will be awarded to an application that has the highest number of eligible CAIs included for the project area. Applications that do not

include eligible CAIs within their project areas will receive 0 points in this category. Applications that include some eligible CAIs for the project area will be scored using a sliding scale system.

- **Equitable Workforce Development and Job Quality for Non-Priority Projects – 25 Maximum Points:** Applicants are required to present a narrative demonstrating their dedication to making appropriate investments in cultivating a skilled and diverse workforce to fulfill the job requirements and meet the infrastructure development deadlines outlined in their application. For this criterion, the Arizona Commerce Authority State Broadband Office will evaluate and assign scores based on the narrative responses provided. The State Broadband Office will evaluate applicant's narrative provided in the application along with all of the necessary information pertaining to workforce development and commit to fostering a skilled workforce, training program, educating workers about their rights and obligations related to union neutrality, and a particular emphasis on hiring locally for scoring application using a sliding scale system.

2.4.3 Prioritizing Unserved Service Projects

Describe how the proposed subgrantee selection process will prioritize Unserved Service Projects in a manner that ensures complete coverage of all unserved locations prior to prioritizing Underserved Service Projects followed by prioritization of eligible CAIs.

Based on the preliminary analysis of total BEAD funding allocation for the State of Arizona and the cost estimate to provide fiber to the home (FTTH) to all eligible BSL locations, the State Broadband Office expects there will be funding shortfall to serve all unserved and underserved locations as well as eligible CAIs, currently without access to a gigabit symmetrical service.

To ensure proper assessment and allocation of funding, all proposed projects will be scored for cost reasonableness, which is an assessment against a cost benchmark for the project area. Those projects that are well above the benchmark value will be assessed as part of a second round of applications (Deferred Applications) to ensure adequate funding is available to serve all unserved and underserved locations, followed by eligible CAIs. The State Broadband Office will ensure that the BEAD Program's goal of connecting all unserved and underserved Arizonans will be achieved.

2.4.4 Prioritizing Non-Deployment Projects

If proposing to use BEAD funds to prioritize non-deployment projects prior to, or in lieu of the deployment of services to eligible CAIs, provide a strong rationale for doing so. If not applicable to plans, note "Not applicable."

Not Applicable. The Arizona Commerce Authority State Broadband Office will implement the unfunded priorities in the State Digital Equity Plan and workforce development activities if there are any funds left.

2.4.5 Compliance with EHP and BABA Requirements

The proposed subgrantee selection process is expected to demonstrate to subgrantees how to comply with all applicable Environmental and Historic Preservation (EHP) and Build America, Buy America Act (BABA)6 requirements for their respective project or projects. Describe how the Eligible Entity will

communicate EHP and BABA requirements to prospective subgrantees, and how EHP and BABA requirements will be incorporated into the subgrantee selection process.

The Arizona Commerce Authority State Broadband Office will provide comprehensive guidance and resources to prospective subgrantees to ensure that they understand and comply with all applicable State Historical Preservation Act (SHPA), federal Environmental and Historic Preservation (EHP), and Build America, Buy America Act (BABA) requirements. The Arizona Commerce Authority State Broadband Office understands the importance of adhering to these guidelines, and as such, will ensure that subgrantees are adequately equipped to meet these requirements.

The Arizona Commerce Authority State Broadband Office will communicate these requirements through various channels, such as the program's website, training sessions, and application materials. The guidelines will outline all the pertinent SHPA and Federal EHP and BABA requirements, and subgrantees will be briefed on the importance of adhering to them during the application process. Additionally, as part of the prequalification process, subgrantees will provide a compliance certification stating how they plan to comply with SHPA and Federal EHP and BABA requirements. A template of the compliance certification will be provided by the State Broadband Office as part of the NTIA Guidelines. The compliance certification will be defined by the NTIA.

Incorporation of the SHPA and federal EHP and BABA requirements into the subgrantee selection process will ensure that compliance is a fundamental aspect of the program from the outset. The eligibility criteria for subgrantees will be structured to ensure that only those candidates who comply with these requirements are considered. The State Broadband Office will monitor subgrantee compliance throughout the project's implementation to ensure that these requirements are adhered to and that the project's integrity and sustainability are preserved. This will include regular audits, site inspections, and other interventions aimed at ensuring compliance and maintaining our commitment to best practices in the management of the BEAD Program.

2.4.6 Definition of Eligible Project Areas

Describe how the Eligible Entity will define project areas from which they will solicit proposals from prospective subgrantees. If prospective subgrantees will be given the option to define alternative proposed project areas, describe the mechanism for de-conflicting overlapping proposals to allow for like-to-like comparisons of competing proposals.

The State Broadband Office will pre-define draft project areas for Arizona's BEAD Program deployment projects throughout the state. The pre-defined project areas will be made available on the State Broadband Office website for review and comments by the prospective subgrantees and stakeholders. The State Broadband Office will further refine and modify pre-defined project areas based on feedback received from prospective subgrantees and stakeholders. The State Broadband Office will finalize project areas before Round 1 application intake process begins and after a public comment period has ended with the objective of improving competition, expediting administrative processes with efficient deconfliction, and ensuring all eligible unserved and underserved locations within the state are served through the BEAD Program. For the planning purpose, the State Broadband Office is anticipating up to 75 project areas to cover the entire state. Applicants will have the option to bundle reasonably adjacent project area in a single application or apply for multiple distinct project areas in separate applications.

The following key considerations will govern the creation of the project areas:

- Census block groups and governmental unit boundaries such as county borders

- Expected project size

- Geography and terrain

- Current competitive landscape and available backbone infrastructure

Note that Tribes are expected to constitute separate project areas. The project areas in Tribes will be limited to the State of Arizona boundary.

Applicants may choose the project area, subject to the following criteria:

- Every eligible BSL covered: Applicants will be required to serve every eligible unserved and underserved Broadband Service Location (BSL) within the project area.

- Maximizing Eligible CAIs: Additionally, after covering every eligible BSL included in the project area, applications that maximize the number of eligible CAIs to be served with in a project area will be scored higher (see scoring rubric defined in this section).

- Grouping of Project Areas: Applicants may group more than one project areas subject to the following criteria:

  o Project areas grouped in one application must be reasonably adjacent.

  o Applicants must provide a breakdown of key metrics including cost to build for each project area, number of BSLs included, project schedule, infrastructure technologies, project costs, and other program requirements.

- Partnerships: Applicants are encouraged to identify partners as needed to ensure that eligible BSL within the proposed project area will be served. Applicants must identify which entity will serve as the lead subgrantee for the project and will be responsible for executing the project agreement and for ensuring that the project is completed in accordance with the terms and conditions specified in the agreement.

Project areas will be available to view in a publicly facing interactive mapping tool. The geospatial file for project areas will also be made available.

If the proposed project areas contain overlapping project areas, scoring will be used to deconflict the overlapping project areas and award the overlapping project area to the highest scoring project. The State Broadband Office will consult with the project applicant who will not be awarded the overlapping location and confirm if their application can continue with the overlapping project area removed.

2.4.7 Ensuring Universal Coverage in Subsequent Funding Rounds

If no proposals to serve a location or group of locations that are unserved, underserved, or a combination of both are received, describe how the Eligible Entity will engage with prospective subgrantees in subsequent funding rounds to find providers willing to expand their existing or proposed service areas or other actions that the Eligible Entity will take to ensure universal coverage.

As described in Section 2.4.1.9, after Round 1 tentative project awards, the State Broadband Office will identify project areas that were not included in a proposed project. These project areas will be termed as "Stranded". Presently, the State Broadband Office does not have any plan to offer any inducements (matching funds or in-kind match) for "Stranded" project areas that did not receive any project applications. If the "Stranded" project area is adjacent to the project areas of a submitted application (within ten miles), the State Broadband Office will negotiate with applicants to determine a cost to append them to the applicant's tentative Round 1 project area.

If the "Stranded" project area is adjacent to existing infrastructure/network of a non-applicant provider, the State Broadband Office will also negotiate with the non-applicant provider to obtain sole source or negotiated proposals for the stranded project area. These proposals will be evaluated for conditional award, and any project areas that are not tentatively awarded will move to Round 2 for further evaluation.

As part of these negotiations, the State Broadband Office will also consider "Outlier" locations and determine if these can be included in an existing project or can be negotiated as a separate project. Following Round 1 negotiations, the State Broadband Office will determine whether Round 2 is required. It is the goal of the Arizona Commerce Authority State Broadband Office to have every project area awarded as part of Round 1 and that Round 2 should only be launched if necessary. In Round 2 of the BEAD Program's application evaluation and deconfliction process, the public-facing map will be updated to reflect the conditional awards made in Round 1 and Post Round 1 Negotiations. Any applications that are part of the group of "deferred applications" and were not awarded as part of Round 1 will be included for Round 2 project areas. For Round 2, the State Broadband Office will define the project areas based on evaluation criteria and available funding. The negotiations in Round 2 will ensure all remaining BSL locations are served through a project.

2.4.8 Tribal Government Consent

Describe how the Eligible Entity intends to submit proof of Tribal Governments' consent to deployment if planned projects include any locations on Tribal Lands.

There are 22 federally recognized Tribes in Arizona. Governor Hobbs and the Arizona Commerce Authority have actively participated in official tribal consultations with all the federally recognized Tribes in Arizona. The Arizona Commerce Authority State Broadband Office will require a Resolution of Consent or other formal demonstration of consent from each Tribal Government's Tribal Council or other governing body, upon whose Tribal Lands the infrastructure will be deployed to NTIA. The State Broadband Office will score applications higher if prospective applicants provide letters of support from the respective Tribal Government that indicates support for the project after Final Proposal is approved by NTIA.

2.4.9 Identification of Extremely High Cost Per Location Threshold

Identify or outline a detailed process for identifying an Extremely High Cost Per Location Threshold to be utilized during the subgrantee selection process. The explanation must include a description of any cost models used and the parameters of those cost models, including whether they consider only capital expenditures or include the operational costs for the lifespan of the network.

The extremely high cost per location threshold (EHCPLT) will not be set until Round 1 application have been received and will be based on an analysis of the funding requirements for actual subgrant proposals received. The process to determine the EHCPLT will involve the use of cost models that consider not only the capital expenditures but also the operational costs for the lifespan of the network.

Arizona will focus on maximizing the coverage of unserved locations with the best available technology given the total pool of subgrant proposals. The state will consider the relative scoring of each proposal but will place the greatest emphasis on the goal of maximizing coverage of unserved locations. If any selection decision requires deviation from relative scores to maximize coverage, the Arizona Commerce Authority State Broadband Office will provide documentation to NTIA in the Final Proposal.

The State Broadband Office will perform a detailed analysis of data from previous awards in Arizona from state and federal funded programs, including applications received in the CPF, USDA, TBCP and other funding programs as well as per-location cost model data. The detailed analysis will be performed after receiving applications and the State Broadband Office will compare the outcomes to the available budget.

The State Broadband Office will consider the unique characteristics of each application in determining the EHCPLT. Factors like the amount of funding required, the number of locations served, and the type of technology utilized will be considered in setting the EHCPLT. We will identify the highest cost-per-location values for each type of technology used in the proposals and set the EHCPLT at a level that permits the selection of non-FTTH applications that provide the best available technology for reaching the unserved locations. Additionally, any locations identified as "outliers" will provide critical information on the value for the EHCPLT and which locations may be impacted by the threshold.

The State Broadband Office will also utilize the Eligible Entity Planning Tool to support the identification of the EHCPLT. Due to the extreme difference in geographic features (terrain, ground composition, etc.) across the State of Arizona, we may elect to set different EHCPLTs for regions within the state.

2.4.10 Use of Extremely High Cost Per Location Threshold

Outline a plan for how the Extremely High Cost Per Location Threshold will be utilized in the subgrantee selection process to maximize the use of the best available technology while ensuring that the program can meet the prioritization and scoring requirements set forth in Section IV.B.6.b of the BEAD NOFO. The response must describe:

a. *The process for declining a subgrantee proposal that exceeds the threshold where an alternative technology is less expensive.*

When a subgrantee proposal for an end-to-end fiber project exceeds the EHCPLT, it will no longer be assessed as a Priority Broadband Project and will be considered a non-priority project. The end-to-end fiber projects will be assessed alongside non-priority projects and alternative technologies that meet the BEAD Program's technical requirements for reliable broadband service. This ensures that BEAD funding is utilized in the most efficient manner to reach every unserved and underserved location in Arizona.

b. *The plan for engaging subgrantees to revise their proposals and ensure locations do not require a subsidy.*

The EHCPLT will be set after Round 1 proposals are received and assessed. The State Broadband Office will determine whether the available BEAD funding is sufficient to expand high-speed internet to all unserved and underserved locations in the State of Arizona at a reasonable cost. By assessing the proposals first, it allows the use of outlier locations to assist in defining the EHCPLT. In the event there is a Priority Broadband Project that is above the EHCPLT, the applications will be considered "deferred applications" and addressed after other proposals are reviewed and assessed. The EHCPLT could be utilized as a trigger for negotiations and a target to negotiate toward for deferred applications. The State Broadband Office reserves the right to conduct a validation of the proposed budget to ensure compliance with the BEAD Program allowable expenses and that the quantities, prices, hours, and compensation rates proposed are reasonable and fair.

c. *The process for selecting a proposal that involves a less costly technology and may not meet the definition of Reliable Broadband.*

The Arizona Commerce Authority State Broadband Office intends to prioritize projects and technologies that meet the definition of Reliable Broadband. However, we recognize there may be instances where the subsidy required to fund the broadband deployment project is not feasible. In the event there is no reliable broadband service technology that meets the BEAD Program's technical requirements for a subsidy of less than the EHCPLT, the State Broadband Office will consider technologies that do not meet the definition of Reliable Broadband service but satisfies the technical requirements and is robust, affordable, and scalable considering the circumstances of the location. At a minimum, the technology must be able to provide internet service at speeds of 100/20 Mbps and latency less than or equal to 100 milliseconds at a lower cost. The State Broadband Office will consider technologies, such as low earth orbit (LEO) satellite internet access, as a potential solution for the expansion of internet access and will reference NTIA guidance, leading practices, and successful deployments in other states and jurisdictions to determine how the program should be operated.

2.4.11 Ensuring Minimum Financial Capability

Describe how the Eligible Entity will ensure prospective subgrantees deploying network facilities meet the minimum qualifications for financial capability as outlined on pages 72-73 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:

a. *Detail how the Eligible Entity will require prospective subgrantees to certify that they are qualified to meet the obligations associated with a Project, that prospective subgrantees will have available funds for all project costs that exceed the amount of the grant, and that prospective subgrantees will comply with all Program requirements, including service milestones. To the extent the Eligible Entity disburses funding to subgrantees only upon completion of the associated tasks, the Eligible Entity will require each prospective subgrantee to certify that it has and will continue to have sufficient financial resources to cover its eligible costs for the Project until such time as the Eligible Entity authorizes additional disbursements.*

During the prequalification round, potential subgrantees will be required to certify that they are qualified to meet the obligations associated with a project, that the prospective subgrantees

will have available funds for all project costs that exceed the amount of the grant, and that they will comply with all requirements, including service milestones. The State Broadband Office will share the reference benchmark cost for each project area with prospective applicants as part of the prequalification round. Prospective applicants should use the reference benchmark cost for the project area to assess their financial capability. Additionally, the prospective applicant must provide a statement signed by an executive with the authority to bind the company to certify and guarantee that the prospective applicant has the necessary financial capacity to successfully implement the project. Funding will be distributed only on a reimbursable basis, and each subgrantee will be required to certify that it has and will continue to have sufficient financial resources to cover its eligible costs for the project until such time as the State Broadband Office authorizes additional disbursements.

Additionally, each subgrantee will be required to submit audited or independently reviewed financial statements from the past three years. If these statements are not available, unaudited financial statements from the previous year accompanied by a narrative explanation as to why audited statements were unavailable, will be accepted. Additionally, unaudited interim financial statements for the current year to date must be provided. The State Broadband Office will perform a ratio analysis on these financial statements to assess the organization's financial capacity and sustainability. If the subgrantee is planning to finance costs that exceed the grant amount, the State Broadband Office will evaluate the financial feasibility of proposed financing. Applicants in Arizona will also be required to guarantee compliance with all program requirements, including deployment milestones. The subgrantee may also submit an optional narrative attachment detailing any relevant financial changes that have occurred since the submission of their prequalification materials.

b. *Detail how the Eligible Entity plans to establish a model letter of credit substantially similar to the model letter of credit established by the FCC in connection with the Rural Digital Opportunity Fund (RDOF).*

Initial Letter of Credit Requirement

The Arizona Commerce Authority State Broadband Office will utilize guidance from NTIA on the letter of credit (LOC) requirements and will model the LOC for the BEAD Program based on the Rural Digital Opportunity Fund (RDOF) LOC model. In accordance with the BEAD NOFO, the State Broadband Office will require applicants to submit a letter from an eligible bank (see 47 C.F.R. § 54.804(c)(2)) committing to issue an irrevocable standby LOC, that meets the BEAD LOC requirements, to the prospective subgrantee. The letter must be provided prior to entering any subgrantee agreement and provide the dollar amount of the LOC, amounting to no less than 25 percent of the subaward amount. Additionally, subgrantees must provide the State Broadband Office an opinion letter from legal counsel stating that in proceeding under Title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), the bankruptcy court would not treat the letter of credit as property of the winning subgrantee's bankruptcy estate under Section 541 of the Bankruptcy Code.

As of November 1, 2023, the NTIA published additional guidance regarding the LOC and Conditional Programmatic Waivers for the BEAD LOC. A Conditional Programmatic Waiver of the LOC is granted only to the extent to and as described:

Subgrantee Option to Use Credit Unions

The LOC Requirement that requires the use of a bank that meets the eligibility requirements of 47 C.F.R. § 54.804(c)(2) is waived if the subgrantee is using any United States credit union that (a) is insured by the National Credit Union Administration; and (b) has a credit union safety rating issued by Weiss of B- or better.

Subgrantee Option to Use Performance Bonds

As part of the updated guidance, the State Broadband Office will permit subgrantees to use performance bonds. As such, the LOC requirement is waived where:

1. During the application process, prospective subgrantees are required to submit a letter from a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570 committing to issue a performance bond to the prospective subgrantee. The letter shall at a minimum provide the dollar amount of the performance bond.
2. Prior to entering into any subgrantee agreement, each prospective subgrantee obtains a performance bond, acceptable in all respects to the State Broadband Office and in a value of no less than 100 percent of the subaward amount.

Where a subgrantee chooses to exercise the option to obtain a performance bond under this waiver, the requirement that the subgrantee "provide with its letter of credit an opinion letter from legal counsel clearly stating, subject only to customary assumptions, limitations, and qualifications, that in a proceeding under Title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), the bankruptcy court would not treat the letter of credit or proceeds of the letter of credit as property of the winning subgrantee's bankruptcy estate under Section 541 of the Bankruptcy Code" is waived.

Reduction of LOC/Performance Bonds Upon Completion of Milestones

The initial requirement of providing a LOC with a value of at least 25 percent of the subaward amount is waived, conditioned on the requirement that the subgrantee obtain a new LOC in a reduced amount upon achievement of specific deployment milestones that are publicly specified by the State Broadband Office and applicable to all subgrantees subject to the LOC Requirement. The Arizona Commerce Authority State Broadband Office reserves the right to reduce the amount of the performance bond by a commensurate amount as grantees meet the same service milestones.

Subgrantee Option for Alternative Initial LOC or Performance Bond Percentage

The requirement that the initial letter of credit be for 25 percent of the subaward amount, or in the case where a subgrantee chooses to utilize a performance bond consistent with section 2.2 above, allow the initial amount of the performance bond to be lower than 100 percent of the subaward amount, where:

1. The State Broadband Office issues funding on a reimbursable basis consistent with Section IV.C.1.b of the NOFO;
2. Reimbursement is for periods of no more than six months; and
3. The subgrantee commits to maintain a letter of credit or performance bond in the amount of 10 percent of the subaward until it has demonstrated to satisfaction of the State Broadband Office that it has completed the buildout of 100 percent of locations to be served

by the project or until the period of performance of the subaward has ended, whichever occurs first.

- *Detail how the Eligible Entity will require prospective subgrantees to submit audited financial statements.*

As stated in the response for 2.4.11 (a), potential subgrantees will be required to submit audited or independently reviewed financial statements from the past three years. If these statements are not available, unaudited financial statements from the previous year accompanied by a narrative explanation as to why audited statements were unavailable, will be accepted. Additionally, unaudited interim financial statements for the current year to date must be provided.

c. *Detail how the Eligible Entity will require prospective subgrantees to submit business plans and related analyses that substantiate the sustainability of the proposed project.*

During the subgrantee selection process, applicants will be required to complete a pre-designed pro forma template provided by the Arizona Commerce Authority State Broadband Office as part of the Round 1 and 2 project applications. In addition to this, they must include a budget narrative that explains the assumptions used in the pro forma and any expected financial challenges. The pro forma will require the applicant to provide anticipated capital expenditures (CapEx), operational expenditures (OpEx), projected number of subscribers (including unserved and underserved BSLs as well as any other potential subscribers), and service pricing as minimum requirements.

The pro forma in Arizona will span a period of ten years or conform the NTIA's useful life guidance, consisting of three years of historical data and seven years of projected financial data. This ten-year span will allow the State Broadband Office to evaluate the financial health of a proposed project. We will scrutinize the pro forma to ensure that, using reasonable assumptions (e.g., achievable take rate and acceptable pricing), the subgrantee demonstrates positive cash flow within the ten-year time horizon.

2.4.11.1   Supporting Documentation for BEAD Subgrantee Selection Process

Optional attachment has not been included.

2.4.12 Ensuring Managerial Capability

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for managerial capability as outlined on pages 73 – 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:

a. *Detail how the Eligible Entity will require prospective subgrantees to submit resumes for key management personnel.*

During the prequalification round, applicants will be expected to submit one-page resumes, accompanied by an organization chart and a narrative explanation of the roles and responsibilities of all relevant financial, technical, and managerial key personnel that would be involved in a BEAD broadband deployment project. One of the key personnel must fill the role

of Project Manager who will serve as the main point of contact for the project. All key personnel should be employees of the firm, rather than contractors.

Each resume should demonstrate relevant experience with broadband projects of similar scope and scale. The resumes and accompanying narrative will allow the State Broadband Office to assess the qualifications and experience of key personnel and ensure that they are well-equipped to deliver a successful broadband project.

b. *Detail how it will require prospective subgrantees to provide a narrative describing their readiness to manage their proposed project and ongoing services provided.*

During the prequalification phase, applicants will be requested to submit an organizational chart that includes all relevant personnel within the organization who are likely to have a role on a potential broadband project.

In addition, the applicant will be requested to provide organization qualifications detailing prior experience with broadband/telecommunications deployment projects and other projects of a comparable size and scope. Each project experience description should include the construction cost, date of project start and completion, and the value that the applicant delivered to the project. Additionally, applicants will be required to provide a narrative about their organizational readiness to manage the proposed project.

2.4.13 Ensuring Technical Capability

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for technical capability as outlined on page 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:

a. *Detail how the Eligible Entity will require prospective subgrantees to certify that they are technically qualified to complete and operate the Project and that they are capable of carrying out the funded activities in a competent manner, including that they will use an appropriately skilled and credentialed workforce.*

As described in 2.4.12 (b), as part of the prequalification process, applicants will be requested to provide a narrative of project experience of comparable scope and scale to illustrate previous experience completing successful projects.

Additionally, during both the prequalification phase and Round 1 and Round 2, applicants must certify that they have employed personnel with relevant certifications for deployment projects as mandated by state and federal law and reflective of industry best practices. The relevant personnel should include a chief technology officer, project engineer, and contractor oversight team. Furthermore, applicants must certify that all contracted resources will possess the necessary skills and qualifications.

Applicants must also provide a detailed narrative of their contractor selection process, including which skills, certifications, qualifications, or training programs will be required for each role. The Arizona Commerce Authority State Broadband Office will evaluate these materials to confirm adherence to industry best practices, as well as compliance with relevant state and federal law. This process ensures that all personnel, as well as contracted resources,

are equipped with the necessary skills, qualifications, and certifications to successfully deploy broadband projects.

b. *Detail how the Eligible Entity will require prospective subgrantees to submit a network design, diagram, project costs, build-out timeline and milestones for project implementation, and a capital investment schedule evidencing complete build-out and the initiation of service within four years of the date on which the entity receives the subgrant, all certified by a professional engineer, stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the Project.*

During Round 1 and 2 applications, applicants will be requested to provide a detailed plan for the proposed project which includes a network design, a diagram, a detailed project cost breakdown, and a project timeline complete with milestones for 25 percent, 50 percent, 75 percent, and 100 percent completion. Furthermore, applicants will be required to submit the capital investment schedule as part of the pro forma template.

To ensure that the proposed network meets the requisite performance requirements for all locations served by the project, the design and project plans must be certified by a professional engineer licensed in the state of Arizona. Additionally, Arizona licensed professional engineer sign-off is required at the completion of the project to confirm the deployed network was constructed and is operating as designed.

The State Broadband Office may also use third-party contracted professional services to evaluate proposals and verify that the proposed project is achievable within the prescribed four-year timeline. This process will help to ensure that the proposed projects can deliver on the objectives and lead to successful deployment of broadband infrastructure across Arizona.

2.4.14 Ensuring Compliance with Applicable Laws

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for compliance with applicable laws as outlined on page 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:

a. *Detail how the Eligible Entity will require prospective subgrantees to demonstrate that they are capable of carrying out funded activities in a competent manner in compliance with all applicable federal, state, territorial, and local laws.*

Applicants will be requested to submit as part of their prequalification materials evidence of past compliance with applicable federal, state, and local laws, or disclose any past violations. The response for this requirement must be in the form of an attestation from an officer/director of the organization. Applicants will be scored on their planned commitment to fair labor practices and history of past violations. This thorough process guarantees that all subgrantees meet the requisite legal and regulatory standards necessary to carry out broadband deployment projects in Arizona successfully.

b. *Detail how the Eligible Entity will require prospective subgrantees to permit workers to create worker-led health and safety committees that management will meet with upon reasonable request.*

Applicants seeking to deploy network facilities in Arizona must certify that they will permit workers to create worker-led health and safety committees that management will meet with

upon reasonable request. This certification will be requested in the form of an attestation during the prequalification phase. The State Broadband Office may provide a model policy for subgrantees to adopt to fulfill this requirement. If the applicant fails to meet this requirement, they will be disqualified.

To ensure compliance with applicable laws and regulations, the State Broadband Office will formulate specific intake questions and collect documentation related to compliance with occupational safety and health requirements, including worker-led health and safety committees.

To ensure correct methods of implementation, we will review and collect documentation from qualified personnel and hire additional staff or contractors, if necessary. The State Broadband Office will communicate these requirements through the grant application instructions and grant agreement terms and conditions.

2.4.15 Ensuring Operational Capabilities

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for operational capability as outlined on pages 74 – 75 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:

a. *Detail how the Eligible Entity will require prospective subgrantees to certify that they possess the operational capability to qualify to complete and operate the Project.*

As described in responses to sections 2.4.11, 2.4.12, 2.4.13, applicants will be required to certify their financial, organizational, and technical capabilities to complete a successful broadband project in Arizona. This includes qualifications for key personnel and evidence of past experience completing similar projects. In addition to those requirements, the State Broadband Office will request as part of the prequalification phase that applicants submit evidence of past successful operations including the number of years they have been operating, current subscribers for household, businesses, and community anchor institutions, and any completed federally funded deployment projects with their source of funding and timeframe for completion or non-completion.

Prospective subgrantees must also provide details on any penalties paid by themselves, any subsidiaries or affiliates, or the holding company relative to deployment projects. Additionally, they must include any relevant details of prior criminal proceedings or civil litigation in Arizona and the number of times they have been a defendant.

b. *Detail how the Eligible Entity will require prospective subgrantees to submit a certification that have provided a voice, broadband, and/or electric transmission or distribution service for at least two (2) consecutive years prior to the date of its application submission or that it is a wholly owned subsidiary of such an entity, attests to and specify the number of years the prospective subgrantee or its parent company has been operating.*

As part of the prequalification phase, any entity that has provided voice, broadband, and/or electric transmission or distribution service for at least two consecutive years prior to submitting their application or is a wholly owned subsidiary of such an entity must provide a certification attesting to these facts and specifying the number of years they have been

operating. The State Broadband Office will collect and review all documents related to operational capability requirements.

To keep prospective subgrantees informed of the requirements, the State Broadband Office will communicate these operational capability requirements through conducting outreach efforts to relevant stakeholders, posting a list of regulations on their website, and including the requirements in grant application instructions and grant agreement terms, conditions, and monitoring program requirements. This comprehensive approach ensures that all applicants meet the requisite operational capability to deploy broadband infrastructure in Arizona successfully.

c. *Detail how the Eligible Entity will require prospective subgrantees that have provided a voice and/or broadband service, to certify that it has timely filed Commission Form 477s and the Broadband DATA Act submission, if applicable, as required during this time period, and otherwise has complied with the Commission's rules and regulations.*

During the prequalification round for subgrantees seeking to deploy broadband infrastructure, those who have previously provided voice and/or broadband service must certify that they have filed FCC Form 477s and the Broadband DATA Act submission, as applicable and required and complied with the FCC's rules and regulations. This certification will be done via a checkbox on the application form.

To verify these claims, the State Broadband Office will cross-check with public records to confirm the dates of submission. This ensures that prospective subgrantees have complied with FCC regulations before being considered eligible for broadband infrastructure deployment subgrant funding in Arizona.

d. *Detail how the Eligible Entity will require prospective subgrantees that have operated only an electric transmission or distribution service, to submit qualified operating or financial reports, that it has filed with the relevant financial institution for the relevant time period along with a certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution.*

During the prequalification round for subgrantees seeking to deploy broadband infrastructure, potential subgrantees must submit audited financial statements from the past three years. If audited financial statements are not available, the applicant should submit unaudited financial statements from the previous year accompanied by an explanatory narrative for why audited statements were not available. Additionally, subgrantees should also provide unaudited interim financial statements for the current year to date. Additionally, the State Broadband Office will require subgrantees to provide a certification from an authorized representative of the organization that the financial information submitted is true and accurate to the best of their knowledge, and that it represents a complete and accurate copy of the reports provided to the relevant financial institutions. The Arizona Commerce Authority State Broadband Office will conduct a ratio analysis on the financial statements to evaluate the organization's financial capacity and operational sustainability. It's important to note that this requirement applies to all prospective subgrantees, including those that have operated only an electric transmission or distribution service, and the materials provided to meet this requirement must also satisfy 2.4.11 (a). This thorough approach helps to ensure that only financially stable and

operationally sustainable subgrantees receive funding for the deployment of broadband infrastructure in Arizona.

e. *In reference to new entrants to the broadband market, detail how the Eligible Entity will require prospective subgrantees to provide evidence sufficient to demonstrate that the newly formed entity has obtained, through internal or external resources, sufficient operational capabilities.*

Prospective subgrantees seeking to submit an application for grant funding to deploy broadband infrastructure must provide evidence sufficient to demonstrate that they have obtained, through internal or external resources, sufficient operational capabilities. New entrants seeking to deploy broadband infrastructure will be held to the same threshold as all other applicants and required to provide documentation illustrating their qualifications.

Examples of sufficient evidence of operational capabilities may include resumes from key personnel, project descriptions and narratives from contractors, subcontractors or other partners with relevant operational experience or other comparable evidence.

The State Broadband Office will communicate these requirements through conducting outreach efforts to relevant stakeholders and including the requirements in grant application instructions and grant agreement terms, conditions, and monitoring program requirements.

2.4.16 Ensuring Ownership

Describe how the Eligible Entity will ensure that any prospective subgrantee deploying network facilities meets the minimum qualifications for providing information on ownership as outlined on page 75 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:

a. *Detail how the Eligible Entity will require prospective subgrantees to provide ownership information consistent with the requirements set forth in 47 C.F.R. § 1.2112(a)(1)-(7).*

During the prequalification phase, applicants will be requested to submit the relevant ownership information as required by 47 C.F.R. § 1.2112(a)(1)-(7).

2.4.17 Disclosure of Other Publicly Funded Projects

Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for providing information on other public funding as outlined on pages 75 – 76 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity may reference those to outline alignment with requirements for this section. The response must:

a. *Detail how it will require prospective subgrantees to disclose for itself and for its affiliates, any application the subgrantee or its affiliates have submitted or plan to submit, and every broadband deployment project that the subgrantee or its affiliates are undertaking or have committed to undertake at the time of the application using public funds.*

Prospective subgrantees seeking to deploy broadband infrastructure must submit a list of all publicly funded state and federal broadband deployment projects for which they have submitted or plan to submit an application, in addition to any publicly funded broadband deployment project that the applicant or its affiliates are undertaking or plan to undertake. This information will be requested as part of the prequalification materials.

During the prequalification phase, the State Broadband Office will confirm the completion and validity of this information. During Round 1 and Round 2 applications when applicants are applying for a specific project area(s), we will consider the outstanding commitments and assess the applicant's capacity to meet those commitments, as well as their BEAD commitments. This will be based on a holistic review of the application and the subgrantee's financial, managerial, technical, and operational capabilities. This comprehensive approach helps to ensure that all subgrantees are fully committed and able to deploy broadband infrastructure in Arizona successfully.

b. *At a minimum, the Eligible Entity shall require the disclosure, for each broadband deployment project, of: (a) the speed and latency of the broadband service to be provided (as measured and/or reported under the applicable rules), (b) the geographic area to be covered, (c) the number of unserved and underserved locations committed to serve (or, if the commitment is to serve a percentage of locations within the specified geographic area, the relevant percentage), (d) the amount of public funding to be used, (e) the cost of service to the consumer, and (f) the matching commitment, if any, provided by the subgrantee or its affiliates.*

During Round 1 and Round 2 of the application process, applicants must provide detailed information for each project listed in 2.4.17 (a). This information includes:

- The speed and latency of the broadband service to be provided, as measured and/or reported under the applicable rules.

- Identification of the geographic area to be covered.

- The number of unserved and underserved locations committed to serve.

- The amount of public funding to be used.

- The cost of service to the consumer.

- The matching commitment provided by the subgrantee or its affiliates.

This detailed information will be assessed by the State Broadband Office for the viability and impact of the proposed broadband infrastructure deployment projects and ensure that they meet the requirements of the broadband program.

2.5   Non-Deployment Subgrantee Selection (Requirement 9)

2.5.1   Fair, Open and Competitive Non-Deployment Selection Process

Describe a fair, open, and competitive subgrantee selection process for eligible non-deployment activities. Responses must include the objective means, or process by which objective means will be developed, for selecting subgrantees for eligible non-deployment activities. If the Eligible Entity does not intend to subgrant for non-deployment activities, indicate such.

The Arizona Commerce Authority State Broadband Office is committed to achieving universal high-speed internet connectivity for all Arizonans by prioritizing the realization of its Five-Year Action Plan's mission. The plan's primary goal is to ensure every community in Arizona, including CAIs, irrespective of location, has access to affordable, reliable, and scalable high-speed internet connectivity. To achieve this goal, the State Broadband Office intends to provide deployed service coverage to unserved and underserved areas first and secondly connect eligible CAIs without a gigabit connection as funding is available. However, because preliminary analysis shows insufficient funding to cover deployment activities to achieve universal coverage, the State Broadband Office is currently not planning to award subgrants for any non-deployment activities. However, we will revisit the non-deployment activities pending availability of funds after prioritizing unserved, underserved, and CAIs.

Describe the Eligible Entity's plan for the following:

a. *How the Eligible Entity will employ preferences in selecting the type of non-deployment initiatives it intends to support using BEAD Program funds;*

b. *How the non-deployment initiatives will address the needs of residents within the jurisdiction;*

c. *The ways in which engagement with localities and stakeholders will inform the selection of eligible non-deployment activities; and*

d. *How the Eligible Entity will determine whether other uses of the funds might be more effective in achieving the BEAD Program's equity, access, and deployment goals.*

Not Applicable.

2.5.2   Ensuring the Priority of Universal Coverage

Describe the Eligible Entity's plan to ensure coverage to all unserved and underserved locations prior to allocating funding to non-deployment activities.

The Arizona Commerce Authority State Broadband Office's highest priority is to utilize BEAD Program funds to provide affordable, reliable, and scalable broadband infrastructure to every unserved and underserved location in Arizona, followed by equipping eligible CAIs lacking symmetrical gigabit access. However, because preliminary analysis shows that there are not

sufficient funds to cover deployment activities to achieve universal coverage, Arizona is not planning to allocate funding to non-deployment activities.

The Arizona Commerce Authority State Broadband Office is planning to develop and deploy a State Broadband Map in Spring 2024. We will track every broadband serviceable location (BSL) in Arizona with the National Broadband Map and include changes to the location status from the Challenge Process and deduplication of each BSL. This process will ensure the unserved and underserved BSLs are the priority for BEAD funds.

After the prequalification phase outlined in Chapter 2.4 – Deployment Subgrantee Selection, the Arizona Commerce Authority State Broadband Office will begin accepting applications for Round One for project areas. Proposals must serve all BEAD eligible BSLs within the defined project areas. However, for project areas that failed to receive suitable proposals in Round One, the State Broadband Office intends to proceed with Round Two BEAD funding to fund the project areas that remain.

2.5.3 Ensuring General Qualifications

Describe how the Eligible Entity will ensure prospective subgrantees meet the general qualifications outlined on pages 71 – 72 of the NOFO.

Preliminary analysis shows that there are insufficient funds to cover deployment activities to achieve universal coverage. As such, State Broadband Office will not award subgrants to any non-deployment activities.

2.6 Eligible Entity Implementation Activities (Requirement 10)

2.6.1 State Initiatives without Subgrants

Describe any initiatives the Eligible Entity proposes to implement as the recipient without making a subgrant, and why it proposes that approach.

The Arizona Commerce Authority State Broadband Office has outlined its implementation strategy in the Five-Year Action Plan. The State Broadband Office has extensive experience in managing broadband projects and grant programs as indicated below.

- **Arizona Middle-Mile Program**: The Arizona Commerce Authority, in partnership with the ADOT and other key stakeholders, led the Arizona Middle-Mile Program initiative to plan and implement an open-access backbone network on interstates and other state routes as outlined in the Arizona Statewide Broadband Middle-Mile Strategic Plan. The first phase of this network, which received $158 million in funding, includes 200 miles of critical corridors, namely Interstate 17 and Interstate 19. The project will provide a vital backbone for facilitating last-mile broadband projects. The next phase of the network will connect Interstate 40 West, from the California border to Flagstaff, consisting of 202 miles of open-access network. The State Broadband Office will be responsible for developing and administering this program, which will be a significant step towards promoting broadband access and adoption across Arizona.

- **Arizona Broadband Development Grant (ABDG) Program**: Under the ABDG program, the State Broadband Office has awarded $92.7 million to provide high-speed internet connectivity to unserved and underserved areas across Arizona. This program is expected to develop approximately 2,900 miles of fiber-optic network, bringing broadband access to more than 711,000 Arizonans as well as 563 community anchor institutions. The State Broadband Office is responsible for administering the ABDG program, which will lay the foundation for the BEAD program. By providing high-quality and reliable broadband access in unserved and underserved areas, these projects will help bridge the digital divide in Arizona and contribute to the state's long-term economic growth and development.

- **Rural Broadband Development Grant (RBDG)**: In 2018, eligible applicants in Arizona were awarded subgrants as part of a $3 million state-funded grant program to expand broadband services in underserved rural areas across the state. The RBDG program supports broadband planning and deployment efforts, ensuring that Arizona communities have access to reliable and affordable high-speed internet access at speeds and prices equal to national averages in rural areas. The State Broadband Office is responsible for administering this program.

  Because of this experience, the State Broadband Office team, along with expert consultants and other Arizona Commerce Authority staff, will implement the following activities without making subgrants.

- **Development and Publication of a Public State Broadband Map**: The Arizona Commerce Authority is working on developing a publicly accessible State Broadband Map to be released in early 2024. The map will highlight areas supported by the Capital Projects Fund (CPF), state funded projects, federal funded projects, and private investments by ISPs. The primary goal of the map is to monitor Arizona's progress in achieving universal connectivity, and be a valuable tool for stakeholders, policymakers, and the public to identify areas where infrastructure development is most crucial.

- **Technical Assistance**: The Arizona Commerce Authority State Broadband Office is committed to supporting local and tribal governments, ISPs, and Tribal Telecoms in their broadband mapping activities. We will offer technical assistance and other resources via their stakeholder engagement program to help these entities undertake accurate mapping and analysis of Arizona's broadband infrastructure. The State Broadband Office plans to work closely with counties and Tribes to identify the most effective methods for reducing the broadband coverage gap in the state.

- **Implementation of the Challenge Process**: The Arizona Commerce Authority plans to utilize BEAD funding to support and implement the Challenge Process effectively. This will include developing the Challenge Process portal and conducting various tasks such as mapping activities, software development, and engaging with ISPs, local governments, and non-profit organizations.

- **Subgrantee Selection Process Implementation**: The Arizona Commerce Authority State Broadband Office will be responsible for performing the subgrantee selection processes for the BEAD Program. This will involve developing, managing, and implementing the grant administration process, which includes pre-registration, selection, challenge, rebuttal, and adjudicative processes.

- **Workforce Development in Broadband Deployment**: The Arizona Commerce Authority places a significant emphasis on workforce development to promote and expand the state's economy. The organization collaborates with existing companies and actively recruits new companies to expand their operations in Arizona, helping to create new jobs and enterprises across various industries. As part of its efforts, the Arizona Commerce Authority partners with entrepreneurs and businesses of all sizes to encourage growth. In addition, the Arizona Office of Economic Opportunity (OEO) partners with state agencies to offer targeted training opportunities. For example, in March 2023, OEO launched a program with Arizona Western Community College to offer a first-of-its-kind Broadband Fiber Optic Training program to prepare graduates into entry-level positions as Broadband Fiber Optics Technicians. Each of the 96 individuals that completed the program earned a Broadband Fiber Optics Technician certificate that prepared them for a career as an entry-level telecommunications technician specializing in fiber optics. The State Broadband Office will work across agencies to support the development and deployment of job training and apprenticeship programs through stakeholder engagement.

2.7 Labor Standards and Protection
(Requirement 11)

2.7.1 Prospective Subgrantee Labor Requirements

Describe the specific information that prospective subgrantees will be required to provide in their applications and how the Eligible Entity will weigh that information in its competitive subgrantee selection processes. Information from prospective subgrantees must demonstrate the following and must include information about contractors and subcontractors.

The State Broadband Office is strongly committed to meeting the labor standards and protecting workers. We will prioritize subgrantees that share our commitment to transparency, quality, labor compliance, and that are in alignment with our values and objectives.

The subgrantee selection process is designed to assess the prospective applicant's track record of compliance with federal laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, and other applicable labor and employment laws for the previous three years. Therefore, the Arizona Commerce Authority State Broadband Office will require all applicants to provide a written account of their adherence to federal labor and employment laws. Additionally, applicants must demonstrate a commitment to continuing their compliance with these laws and legally binding terms and commitments included in the grant agreement. The Office will evaluate the narrative responses provided by the applicants as part of the Fair Labor Practices Compliance and Commitment criterion. The awarded points for this criterion will be based on the evaluation of the applicants' responses. Further details are outlined in the responses below.

a. *Prospective subgrantees' record of past compliance with federal labor and employment laws, which:*

    I. *Must address information on these entities' compliance with federal labor and employment laws on broadband deployment projects in the last three years;*

To ensure that subgrantees uphold labor standards and protect workers, the Arizona Commerce Authority State Broadband Office will undertake a rigorous review process as a part of the application acceptance process that focuses on previous three years of compliance track record with federal and state labor and employment laws on broadband deployment projects. We recognize that past records are often a reliable indicator of future actions, making it critical to evaluate potential subgrantees thoroughly.

By concentrating on the previous three years, the Arizona Commerce Authority State Broadband Office will be able to obtain a comprehensive understanding of the entity's compliance with current requirements and best practices in the industry. This approach will help identify and select compliant subgrantees capable of achieving our strategic objectives and core values, particularly labor compliance.

II. *Should include a certification from an Officer/Director-level employee (or equivalent) of the prospective subgrantee evidencing consistent past compliance with federal labor and employment laws by the subgrantee, as well as all contractors and subcontractors; and*

The Arizona Commerce Authority State Broadband Office will require a certification from a Senior Officer/Director-level employee from the prospective subgrantee's organization evidencing consistent past compliance with federal labor and employment laws by the subgrantee, as well as all contractors and subcontractors.

III. *Should include written confirmation that the prospective subgrantee discloses any instances in which it or its contractors or subcontractors have been found to have violated laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other applicable labor and employment laws for the preceding three years.*

The Arizona Commerce Authority State Broadband Office will require prospective subgrantees to disclose any past violations. Specifically, they will be required to provide written confirmation of any instances in the preceding three years where they, or their affiliated contractors or subcontractors, violated regulations covered under the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other relevant labor and employment law.

b. *Prospective subgrantees' plans for ensuring compliance with federal labor and employment laws, which must address the following:*

To ensure compliance with applicable federal labor and employment laws, the Arizona Commerce Authority State Broadband Office will require prospective subgrantees and their affiliated contractors or subcontractors to submit a plan outlining how they intend to monitor and ensure adherence to labor and employment laws.

The plan should address how they will conduct internal audits and investigations to identify and correct any potential violations of labor rules and regulations promptly. Additionally, it should detail how they will maintain records of worker classifications, hours worked, wages earned, and other relevant employment documentation, as well as how they will address any employee complaints or grievances.

I. *How the prospective subgrantee will ensure compliance in its own labor and employment practices, as well as that of its contractors and subcontractors, including:*

a. *Information on applicable wage scales and wage and overtime payment practices for each class of employees expected to be involved directly in the physical construction of the broadband network; and*

To ensure compliance with labor and employment laws, the Arizona Commerce Authority State Broadband Office will require subgrantees to provide detailed information on the wage structures of employees projected to be directly involved in the physical construction of the broadband network.

Furthermore, Arizona Commerce Authority will require a detailed account of the labor and employment practices that each prospective subgrantee employs relating to wages and overtime payments. This information will include data on starting hourly wages, pay rates for other job positions, overtime pay rates, and structures for deciding/promoting additional wage increases.

This requirement will enable the Arizona Commerce Authority State Broadband Office to evaluate the adequacy of the proposed wage structures and assess the subgrantee's compliance with labor and employment laws.

b. *How the subgrantee will ensure the implementation of workplace safety committees that are authorized to raise health and safety concerns in connection with the delivery of deployment projects.*

The Arizona Commerce Authority State Broadband Office recognizes that ensuring workplace safety is an ongoing effort and requires a continuous dialogue. To achieve this, we will emphasize the importance of subgrantees establishing robust workplace safety plans.

Arizona Commerce Authority State Broadband Office will emphasize the importance of subgrantees establishing workplace safety committees or planning to establish workplace safety committees. Such committees will have the authority to raise concerns about health and safety in the workplace or on worksites. By doing so, we will encourage a culture where safety is a core value and a top priority for all workers involved in the BEAD projects.

The Arizona Commerce Authority State Broadband Office is committed to fostering an environment where all workers are in a safe and healthy work environment that places their well-being at the forefront. Implementing safety committees actively involves workers in the planning, implementation, and oversight of safety protocols and complements our commitment to labor compliance and workplace safety.

2.7.2 Compliance with Federal Labor and Employment Laws

Describe in detail whether the Eligible Entity will make mandatory for all subgrantees (including contractors and subcontractors) any of the following and, if required, how it will incorporate them into binding legal commitments in the subgrants it makes:

The Arizona Commerce Authority State Broadband Office recognizes that identifying subgrantees who comply with federal labor and employment laws is critical to ensuring the effective implementation of BEAD projects. To further ensure that all subgrantees uphold robust labor standards and safeguards for project workers, the Arizona Commerce Authority State Broadband Office will require each applicant to submit detailed compliance information.

a. *Using a directly employed workforce, as opposed to a subcontracted workforce;*

The Arizona Commerce Authority State Broadband Office strongly encourages the use of a directly employed workforce to allow for greater workforce oversight and management. Additionally, the Arizona Commerce Authority will track local hiring provisions through the grant reporting. A directly employed workforce will support the subgrantee's commitments with respect to advancing equitable workforce development and job quality objectives.

b. *Paying prevailing wages and benefits to workers, including compliance with Davis-Bacon and Service Contract Act requirements, where applicable, and collecting the required certified payrolls;*

The Arizona Commerce Authority State Broadband Office strongly encourages compliance with Davis-Bacon and Service Contract requirements, when applicable as outlined in the

BEAD NOFO. This will be further reflected in the scoring. Subgrantees that elect to comply with the forementioned requirements will submit a detailed plan outlining the compliance strategy. We will require that applicants submit a compliance plan outlining their strategies for paying prevailing wages and benefits to ensure that subgrantees adhere to federal and state prevailing wage laws. The plan should detail how the applicant intends to maintain compliance with labor practices and those of their contractors and subcontractors.

c. *Using project labor agreements (i.e., pre-hire collective bargaining agreements between unions and contractors that govern terms and conditions of employment for all workers on a construction project);*

The Arizona Commerce Authority State Broadband Office will encourage prospective subgrantees to provide a comprehensive plan detailing their commitment to employing project labor agreements (PLA). We will request that subgrantees submit comprehensive and transparent plans, emphasizing their commitment to upholding the terms of the PLA.

d. *Use of local hire provisions;*

The Arizona Commerce Authority State Broadband Office recognizes that local hiring provisions can play a crucial role in promoting workforce development for marginalized neighborhoods and underrepresented populations, as well as helping communities to prosper. To that end, we will encourage subgrantees to hire local resources for the deployment of broadband infrastructure. Additionally, the Arizona Commerce Authority will track local hiring provisions through grant reporting.

e. *Commitments to union neutrality;*

The Arizona Commerce Authority State Broadband Office is committed to promoting a balanced ecosystem for subgrantees, workers, and unions alike. We recognize the importance for subgrantees to educate their workers about their rights and obligations related to union neutrality as part of the Equitable Workforce Development and Job Quality criterion.

f. *Use of labor peace agreements;*

The Arizona Commerce Authority State Broadband Office understands that a labor peace agreement plays a vital role in maintaining continuous project momentum, safeguarding the project's timely completion, and ensuring quality. Although these specified items will not translate into legally binding obligations, we will encourage subgrantees through the application scoring process to provide clarity on how they are planning to address labor peace agreements.

Prospective subgrantees may be requested to provide a plan or strategy that outlines how they will maintain labor peace throughout the project duration. This plan may include details on how they intend to foster a positive labor-management relationship, how they will respond to any labor disputes, and how they will ensure compliance with any applicable labor laws or regulations.

g. *Use of an appropriately skilled workforce (e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded);*

The Arizona Commerce Authority State Broadband Office will strongly encourage the prospective subgrantees to promote a skilled workforce through workforce training programs, particularly for historically underrepresented groups as part of BEAD deployment.

To that end, the Arizona Commerce Authority State Broadband Office will track registered apprenticeships or other joint labor management training programs through grant reporting. These metrics will evaluate applicants' strategies for promoting diversity, inclusivity, and workforce training initiatives. Some examples of metrics that could be used are:

- Diversity and Inclusivity Score: Evaluating how the applicant plans to address and promote diversity within their training programs. For instance: Percentage of program participants from historically underrepresented communities.

- Initiatives or partnerships specifically dedicated to groups such as women, racial and ethnic minorities, LGBTQ+ individuals, or persons with disabilities.

- Collaborations with community colleges or vocational training institutes.

- Partnerships with established labor unions.

- Post-Training Supportive Services: Analyzing the strategies for assisting trainees after completing the program.

Applicants will be informed of the detailed scoring metrics to ensure transparency and fairness in the selection process. The system will be designed to ensure that the selected applications adhere to the BEAD NOFO guidelines and bring innovative and effective strategies for workforce training and development that uplift and train the communities that have been historically marginalized or underrepresented in the field.

h. *Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure); and*

The Arizona Commerce Authority State Broadband Office will require potential subgrantees to highlight the significance of credentialing in their submissions per the BEAD NOFO guidelines and detail their strategies for verifying educational and professional credentials to ensure that the BEAD workforce is skilled.

The Arizona Commerce Authority State Broadband Office will consider the following potential scoring criteria when evaluating an application based on a credentialed workforce:

- Credential Verification Process: We will evaluate the depth of the verification process used by the applicant to confirm the qualifications, certifications, and licenses of workers.

- Credential Passport System: We will award points to applicants who introduce a system that details each worker's skills, qualifications, and experience.

- Recognition of Prior Learning: We will score the applicant based on how they acknowledge and integrate the prior work experience, skills, and experiences of workers outside formal education.

i. *Taking steps to prevent the misclassification of workers.*

To ensure that both employee rights and employer obligations are upheld throughout the application process and project lifecycle, the Arizona Commerce Authority State Broadband Office will institute a comprehensive framework to prevent workers' misclassification as outlined by the BEAD NOFO with the following:

- *Detailed Application Review*: During the application process, applicants must provide detailed information about their workforce classification methodologies. The Arizona Commerce Authority State Broadband Office will review these methods to ensure they align with state and federal guidelines.

- *Contractual Agreements*: Once an applicant becomes a subgrantee, the agreements they sign with the Arizona Commerce Authority State Broadband Office will have clear clauses and penalties related to misclassification. These clauses will ensure that the subgrantee and contractors understand the Arizona Commerce Authority State Broadband Office's importance on correct worker classification.

- *Ongoing Monitoring and Audits*: Throughout the project lifecycle, the Arizona Commerce Authority State Broadband Office will periodically review the employment practices of subgrantees and their contractors. Regular audits will be conducted.

By embedding these labor standards and protections throughout the application and project lifecycle, the Arizona Commerce Authority State Broadband Office will reinforce its commitment to ensuring that subgrantees and their contractors prioritize the correct classification of workers, ensuring the rights and obligations of all parties involved are upheld.

The Arizona Commerce Authority State Broadband Office acknowledges the labor standards and worker protections in the BEAD NOFO and, while not making them legally binding, expects potential subgrantees to include them in their applications. These standards will serve as criteria during the evaluation process, with clear instructions provided on how to address each item and how they factor into the scoring and evaluation process.

Through these comprehensive measures, the Arizona Commerce Authority State Broadband Office will ensure that all potential subgrantees are well-informed and adequately equipped to align with the desired standards, while promoting a skilled workforce. Arizona Commerce Authority will ensure subgrantees are aware of these requirements prior to and throughout the selection process by conducting informational webinars and including the requirements in grant applications and instructions as well as grant agreement terms and conditions and subrecipient grant monitoring requirements.

2.8   Workforce Readiness (Requirement 12)

2.8.1 Objectives for a Skilled and Diverse Workforce

Describe how the Eligible Entity and their subgrantees will advance equitable workforce development and job quality objectives to develop a skilled, diverse workforce. At a minimum, this response should clearly provide each of the following, as outlined on page 59 of the BEAD NOFO:

Access to reliable, affordable broadband service is not just about connectivity, it is an essential factor in driving progress, particularly in Tribes and rural communities of Arizona. The Arizona Commerce Authority State Broadband Office is committed to prioritizing equitable access to skill development and employment opportunities for all communities, especially historically marginalized communities.

To drive transformative change, Arizona's skilled and diverse workforce initiatives are underlined by a commitment to foster diversity in the broadband industry. The state is purposely and actively elevating communities traditionally underrepresented in the broadband industry, such as women, people of color, tribal communities, and other underrepresented groups.

One of the primary goals of the Arizona Commerce Authority is to create a 21st century workforce so Arizonans and Tribes can succeed in the rapidly evolving job market where the state creates, grows and attracts high wage businesses to increase economic development.

The Arizona Commerce Authority's workforce team and the Arizona Office of Economic Opportunity are responsible for expanding the availability of skilled workers in Arizona by collaborating with educational and business partners to develop cooperative workforce solutions catering to industry requirements[3]. For instance, by working alongside Maricopa County Community College District, Central Arizona College, and Pima Community College, the Arizona Commerce Authority established the Arizona Advanced Technology Network, which created a curriculum recognized by industry that fosters skills training particular to the manufacturing sector. The Arizona Commerce Authority State Broadband Office's initiatives reflect its commitment to developing innovative solutions that address the workforce challenges facing Arizona.

Arizona's workforce development initiatives will prioritize equitable workforce development and job quality objectives to develop a skilled, diverse workforce. The state recognizes that barriers, including a lack of access to broadband services, hinder the development of a skilled workforce. Thus, initiatives will focus on providing access to training, education, and skill-building programs for historically marginalized communities. Arizona is dedicated to fostering diversity in the broadband industry, including deliberately elevating communities traditionally underrepresented in the industry. By prioritizing equity, diversity, and inclusion, Arizona can cultivate a skilled and diverse workforce that reflects the modern values of society and ensures that all individuals have

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[3] https://www.azauditor.gov/sites/default/files/23-116_Report.pdf

access to quality employment. The BEAD planning phase will be critical in recognizing and acting upon the unique needs of these communities.

The Arizona Commerce Authority State Broadband Office envisions a redefined broadband industry whereby quality employment is seamlessly integrated with labor standards and worker safety. By taking deliberate actions to ensure equity, diversity, and inclusion, the State Broadband Office is striving to build a broadband industry that reflects the values of a modern, forward-thinking society.

Deploying broadband infrastructure requires a skilled workforce, including engineers, project managers, construction workers, and technicians, amongst others. However, labor and discriminatory practices can affect the number of individuals available to work in broadband and develop the necessary skills. Unfair labor laws can limit job opportunities, reduce wages, and restrict the creation of skilled jobs. Additionally, discrimination and exclusion can result in a lack of diversity in the labor pool, leading to fewer interested people, skill gaps, and reduced access to experienced labor. To address such challenges, the Arizona Commerce Authority State Broadband Office is working with its partners and state agencies to promote equitable access to employment and education opportunities regardless of race, gender, or other demographic factors. Examples of recent workforce development initiatives in Arizona include:

- In March 2023, the Arizona Office of Economic Opportunity launched a pilot program with Arizona Western Community College to offer a Broadband Fiber Optics Training program to prepare graduates into entry-level positions as Broadband Fiber Optics Technicians.

- The Arizona Commerce Authority has partnered with the Department of Economic Security's Division of Employment and Rehabilitation Services and ARIZONA@WORK to provide job seekers in Arizona with free workforce development services, including skill-building, career guidance, and job placement services.

- The Maricopa Workforce Connections (MWC) is a local workforce development board funded by the Arizona Department of Economic Security that provides a range of services for job seekers and employers, including training programs, job placement assistance, and connections to funding opportunities.

- The Arizona Workforce Development Task Force is a state-led initiative focused on improving workforce development policies and programs to help Arizonans gain the skills and training they need to secure high-quality jobs.

- ARIZONA@WORK is a partnership between different local areas and state agencies that offer workforce development programs to individuals and businesses in Arizona. The public and private partnership has 12 regional areas and 59 local offices.

  o The Workforce Arizona Council, chaired by Governor Hobbs, is responsible for implementing the Governor's strategic vision for a robust and effective workforce system in the State of Arizona.

  o The Local Board represents a wide variety of individuals, businesses, and organizations throughout a local area. Local Boards are critical in ensuring that workforce training and investments are aligned with the needs of a workforce area's economy through the design, delivery, and oversight of the local workforce development system.

- Local areas include City of Phoenix, Coconino County, Maricopa County, Mohave/La Paz Counties, Nineteen Tribes, Northeastern Arizona, Pima County, Pinal County, Santa Cruz County, Southeastern Arizona, Yavapai County, Yuma County

- In fiscal years 2021 through 2023, the Arizona Commerce Authority received $2.9 million, $1.1 million, and $600,000, respectively, in federal monies from the U.S. Department of Labor's Workforce Innovation and Opportunity Act program, a program that serves individuals and helps employers meet their workforce needs.

The Arizona Commerce Authority State Broadband Office recognizes that availability of skilled labor and incentives to build up the workforce is a significant concern in deploying broadband infrastructure in Arizona. While the Arizona Commerce Authority State Broadband Office is currently working with universities and community colleges to develop training programs for broadband, there is still the challenge of a lack of existing skilled labor or public interest in joining the broadband workforce.

Anticipating the significant workforce demands resulting from deployment of the BEAD Program, the Arizona Commerce Authority State Broadband Office will require that its subgrantees develop a comprehensive workforce plan in which subgrantees will be asked to illustrate their plans to coordinate with the state to achieve three initiatives to develop a skilled and diverse workforce:

- **Strengthening the Role of Education and Training Providers:** How subgrantees will partner with local educational institutions, vocational training centers, and online learning platforms to develop and deliver industry-specific curricula. This initiative aims to promote accessible and high-quality education and training programs that enable individuals to acquire the skills needed for employment in the broadband industry.

- **Leveraging Registered Apprenticeships and Pre-Apprenticeships:** How subgrantees will promote Registered Apprenticeships and pre-apprenticeships integrated with other high-quality work-based learning programs. This approach will provide the workforce with on-the-job training, mentorship, and experience, ultimately preparing them for successful careers in the broadband industry.

- **Engaging with Employers and Unions:** How subgrantees will coordinate with employers and unions as coordination is critical to tailoring the training to industry needs, ensuring that workers learn the skills employers are seeking. Arizona Commerce Authority State Broadband Office will request that subgrantees include in their workforce plan the following:

  o **A robust training framework**: The subgrantee plan must outline a comprehensive training framework that leverages apprenticeships or joint labor-management collaborations. By providing learning opportunities, participants will have access to practical skills and knowledge that will help prepare them for successful careers in the broadband industry.

  o **Credential verification process**: The subgrantee workforce development plan must include measures to ensure that members of the workforce have industry-recognized training and credentials. By verifying and documenting essential credentials, Arizona can foster a competent workforce that meets industry standards.

- o **Comprehensive approach to recruitment and job creation**: The subgrantee plan must outline a holistic approach to recruitment and job creation, with a focus on demographics underrepresented in the broadband industry. Arizona recognizes that diversity and inclusivity are essential components of a competent and successful workforce.

- o **Partnership with various organizations**: Collaboration with state and territorial agencies, tribal governments, civil rights organizations, labor organizations, higher education institutions, public housing authorities, economic development organizations, internet service providers, faith-based organizations, and representatives of underrepresented communities is essential to the workforce development initiative's success. The Arizona Commerce Authority State Broadband Office believes that partnerships will enable the development of high-quality programs that meet industry standards while promoting diversity and inclusion.

- *a. A description of how the Eligible Entity will ensure that subgrantees support the development and use of a highly skilled workforce capable of carrying out work in a manner that is safe and effective;*

The Arizona Commerce Authority State Broadband Office will deploy the following measures to ensure that subgrantees support the development and use of highly skilled workforce and foster a safe and effective environment including:

- Strongly encourage through its scoring rubric (see Section 2.7) meeting labor standards and incentivizing efforts to leverage workers from historically disadvantaged group.

- Require prospective subgrantees along with the affiliated subcontractors to submit dynamic workforce development plans to develop a skilled and diverse workforce that meets the demands of the broadband industry while promoting accessible and quality education and training programs.

- Require prospective subgrantees along with the affiliated subcontractors to provide details during the application process on how they plan to promote a culture that prioritizes workforce safety and effectiveness.

- *b. A description of how the Eligible Entity will develop and promote sector-based partnerships among employers, education and training providers, the public workforce system, unions and worker organizations, and community-based organizations that provide relevant training and wrap-around services to support workers to access and complete training (e.g., child care, transportation, mentorship), to attract, train, retain, or transition to meet local workforce needs and increase high-quality job opportunities;*

The Arizona Commerce Authority State Broadband Office is committed to fostering sector-based partnerships to develop a skilled and resilient workforce capable of meeting the evolving needs of the broadband industry. Our approach is based on creating cooperative relationships among employers, education and training providers, the public workforce system, unions, worker organizations, and community-based organizations. The goal is to deliver comprehensive and relevant support that enables workers to complete their training successfully and make significant contributions to the local economy.

Through collaborative partnerships with BEAD subrecipient broadband providers, the Arizona Commerce Authority State Broadband Office will ensure that training and support services

meet the evolving demands of the broadband industry by involving all key stakeholders, including employers, unions, education and training providers, and the public workforce system. These partnerships will promote accessible and high-quality education and training programs that enable individuals to acquire the skills needed for employment in the industry. Arizona is committed to fostering a skilled and resilient workforce that meets the demands of the industry while promoting accessible and quality education and training.

To support the broadband industry, the Arizona Commerce Authority State Broadband Office will adopt a sector strategy as illustrated through a workforce plan tailored explicitly to this industry's unique needs. We envision that the sector partnership plan will include:

1. **Talent Pipelines and Skill Gaps**: How Arizona will establish regional talent pipelines to ensure that education & training institutions' curriculum integrates with current industry standards. The Arizona Commerce Authority State Broadband Office will identify skill gaps by conducting regular assessments, ensuring prompt action with the help of education providers. These measures will ensure a steady influx of skilled workers into the broadband industry, training with relevant and up-to-date knowledge. The State Broadband Office, state agencies, and private sector partners will collaborate with subgrantees to provide support services such as career counseling, academic tutoring, mentorship programs, technical assistance, and job placement services, among others based on the needs of the subgrantees.

2. **Collaboration with Intermediary Organizations**: How Arizona will engage with trusted intermediary organizations to maintain momentum and ensure uniform communication between service providers and broadband employers. Their pivotal role will aid in brokering relationships, setting agendas, and ensuring productive, goal-oriented collaborations.

3. **Employer Involvement**: How Arizona will prioritize employer-driven partnerships, engaging subgrantee employers in regular feedback sessions and roundtable discussions.

4. **Workforce System Engagement**: To optimize management of operations and funding while getting precise labor market insights, we will place the workforce system at the heart of the workforce plan. This integrated approach aims to foster skilled and adaptable workers for the broadband industry's needs.

5. **Partnering with Non-Profits**: Arizona Commerce Authority State Broadband Office will actively forge partnerships with non-profit organizations to open pathways for targeted groups such as persons with disabilities, LGBTQ+, disconnected youth, individuals in recovery, and those with past criminal records, including justice-impacted and reentry participants, serving trainees participating in the SNAP, TANF, and WIC, and veterans and military spouses. Collaboration with these organizations ensures a more diverse and inclusive workforce and provides essential support structures to aid transition into the broadband sector as these groups have traditionally been underrepresented in the broadband industry and face unique challenges when it comes to accessing training and employment opportunities. The State Broadband Office, state agencies and community partners will seek to create pathways for individuals with disabilities, LGBTQ+ people, disconnected youth, individuals in recovery, and those with past criminal records, including

justice-involved and reentry participants and provide essential support structures to ease their transition into the broadband sector.

6. **Effective Communication with Partners**: With clear, concise, and compelling communication coordinated through the Governor's Interagency and Community Broadband Advisory Council Workforce Working Group, The State Broadband Office will invest in training our personnel to maintain open and honest dialogue with broadband sector partners and subgrantees. Understanding the partners' concerns directly will enable us to address their needs efficiently.

    a. To optimize efforts and maintain an accurate pulse on the evolving broadband sector, we will also use the Governor's Interagency and Community Broadband Advisory Council Workforce Working Group to direct dialogue between employers, training providers, and other stakeholders.

7. **Hybrid Training Models**: Arizona will leverage hybrid pre-apprenticeship models, such as the Arizona Department of Economic Security Arizona Apprentice Program[4], that blend online theory with hands-on practical training. This initiative will widen accessibility and help trainees gain a holistic education to be ready for the job.

8. **Data-Driven Approaches**: Evidence-based approaches remain critical to Arizona's sector strategy. Every decision will be data-backed, ensuring that our efforts maximize return on investment for the community and the broadband industry.

The Arizona Commerce Authority State Broadband Office's sector strategy for the broadband industry seeks to deliver a comprehensive and forward-thinking approach to address employer-driven partnerships and cross-sector collaborations.

- *c. A description of how the Eligible Entity will plan to create equitable on-ramps into broadband-related jobs, maintain job quality for new and incumbent workers engaged in the sector; and continually engage with labor organizations and community-based organizations to maintain worker voice throughout the planning and implementation process; and*

The Arizona Commerce Authority State Broadband Office recognizes the importance of intentional and robust "on-ramps" for meaningful career pathways in the broadband sector. Our approach is to foster these on-ramps, provide job quality, and promote a strong worker voice through engagement with labor and community-based organizations.

1. *Crafting accessible on-ramps into broadband careers* – The Arizona Commerce Authority State Broadband Office will use various approaches to ensure subgrantees support the development and use of a highly skilled workforce. Our approach will include the following components:

    I. **Visible Entry Points**: The State will encourage subgrantees to set easily identifiable visible entry points that potential workers can access. Examples of visible entry points include career fairs and established partnerships with institutes of higher education.

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[4] https://des.az.gov/services/employment/apprenticeship

II. **Tailored Education**: Arizona recognizes that individuals may have varying skills and will encourage subgrantees to offer tailored educational programs. These programs will focus on bridging knowledge gaps and opening opportunities for career exploration within the broadband sector.

III. **21st-Century Skill Development:** Beyond technical knowledge, the State will encourage subgrantees to invest in developing critical soft skills like communication, critical thinking, and creativity, equipping individuals to meet the dynamic demands of modern employers.

IV. **Experiential Learning**: We will encourage subgrantees to facilitate opportunities for hands-on work experiences and immersive work-based learning, providing a practical edge to theoretical knowledge.

V. **Life Skills and Resilience**: Recognizing the challenges that young individuals may face, Arizona will encourage subgrantees to create or utilize programs that assist young individuals in life stabilization and resilience-building. This will empower them to navigate the potential hurdles of employment pathways confidently.

VI. **Bridging to Postsecondary Opportunities**: The state will encourage subgrantees to focus on postsecondary bridge programs, ensuring that those who wish to delve deeper into academic pursuits can seamlessly do so. Along with this, informed counseling will be available to ensure persistence and support in their postsecondary journey.

By encouraging subgrantees to craft accessible on-ramps into broadband careers, the Arizona Commerce Authority State Broadband Office will provide opportunities for individuals to pursue employment in the broadband sector regardless of their background or education level. Our approach seeks to equip participants with the necessary skills and support to thrive in the industry, promoting a robust and diverse workforce.

2. *Ensuring Job Quality* – The Arizona Commerce Authority State Broadband Office recognizes that job quality is essential to retaining talent and maintaining interest in the broadband sector. To achieve this goal, we will implement the following strategies:

I. **Job Quality Assurance**: We will engage with broadband employers to ensure that job roles are continuously reviewed and enhanced, thereby providing employment opportunities and pathways for growth and learning. This will enable workers to obtain job satisfaction and decrease employee turnover.

II. **Continuous Skill Enhancement**: For incumbent workers, we will encourage subgrantees to offer avenues for continuous skill enhancement, such as training programs and skills development opportunities. This will ensure that they remain competitive and relevant in their roles. By doing so, we can increase productivity and promote career advancement.

By ensuring that workers are equipped with the necessary skills, support, and resources, we can promote a robust, qualified, and diverse workforce in the broadband sector. The Arizona Commerce Authority State Broadband Office understands that job quality is crucial to meet the sector's needs, retain talent and promote worker satisfaction. Therefore, we remain

committed to working closely with employers to address job quality issues in the broadband sector.

3. ***Engaging with Labor Organizations and Community-Based Organizations*** – The Arizona Commerce Authority State Broadband Office recognizes the importance of balancing worker voices in planning and implementation. To achieve this goal, we will implement the following strategies:

I. **Regular Engagement Opportunities**: The Governor's Interagency and Community Broadband Advisory Council, Workforce Working Group, which includes labor organizations and workforce stakeholders, will meet monthly to ensure that worker concerns, needs, and aspirations are consistently heard and addressed. By doing so, the state can promote labor-management partnerships and enable workers to have a say in developing and implementing policies and programs that affect their lives.

II. **Engagement with Community-Based Organizations**: Recognizing the critical role of community-based organizations (CBOs) in promoting workforce development and social equity, we will actively collaborate with them. Given the funding challenges that many CBOs face, we will synergize efforts, reduce overlaps, and ensure that public and private funds are optimally used. This will enable us to promote community involvement and maximize the impact of our programs.

III. **Develop and Promote Sector-Based Partnerships**: The Arizona Commerce Authority is committed to partnering with stakeholders across Arizona to bridge workforce gaps while helping employers gain familiarity with BEAD Program requirements, Arizona workforce mandates, and identifying methods to access labor and worker support. We will seek to serve as an intermediary between counties and service providers, promoting workforce training, strengthening relationships, and encouraging collaboration to develop workforce training programs. The Arizona Commerce Authority currently provides a range of rural economic development workshops, small business workshops, and tribal economic development resources on its website to foster the growth and well-being of Arizona's workforce. Through these efforts, the State Broadband Office is striving to develop a more robust and resilient workforce, improving the state's long-term economic viability.

Our goal to create equitable on-ramps into broadband careers is multi-pronged, informed by research, and rooted in collaboration. We remain committed to shaping a future where the broadband sector is not just a space of employment, but also a realm of opportunities, growth, and empowerment. By working closely with labor organizations and community-based organizations, we can ensure that our programs are equitable, just, and inclusive for all.

- *d. A description of how the Eligible Entity will ensure that the job opportunities created by the BEAD Program and other broadband funding programs are available to a diverse pool of workers.*

The Arizona Commerce Authority State Broadband Office will create an accessible, sustainable, and adaptable workforce development framework by integrating the lessons from extensive studies. The broadband sector has immense potential, and we are committed to making it a beacon of inclusive growth and ensuring that our initiatives, such as the BEAD

Program, are available to a wide array of workers from diverse backgrounds. To achieve this, we will implement the following strategies:

1. ***Diversifying Workforce Development Programs*** – The Arizona Commerce Authority State Broadband Office aims to create an accessible, sustainable, and adaptable workforce development framework by integrating the lessons from extensive studies.

   I. **Broadband Workforce Ecosystem**: The Arizona Commerce Authority State Broadband Office will encourage subgrantees to create a broad-based workforce ecosystem for broadband employment to provide an inclusive and diverse workforce. The ecosystem will facilitate high-quality training and education and enhance the opportunities for workers to acquire skills in the broadband sector.

   II. **Equal Opportunities**: We will ensure equal opportunities for all workers, irrespective of their geographic location, race, ethnicity, gender, or economic status. We will require partners to create tailored training programs and expand access to broadband careers to underserved communities.

   III. **Skill Building**: We will focus on skill building by encouraging BEAD subgrantees to create personalized learning and training opportunities designed to cater to individual workers' needs. This training will include essential technical and interpersonal skills to make the workforce adaptable to the ever-changing demands of the broadband sector.

   IV. **Apprenticeship Program:** November 16, 2023, Governor Katie Hobbs of Arizona announced the registration of the first-ever apprenticeship program in the state. The State Apprenticeship Office will offer apprenticeships to help people learn skilled trades and create jobs for Arizonans. The plan includes the creation of a workforce-focused accelerator program for semiconductors, in collaboration with Maricopa Community College. The State Broadband Office will coordinate with the State Apprenticeship Office to ensure apprenticeship programs to support BEAD needs.

   V. **Partnership with Community-Based Organizations**: We recognize the critical role that community-based organizations play in workforce development. To promote inclusive growth, the Arizona Commerce Authority State Broadband Office will encourage subgrantees to partner with community-based organizations to create an ecosystem that benefits all workers and stakeholders in the broadband sector.

2.8.2   Objectives for a Skilled and Credentialed Workforce

Describe the information that will be required of prospective subgrantees to demonstrate a plan for ensuring that the project workforce will be an appropriately skilled and credentialed workforce. These plans should include the following:

a. *The ways in which the prospective subgrantee will ensure the use of an appropriately skilled workforce, e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers;*

b. *The steps that will be taken to ensure that all members of the project workforce will have appropriate credentials, e.g., appropriate and relevant pre-existing occupational training, certification, and licensure;*

c. *Whether the workforce is unionized;*

d. *Whether the workforce will be directly employed or whether work will be performed by a subcontracted workforce; and*

e. *The entities that the proposed subgrantee plans to contract and subcontract with in carrying out the proposed work.*

If the project workforce or any subgrantee's, contractor's, or subcontractor's workforce is not unionized, the subgrantee must also provide with respect to the non-union workforce:

f. *The job titles and size of the workforce (FTE positions, including for contractors and subcontractors) required to carry out the proposed work over the course of the project and the entity that will employ each portion of the workforce;*

g. *For each job title required to carry out the proposed work (including contractors and subcontractors), a description of:*

    I. *Safety training, certification, and/or licensure requirements (e.g., OSHA 10, OSHA 30, confined space, traffic control, or other training as relevant depending on title and work), including whether there is a robust in-house training program with established requirements tied to certifications, titles; and*

    II. *ii. Information on the professional certifications and/or in-house training in place to ensure that deployment is done at a high standard.*

The success of any broadband deployment project hinges significantly on the competence and skill set of its workforce. The Arizona Commerce Authority State Broadband Office recognizes this and has established application scoring criteria that reflects the state's objective to ensure that a highly skilled and credentialed workforce supports every project. These measures will support the reliability, efficiency, and safety of every initiative funded under the BEAD Program.

In the following section, we have delved deeper into the specifics of these requirements to shed light on how the Arizona Commerce Authority State Broadband Office will ensure that individuals contributing to BEAD projects are highly skilled and working in a safe environment. We exemplify high standards in training our workforce and work environment safety, and we expect our subgrantees to maintain the highest standards in worker training and workplace protection.

Arizona's requirements for subgrantee workforce competence and safety standards will encompass the following:

1. ***Skill & Credential Assurance:***

    I. Ensuring an Appropriately Skilled Workforce: Subgrantees will be required to fulfill stringent criteria to ensure that the workforce supporting every BEAD project is highly skilled.

    II. Registered Apprenticeships: The Arizona Commerce Authority State Broadband Office will encourage subgrantees to participate in Registered Apprenticeships. These apprenticeships offer hands-on training for key roles and provide learning opportunities from industry professionals in real-world scenarios.

  III. Joint Labor-Management Training Programs: Subgrantees will be encouraged to participate in joint labor-management training programs.

2. **Ensuring Appropriate Credentials:**

  I. Document Verification: The Arizona Commerce Authority State Broadband Office will require subgrantees to submit documentation verifying the credentials of their workforce. These credentials could include certifications from recognized institutions or licensure from accredited bodies. We will also explore the possibility of creating a 'credential passport' that verifies a worker's educational qualifications, certifications, licenses, and other pertinent credentials. This could encompass technical qualifications like IT certifications, soft skills certifications such as conflict resolution training, essential health and safety training, and other industry-specific credentials like fiber optic technician certifications.

  II. Regular Audits: In regularly conducted audits, we will ensure that the workforce's skills and credentials are up-to-date, and ongoing training and recertification are undertaken as needed. These audits will ensure subgrantees fulfill the requirements set by the Arizona Commerce Authority State Broadband Office and maintain the highest standards of quality and safety.

3. **Unionization Status:**

Subgrantees will be required to specify whether their workforce, or any part thereof, is unionized during the application process. This will assist in understanding the potential for collective bargaining and other labor considerations during the project. The Arizona Commerce Authority State Broadband Office is committed to ensuring that subgrantees adhere to labor laws and regulations and that any collective bargaining agreements or other labor considerations are taken into account during the project.

4. **Employment Nature:**

Subgrantees will be required to declare whether the workforce for the project will be directly employed or subcontracted. The Arizona Commerce Authority State Broadband Office will strongly encourage a certain percentage of new hires from subgrantees to come from the local workforce. This will help ensure that the benefits of BEAD are directly experienced within the communities we serve, including opportunities for local workers and the potential for economic growth. By promoting local hiring, we can create a more sustainable and equitable broadband industry.

5. **Contractual & Sub-contractual Entities:**

To ensure transparency and accountability, subgrantees will be required to provide detailed information about all entities they plan to contract or subcontract with during the proposed work. This will enable us to understand all players involved in a project and ensure that all parties involved adhere to labor laws and regulations, uphold quality and safety standards, and fulfill the requirements set by the Arizona Commerce Authority State Broadband Office.

6. *Job Titles & Workforce Size:*

In a situation where the project workforce is not unionized, subgrantees will be required to provide a clear breakdown of job roles and the corresponding full-time equivalent (FTE) positions required for the project. This requirement includes roles within any contractor or subcontractor that the subgrantee employs. For example, if a subgrantee plans to hire ten broadband technicians and five network engineers, each role and its corresponding FTE must be specified. By ensuring transparency regarding job roles and workforce size, the Arizona Commerce Authority State Broadband Office aims to ensure that subgrantees have the necessary personnel to complete the project successfully and efficiently.

7. *Safety Training & Certification:*

For every job title provided, the Arizona Commerce Authority State Broadband Office will require subgrantees and affiliated subcontractors to provide a detailed list of all required safety training, certifications, or licensures. In particular, OSHA 10 and OSHA 30. In Arizona, safety training is essential to ensure that workers are equipped to handle hazardous conditions in the workplace. The Occupational Safety and Health Administration (OSHA) provides two levels of safety training, OSHA 10 and OSHA 30, to help employers and employees comply with safety regulations and maintain a safe work environment. The OSHA 10 training program is designed for entry-level workers and covers basic safety principles, such as hazard recognition, fall protection, and personal protective equipment (PPE). On the other hand, the OSHA 30 program provides more advanced safety training and covers topics such as electrical safety, industrial hygiene, and construction standards. Many organizations, including the Arizona Builders Alliance, offer OSHA certified safety training programs to ensure workers are adequately trained to protect themselves from hazards in the workplace.

Furthermore, subgrantees will be required to specify if they have a robust in-house training program. If so, they must provide details on how the program is linked to specific certifications and job titles. By ensuring that subgrantees have a comprehensive safety training and certification plan, we aim to minimize incidents and create a safe work environment for all participants.

8. *Professional Certifications & In-House Training:*

Subgrantees will be required to enumerate the professional certifications held by their workforce. For instance, a broadband deployment specialist might have a Fiber Optic Association (FOA) certification. Additionally, subgrantees will need to provide details of in-house training programs designed to enhance quality and deployment standards. This could include specific courses on emerging broadband technologies or quality assurance processes. The Arizona Commerce Authority State Broadband Office is dedicated to ensuring that every project undertaken is of the highest caliber, has a skilled, credentialed workforce, and is equipped to handle the job demands in a safe work environment.

In summary, the Arizona Commerce Authority State Broadband Office believes that these stringent criteria will ensure that individuals contributing to BEAD projects are in a safe work environment, highly skilled, and contribute towards efficient and reliable project execution. By enforcing these mandatory instructions, we will uphold the highest standards of safety, efficiency, and efficacy when carrying out BEAD projects.

2.9 MBE/ WBE/ Labor Surplus Firms Inclusion (Requirement 13)

2.9.1 Data Tracking Methods for small business, DBE and WBE

Describe the process, strategy, and the data tracking method(s) the Eligible Entity will implement to ensure that minority businesses, women-owned business enterprises (WBEs), and labor surplus area firms are recruited, used, and retained when possible.

The Arizona Commerce Authority State Broadband Office recognizes the importance of creating opportunities for Minority Business Enterprises (MBEs), Women's Business Enterprises (WBEs), and Labor Surplus Firms (collectively "MWBE") to participate in BEAD Program deployment projects. Inclusion of perspectives from MWBEs is crucial to ensure diversity, gain unique insights, and broaden the program's economic impact. To maximize the recruitment, utilization, and retention of MWBEs, the Arizona Commerce Authority State Broadband Office will work with Arizona Commerce Authority and Arizona Office of Economic Opportunity staff to implement the strategies, processes, and data-tracking methods outlined below during BEAD Program implementation.

The following phases will guide our efforts to support MWBE suppliers by understanding the skills required for various broadband deployment phases. The focus on proactive engagement, data collection, analysis, program development, and ongoing evaluation will ensure alignment of workforce initiatives with the evolving needs of the broadband industry.

Phase 1: Research and Assessment

To support MWBE suppliers during Arizona's broadband deployment, the State Broadband Office will include the following strategies in the state industry specific workforce plan:

- *Identify Target MWBE Employers:* Analyze existing data, reports, and initial surveys to identify industries and sectors where MWBE suppliers play a significant role in broadband deployment.

- *Skills Gap Analysis:* Conduct a rigorous analysis of skills gaps in MWBE sectors. Identify specific skills and competencies required for each phase of broadband deployment.

- *Engage MWBE Stakeholders:* Utilize the Governor's Interagency and Community Broadband Advisory Council Workforce Working Group to collaborate closely with MWBE business associations, advocacy groups, and chambers of commerce to understand their unique skill requirements and challenges. Conduct interviews and surveys to gather insights from industry stakeholders.

Phase 2: Data Collection and Surveys

To support MWBE supplier diversity during Arizona's broadband deployment, the State Broadband Office will implement the following strategies:

- *Employer Surveys:* Develop and distribute surveys to both MWBE and non-MWBE businesses engaged in broadband deployment. Gather detailed information on their staffing needs, skill shortages, and anticipated future needs across all deployment phases.

- *Workforce Needs Assessment:* Collaborate with industry associations and chambers of commerce to conduct in-depth assessments of workforce needs within MWBE sectors at various deployment phases. This assessment may involve focus groups and in-depth interviews with business owners for better insights.

Phase 3: Skill Mapping and Analysis

To establish effective MWBE workforce development programs during Arizona's broadband deployment, the State Broadband Office will implement the following strategies:

- *Data Analysis:* Compile and analyze data collected from surveys and assessments to identify common skills, technical competencies, and soft skills required by MWBE suppliers during each broadband deployment phase and map out skill profiles using the data gathered.

Phase 4: Program Development and Implementation

To support MWBE workforce development during Arizona's broadband deployment, the State Broadband Office will encourage subgrantees to implement the following strategies:

- *Curriculum Design:* Collaborate with educational institutions, training providers, and industry experts to develop curriculum and training programs that align with the specific skill needs identified for each broadband deployment phase. The Arizona Commerce Authority State Broadband Office will encourage subgrantees to prioritize creating flexible, accessible, and responsive programs that can adapt to changing demands.

- *Apprenticeship Programs:* Facilitate the development of apprenticeship programs that cater to the unique needs of MWBE suppliers in each deployment phase. Encourage subgrantees to partner with industry associations and businesses to provide hands-on training and real-world experience to apprentices.

Phase 5: Outreach and Partnerships

To support MWBE workforce development and diversity in Arizona's broadband deployment, we will implement the following strategies:

- *Stakeholder Engagement:* Encourage subgrantees to engage with MWBE stakeholders, including businesses, associations, and local communities, to communicate available training programs and apprenticeships' benefits. Emphasize the relevance of these programs to different broadband deployment phases.

- *Partnerships:* The Arizona Commerce Authority is committed to fostering the success of businesses by offering robust support through capacity-building programs, technical assistance, and mentorship. This comprehensive approach aims to empower businesses for success on the project. Furthermore, a feedback loop will be established, encouraging subcontractors to provide regular input to pinpoint areas in need of improvement and to facilitate necessary strategy adjustments. This collaborative process ensures continuous enhancement and adaptability within the broadband deployment project.

Phase 6: Monitoring and Evaluation

To support MWBE workforce development during Arizona's broadband deployment, the Arizona Commerce Authority State Broadband Office will implement the following strategies:

- *Performance Metrics: Require subgrantees to e*stablish key performance indicators (KPIs) to measure the success of training programs, apprenticeships, and workforce initiatives during each broadband deployment phase. Monitor indicators such as the number of program participants, employment rates, and employer satisfaction, focusing specifically on MWBE suppliers.

- *Feedback Loops:* Require subgrantees to regularly gather feedback from MWBE suppliers and program participants to identify areas that require adjustments or improvements. Use this feedback to ensure that programs remain aligned with the evolving skill requirements of broadband deployment.

Phase 7: Scaling and Adaptation

To support MWBE workforce development during Arizona's broadband deployment, we will implement the following strategies:

- *Scaling Up:* Utilize Digital Equity Capacity Building grant to scale up programs and initiatives as necessary to reach a broader audience of MWBE suppliers, catering to different skill requirements across phases of broadband deployment. Explore opportunities for regional expansion.

- *Adaptation:* Remain flexible and encourage MWBEs to adapt programs to changing industry needs during each broadband deployment phase.

Phase 8: Reporting and Documentation

To support MWBE workforce development during Arizona's broadband deployment, the Arizona Commerce Authority State Broadband Office will implement the following strategies:

- *Documentation:* Require subgrantees to maintain comprehensive records that document program implementation, outcomes, and lessons learned during each broadband deployment phase. Regularly report progress to relevant stakeholders and funding agencies to showcase the impact on MWBE suppliers.

Through this initiative, the Arizona Commerce Authority State Broadband Office will be well-prepared to identify the specific skills required by MWBE suppliers in Arizona's various broadband deployment phases. This approach will promote economic growth and inclusivity within the state, ensuring that workforce initiatives can meet the unique needs of MWBE suppliers throughout the broadband deployment lifecycle. Regular reporting to relevant stakeholders and funding agencies will help document program implementation, outcomes, and lessons learned, demonstrating the success of these initiatives in supporting MWBE suppliers and fostering economic growth throughout Arizona.

The Arizona Commerce Authority State Broadband Office intends to leverage connections with existing programs, initiatives, and organizations within Arizona to ensure broad awareness of the opportunities provided through the workforce development initiatives. Some of these may include:

- *Supplier Diversity:* We will promote diversity, equity, and inclusion in state contracting for businesses owned by minorities, women, veterans, service-disabled veterans, those with a disability, and LGBTQ+ individuals, as well as small businesses. The Arizona Commerce Authority State Broadband Office will encourage awardees to strengthen and increase opportunities for MBEs, WBEs, Service-Disabled Veteran Business Enterprises, Veteran Business Enterprises, Lesbian, Gay, Bisexual, and Transgender Business Enterprises, and Disability-Owned Business Enterprises.

- *Arizona Women's Business Enterprise Council:* This organization provides opportunities for women entrepreneurs and women in business to increase professional success, personal growth, and financial independence through creating a network of women business enterprises and corporations through cortication, education, and targeted networking events.

- *Small Business Services (SBS):* The program, administered by the Arizona Commerce Authority, provides information on business licensing and statewide resources for every stage of business development, and serve as an advocate by developing policies and programs addressing the needs of small businesses. Small Business Services works closely with small business owners, entrepreneurs, government officials, community leaders and business emphasis on supporting Arizona's small, minority-, women-owned and disadvantaged business enterprises.

- *Building for Growth (BFG):* A national, online, tuition-free executive education program that primarily helps black, indigenous, people of color (BIPOC) and WBE construction contractors build capacity and develop sustainable growth strategies that can increase their businesses' revenues and profits.

- *Small and Disadvantaged Business Enterprise Program:* ADOT works to inform municipalities, regional authorities, consultants, contractors, and sub-contractors about the Small and Disadvantaged Business Enterprise Program and the utilization of MBE and WBE on infrastructure projects, especially those financed through the state and/or federal funding programs.

Collaborating with these partners will support the Arizona Commerce Authority State Broadband Office's efforts to promote awareness and uptake of the broadband workforce development initiatives. We will also adhere to Arizona's regulations and laws by ensuring that the appropriate goals for MBE and WBE are met on broadband infrastructure projects and ensuring equal opportunity in participating in the implementation of BEAD Program in Arizona.

Arizona Commerce Authority State Broadband Office will be well-prepared to identify the specific skills required by MWBE suppliers in Arizona's various phases of broadband deployment. A strategic and comprehensive approach to evaluating the skill landscape within the state, with special attention given to MWBE suppliers, will be critical to the success of the BEAD Program.

2.9.2 Certification for Affirmative Action

Certify that the Eligible Entity will take all necessary affirmative steps to ensure minority businesses, women's business enterprises, and labor surplus area firms are used when possible, including the following outlined on pages 88 – 89 of the BEAD NOFO:

a. *Placing qualified small and minority businesses and women's business enterprises on solicitation lists;*

b. *Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;*

c. *Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;*

d. *Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;*

e. *Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and*

f. *Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors.*

As described in the detailed action plan above, the Arizona Commerce Authority State Broadband Office certifies that it will take all necessary affirmative steps provided in the BEAD NOFO and as described in 2 CRF 200 Part 321 to ensure MBE, WBE, and labor surplus area firms are used when possible. The action plan outlines strategies that will address these affirmative steps, including outreach to and engagement with community organizations that support MWBE suppliers, revisiting the skills assessment to ensure alignment with evolving business needs, and establishing performance metrics to track the success of training and workforce development initiatives. By adopting these affirmative steps and remaining committed to their implementation, the Arizona Commerce Authority State Broadband Office will work to ensure that MWBE suppliers play a meaningful role in the broadband deployment efforts across Arizona.

a. To place qualified small and MWBE businesses on solicitation lists, the Arizona Commerce Authority State Broadband Office will collaborate with MWBE stakeholders, such as businesses, associations, and local communities, during the outreach and partnerships phase. We will identify qualified MWBEs to integrate into solicitation lists to promote diversity and inclusion in the procurement process.

b. The Arizona Commerce Authority State Broadband Office is committed to involving small and MWBEs in the solicitation process. We will share contract bidding opportunities with MWBEs and assess the qualifications of MWBEs relative to established purchasing and contractual standards. Additionally, we will leverage compiled and analyzed data to identify opportunities for MWBE participation in the solicitation process when feasible.

c. To enable maximum participation by small and MWBEs, the Arizona Commerce Authority State Broadband Office will use compiled and analyzed data to divide total requirements into smaller tasks or quantities when economically feasible. This approach leverages common skills and competencies across various phases of the deployment and enables diverse businesses to compete within their areas of expertise.

d. The Arizona Commerce Authority State Broadband Office will consider establishing delivery schedules, where feasible, to encourage small and MWBE participation in the solicitation process. We will assess bids or proposals based on delivery or performance time, where appropriate. Additionally, we will monitor and evaluate training programs, apprenticeships, and workforce initiatives to establish and monitor delivery schedules through key performance indicators.

e. The Arizona Commerce Authority State Broadband Office will collaborate with MWBE business associations, chambers of commerce, and advocacy groups to gather insights from

industry stakeholders. We are also planning to leverage the support services of state agencies and organizations where appropriate to promote MWBE participation.

f. We will mandate that subgrantees take affirmative steps to promote diversity and inclusion in their procurement processes. The Arizona Commerce Authority State Broadband Office will require subgrantees to follow an affirmative approach that aligns with Arizona's commitment to contracting opportunities for qualified diverse-owned businesses. We will establish terms requiring subgrantees to create a plan of action demonstrating their commitment to supplier inclusion and equitable procurement practices, such as a formal commitment letter and an outreach plan.

2.10   Cost and Barrier Reduction (Requirement 14)

2.10.1 Steps for Reducing Costs and Barriers

The Arizona Commerce Authority has made significant progress in identifying key strategies for reducing costs and overcoming barriers to broadband deployment during prior broadband initiatives. Addressing these issues of cost and deployment barriers remains a top priority. Factors like Arizona's difficult terrain, wide spans between population centers, harsh weather conditions, high percentage of federally managed land, Tribal Land, and environmentally sensitive areas have contributed to increased broadband infrastructure deployment costs. The State Broadband Office has taken actions aimed at reducing barriers to efficient deployment and effective cost management. These efforts include streamlining permitting processes, leveraging new broadband technologies, and coordinating closely with ISPs, local communities, and stakeholders to ensure the cost-effective and rapid deployment of broadband infrastructure in underserved areas across Arizona. **Promoting Use of Existing Infrastructure**

In February 2022, the Arizona Commerce Authority released the Arizona Broadband Statewide Middle-Mile Strategic Plan, which creates a middle-mile infrastructure on an open access non-discriminatory basis. We are working with ADOT as its implementation partner for this strategic plan. The first phase of this network, consisting of 200 miles of open access network on Interstate 17 and Interstate 19, has reached its completion milestone and will be operational soon. The State Broadband Office will continue to implement other key corridors as outlined in the strategic plan, promoting the development of reliable broadband infrastructure across the state. The investment in middle-mile networks will establish points of presence in all primary population centers along the interstate and select intrastate routes, reducing the costs for last-mile broadband projects by providing the necessary backbone. The Arizona Broadband Statewide Middle-Mile Strategic Plan has already seen significant public and private investment in middle-mile networks.

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"[5] 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. The Arizona Commerce Authority State Broadband Office has a strong partnership with ADOT and promotes and supports the adoption of dig-once policies.

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[5] https://www.azleg.gov/viewdocument/?docName=https://www.azleg.gov/ars/28/07382.htm

Under Arizona's 811 Program, digging activities for construction or maintenance projects are coordinated with broadband providers to minimize disruptive excavation. The process requires that before any excavation work begins within public rights-of-way, the project owner must notify the Arizona Blue Stake, a nonprofit organization that operates a notification center in the state. In addition, the State Broadband Office will collaborate with local governments, including counties, cities, and tribal governments, to advocate for the Dig Once policy, streamlining processes, and reducing costs to facilitate broadband deployment. This approach will make it easier for broadband service providers to expand their networks, ultimately promoting efficient and effective use of taxpayer investments while bridging the digital divide and stimulating inclusive economic growth.

Streamlining Permit Process

The cost of broadband deployment can significantly increase when permitting processes lack predictability and timeliness. The State Broadband Office recognizes that streamlining permitting processes is crucial to eliminating unnecessary regulatory costs and facilitating the development of affordable, innovative broadband options for everyone. According to results from the survey of ISPs in Arizona conducted by the State Broadband Office, respondents identified "speed of permitting" as the most significant regulatory barrier that hinders timely and efficient broadband infrastructure deployment. Approximately 79 percent of respondents viewed this as a barrier, and 36 percent considered it an "extreme barrier."

According to the local government survey conducted by the Arizona Commerce Authority State Broadband Office, several barriers pose a challenge to broadband infrastructure deployment. Location, inventory, and access to existing physical assets – including national forest land and Tribal areas – were identified as key barriers. Respondents noted that these barriers can hinder or delay broadband infrastructure deployment, particularly in less populated or underserved areas.

The Arizona Commerce Authority has adopted a data-driven approach, identifying essential steps to eliminate barriers and reduce costs. To address these challenges, the State Broadband Office is taking the following steps:

- Develop strong working relationships with state and federal permitting agencies, local and tribal government, and creating resources for subgrantees to aid the process. The objective is to ensure that permitting agencies understand Arizona's vision for broadband infrastructure deployment and digital equity, as well as the timelines of different funding sources, expected permit application volume over the next five years, and resources available through the State Broadband Office.

- Develop a standard operating procedure and checklist for local and tribal governments to facilitate timely determinations on the completeness of permit applications. This will help ensure that essential information is included to avoid delays in the permitting process.

- Collaborating with ISPs, state agencies, and local governments to establish a procedure aimed at reducing the review cycles and enhancing turnaround times. This will help streamline the permitting process and expedite broadband infrastructure deployment.

- Organizing webinars involving both ISPs and permitting entities (state agencies, local governments, and tribal governments) to ensure that ISPs have a clear understanding of the permitting requirements set by the respective permitting entities.

- Facilitating state and local coordination, as indicated by feedback from county and municipal governments, to improve permitting processes, reducing duplication and burden on local government staffing.

Streamlining Cost-effective Access to Poles, Conduits, Easements

Telecommunications service providers usually deploy networks in two ways - either by burying cables in the ground or attaching equipment to utility poles, mainly owned by electric companies. However, deploying cables underground in Arizona can be costly because of the challenging terrain and rocky soil. On the other hand, pole attachments are the more common and economical option, but disputes often arise regarding attachment requirements and fees - leading to unwillingness and delays. As pole attachments are critical for cost-effective broadband expansion, the State of Arizona is taking several steps to streamline the process.

- Electric utility corridors for transmission and distribution are crucial assets for broadband infrastructure deployment, in addition to highway and roadway rights-of-way. In Arizona, there is a publicly owned electric utility alongside several smaller electric cooperatives (Co-Ops), and each entity has an established pole attachment process. The State Broadband Office has established relationships with these entities and is engaging in a procedure to understand the prerequisites for pole attachment. By using fiber optic cables on poles, broadband deployment can be improved, and facilitate efficient grid monitoring and increase operational efficiencies.

- In the urban areas of Arizona, various governmental and quasi-governmental entities such as state and local governments, regional transportation agencies, water, sewer, and other utilities have installed conduits for their operational purposes. The Arizona Commerce Authority State Broadband Office is collaborating with these entities to map existing infrastructure and determine whether and how subgrantees can utilize them for last-mile broadband service deployments.

- In certain instances, subgrantees may need to obtain a permit or easement from private landowners to install broadband infrastructure. In such cases, the Arizona Commerce Authority State Broadband Office will provide guidelines and support to ISPs to aid them through the permitting process to facilitate the deployment of broadband infrastructure.

Streamlining Right of Way

The Arizona Commerce Authority State Broadband Office is collaborating with local governments and state agencies to simplify right-of-way access permits and ensure affordable fees. ADOT maintains an interactive map of ADOT-owned right-of-way and conduit throughout the state and has created a streamlined process for access to these components at cost-based rates. Additionally, ADOT has a policy that allows the use of the state's right-of-way for broadband infrastructure projects[6] that meet specific criteria.

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[6] https://azdot.gov/sites/default/files/2019/05/urr-accommodationg-guideline_august-2015.pdf

ADOT's policy regarding the use of the state's right-of-way supports the deployment of reliable and high-quality broadband services across Arizona, particularly in underserved and rural areas. Broadband infrastructure providers can request access to ADOT's right-of-way for broadband deployment. ADOT's process prioritizes the efficient and effective use of taxpayer investments by implementing the "dig once" approach. This approach ensures the cost-effective deployment of broadband infrastructure across Arizona and reduces the expenses and disruptions associated with future network expansions.

Overcoming Regulatory Constraints

Regulatory constraints are legal and regulatory requirements, permissions, and tax obligations set by government entities that hinder infrastructure deployment. Governor Hobbs and the State Broadband Office will accelerate broadband deployment and reduce regulatory obstacles by promoting the efficient use of existing infrastructure. The newly created Interagency and Community Broadband Advisory Council in Arizona will support broadband deployment planning by convening members from various organizations, including state agencies, local governments, tribal communities, telehealth representation, and institutions of higher education. The CEO and President of the Arizona Commerce Authority serves as the Chairperson of the council, and the State Broadband Director is the Vice Chair. The council meets quarterly, and members analyze and recommend suggestions for Arizona broadband policy in working groups.

The Arizona Commerce Authority State Broadband Office is committed to addressing regulatory barriers that may hinder universal broadband access. Additionally, the State Broadband Office will work with state offices to establish streamlined EHP processes that prioritize broadband infrastructure projects and ensure timely completion of the reviews. This will include close coordination with agencies such as the Arizona State Historic Preservation Office (SHPO), the Arizona State Land Department, and the Arizona Department of Environmental Quality (ADEQ).

2.11 Climate Assessment (Requirement 15)

2.11.1 Assessment of Climate Threats and Proposed Mitigation Methods

Describe the Eligible Entity's assessment of climate threats and proposed mitigation methods. If an Eligible Entity chooses to reference reports conducted within the past five years to meet this requirement, it may attach this report and must provide a crosswalk narrative, with reference to page numbers, to demonstrate that the report meets the five requirements below. If the report does not specifically address broadband infrastructure, provide additional narrative to address how the report relates to broadband infrastructure. At a minimum, this response must clearly do each of the following, as outlined on pages 62 – 63 of the BEAD NOFO:

Arizona, the sixth-largest state by area in the US, has a diverse geography resulting in a variety of localized climate environments. The south boasts some of the country's hottest and driest deserts, while the northeast's higher terrain of the Colorado Plateau has a cooler climate, producing cold winters and temperate summers. The mountain ranges dividing the state from the northwest to the southeast experience heavier precipitation and extreme temperature variations.

According to the NOAA State Climate Summary for Arizona [7], temperatures in Arizona have risen about 2.5°F since the beginning of the 20th century. Predictions show that Arizona's climate will continue to warm, leading to more intense wildfires, and ongoing drought, resulting in rising temperatures.

Deployments of BEAD fiber broadband infrastructure must consider the impact of climate change. Hardening fiber cables, conduits, and other infrastructure to deal with severe weather challenges and having an emergency response plan in place are primary aspects of risk-aware deployment. However, implementing these practices may incur additional costs in rural, low-density areas where ISPs may find it difficult to deploy commercially viable networks. Nevertheless, deploying fiber networks in rural areas will be crucial for safeguarding communities during emergencies and natural disasters.

The Arizona Governor's Office of Resiliency plays a significant role in enhancing the state's resilience to natural and man-made disasters by coordinating and implementing strategies that improve the state's preparedness, response, and recovery capabilities. Discussing "best practices" with prospective subgrantees and the broader broadband community is essential throughout the application, selection, and award processes. To achieve its priority of bringing reliable high-speed broadband to all unserved locations across the state, the Arizona Commerce Authority State Broadband Office has engaged the provider community through statewide working groups, community meetings, webinars, and surveys, and will continue to work together to identify climate threats and develop mitigation methods.

a. Identify the geographic areas that should be subject to an initial hazard screening for current and projected future weather and climate-related risks and the time scales for performing such screenings;

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[7] NOAA STATE CLIMATE SUMMARIES 2022, ARIZONA

Extreme weather events can have a significant impact on broadband networks, particularly in Arizona. Wildfires, flooding, heavy snow/freezing ice storms and monsoons are some of the most concerning events in this area. These events can cause extensive damage to fiber networks, whether they are underground or aerially constructed.

Arizona's topography is a significant factor influencing its climate, as the state is divided into three distinct zones, as shown on the adjacent map courtesy of the Arizona Department of Water Resources. The change in elevation across the state varies, ranging from a low point of 72' Above Sea Level (ASL) in the southwest corner, to a high point of 12,637 ASL on Humphreys Peak in the north central region near Flagstaff. As such, screening must occur statewide, rather than identifying specific geographic regions.

Figure 3: Arizona's Topography

The Basin and Range Zone, located in southern Arizona, is renowned for its desert climate with extremely hot summers and mild winters. On the other hand, the Transition zone comprises various relief and climatic conditions that can differ widely over small areas. Most of Arizona's humid area falls into this zone, including the high southern edge of the Colorado Plateau. The Transition zone boasts the largest ponderosa pine tree stand in the world.

The Colorado Plateau features mountain ranges coupled with extensive, deep canyons, including the Grand Canyon. This zone experiences more moderate temperatures during summers and significant snowfall during winters.

Climate threats across the state of Arizona include wildfires, thunderstorms with high winds and lightning, as well as isolated flooding. However, in central and northern Arizona, the primary threats include snow/ice storms, wildfires, and isolated flooding.

The Arizona Commerce Authority State Broadband Office will require applicants to submit climate resiliency plans that outline how their proposed networks will be able to withstand extreme weather events caused by climate change. The plans should address technology platforms, specific design features, retrofitting considerations, and restorative processes applicable to the project area. During potential subgrantee negotiations, proper mitigation practices will be an integral part of network architecture. These assurances will be maintained in subgrantee award agreements to prevent any deviations from these agreed-upon standards.

b. *Characterize which projected weather and climate hazards may be most important to account for and respond to in these areas and over the relevant time horizons;*

Wildfires, flooding, as well as severe snow and ice storms, all demand resilient network topologies and the implementation of regional and statewide mitigation approaches that will sustain broadband networks operationally and maintain the life-saving communication services they offer. The Arizona Commerce Authority State Broadband Office recognizes the pressing need to review potential project area networks slated for deployment with BEAD funding, while considering the following climate hazards that are likely to pose the most critical threat to broadband networks.

- Wildfires – Climate change is evidenced by the fact that the Western United States experiences three times more wildfires per year than in the 1970s. Additionally, Arizona's history reveals that the ten largest fires all happened since 2002, pointing to the increasing severity and frequency of wildfires being caused by climate change. Burn scars left by wildfires are a significant problem causing mudslides during the rainy season and pose a threat to broadband networks.

During a two-day roundtable discussion in 2021, hosted by the Center for Climate and Energy Solutions, 90 Arizona stakeholders identified a set of key policy recommendations that aim to reduce greenhouse gas emissions while promoting equity and economic development in the state. One of the key takeaways regarding the impact of climate change determined from this discussion was the following:

> *"Of all western states, Arizona is already facing the impacts of a changing climate, including extreme heat, drought, and wildfires. Arizona is projected to experience the greatest increase in high wildfire potential days by 2050, with the second-largest population living in the wildland-urban interface following California.[8]"*

Figure 4: Wildfire Likelihood
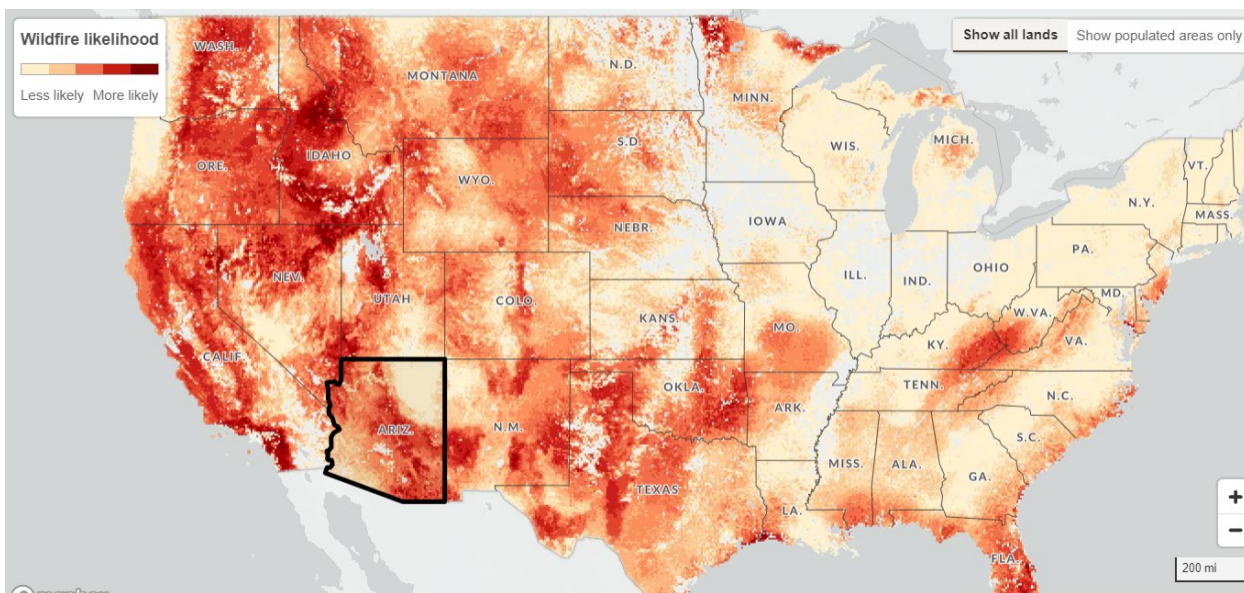
Source: U.S. Department of Agriculture's Forest Service

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[8] Christina Cilento, Feb 2022, INVESTING IN ARIZONA'S FUTURE: DRIVING EQUITABLE, LOW-CARBON ECONOMIC GROWTH

As per the U.S. Department of Agriculture's Forest Service, during the preceding three years (2020-2022)[9] Arizona has experienced 5,737 wildfires, which burned 1,627,270 acres of land.

- Flooding – Flooding of major rivers and tributaries in Arizona may occur during any season, but it most frequently happens during the spring and autumn months that are associated with the highest rainfall.

The Arizona Flood Warning System (AFWS)[10] includes local, state, and federal entities that work together to devise statewide strategies for the management and dissemination of real-time hydro-meteorological data and products to assist emergency managers, floodplain managers, weather forecasters, and the public. The AFWS was authorized in 1979, and its role was expanded after severe statewide flooding in 1993. Better communication between government entities was established, allowing for more precise flood prediction.

In recent years, Arizona has experienced above-average rainfall, as is evident in the map below for 2021. Due to the widespread heavy rains, flooding has been commonplace, as riverbeds, which are usually dry for months, have become overrun with fast-flowing water. Besides causing damage to broadband networks, flooding can also cut off access to utilities, emergency services, and transportation near the affected areas.

Figure 5: Percent of Normal July Precipitation in the Southwest U.S.
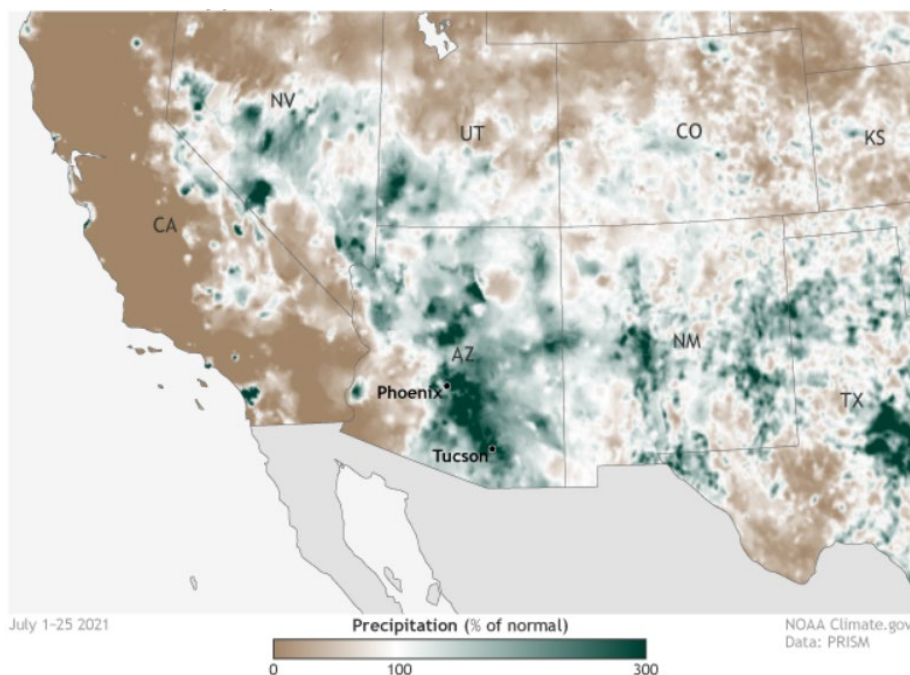
- Snow/Ice – The northern half of Arizona is vulnerable to frequent ice storms due to the region's exposure to cold air masses. When the rain falls through this cold air layer, it freezes upon coming into contact with exposed surfaces. The ice buildup on trees and

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[9] Arizona State Wildfire Information, Arizona Department of Forestry and Fire Management
[10] Arizona Flood Warning System

utility infrastructure has the potential to damage the infrastructure significantly. Additionally, ice buildup on roadways is a frequent cause of accidents that can lead to the destruction of infrastructure.

c. *Characterize any weather and climate risks to new infrastructure deployed using BEAD Program funds for the 20 years following deployment;*

The Arizona Commerce Authority State Broadband Office has identified the potential weather and climate risks to new infrastructure deployments under the BEAD Program. The agency is considering these risks for at least 20 years following the deployment of such infrastructure. By doing this, potential weather and climate hazards will be effectively factored in the development of mitigation plans for all projects. The outcome of identifying such risks is the creation of more resilient broadband infrastructure elements that are better equipped to withstand extreme weather events, such as wildfires, flooding, and snow/ice storms.

As mentioned earlier, the statewide physical climate risks that can pose a threat to broadband infrastructure include:

1. Wildfires – Wildfires can pose a significant threat to broadband networks, as they can quickly engulf wide swaths of aerial infrastructure and above-ground equipment cabinets, leading to lengthy network outages. Ground-cabinets containing broadband network equipment can also be destroyed in wildfires. Moreover, wildfires significantly increase the risk of flooding, mudflows, and landslides, which can further exacerbate the issues caused by the fire and its resulting damage to the broadband network infrastructure.

2. Extreme Heat – Extreme heat in Arizona during the summer months can cause equipment failures, power demand increases, and reduce network performance, affecting the state's broadband infrastructure. The impact of high temperatures on fiber-optic cables, power outages, and air conditioning systems strain, highlight the necessity to address this issue to ensure an uninterrupted internet service, especially during hot summer times.

3. Flooding – Flooding can occur anytime throughout the year in Arizona, but it is primarily associated with the spring and autumn months when rainfall is generally higher. In addition to causing immediate damage to broadband network infrastructure, substantial flooding can also degrade fiber optic lines over time, negatively impacting broadband signals. Rushing floodwaters can also erode infrastructure from its foundations, leading to severed broadband networks. In these ways, flooding can pose considerable risks to broadband network infrastructure and negatively impact signal quality and reliability.

4. Snow and Ice Storms – The northern half of Arizona is highly susceptible to winter storm systems, and it frequently experiences ice storms. Snow and ice buildup can cause extensive network destruction, primarily through overburdened trees falling on aerial networks and damaging aerial utility infrastructure. Additionally, hazardous road conditions caused by snow and ice can lead to vehicle crashes into utility poles and roadside network cabinets, further damaging the network infrastructure. In both cases, the result can be a significant disruption or even failure of network services, impacting the connectivity and reliability of broadband services.

In each of the instances outlined above, there is an impact not only on the broadband network but also on the electrical grid's capacity to remain in service. Climate-related events can

damage both broadband and electrical infrastructure, leading to significant disruptions, power outages, and other consequences that can significantly impact communities.

One significant concern is the ability to replace and restore network functionality following a severe climate-related event. Access to affected network infrastructure can become challenging due to standing water, downed electrical lines, and limited transportation infrastructure, while material and labor resources are often in acute shortage and high demand. These challenges can make it difficult and time-consuming to restore network functionality, leading to prolonged disruptions in broadband services and other related services.

Specific Risks to Broadband Infrastructure

The projected increased risks due to climate change, the following hazards could pose a risk to new infrastructure deployed using BEAD funds:

- **Increased precipitation:**
  - Increased risk of flooding of low-lying infrastructure, access-holes and underground facilities.[11]
  - Increased erosion or flood damage to transport and backbone structures which may expose cables / trunk routes.
  - Reduced quality of wireless service with higher rainfall rates.
  - Increased flood risk to assets located in flood plains or urban environments (increase in flash floods), e.g., data centers, exchanges.
  - Increasing difficulty to repair faults and restore service with increasing volume of adverse weather-related problems.

- **Extreme events:**
  - Increases in storm frequency or intensity increase the risk of damage to above-ground transmission infrastructure (masts, antennae, switch boxes, aerials, overhead wires, and cables), which are often final access connections to homes and businesses and may negatively impact telecommunications service delivery.
  - An increase in storm frequency could lead to more lightning strikes, which can damage transmitters and overhead cables, causing power outages.
  - Severe winds may knock off branches from trees or displace unfastened infrastructure causing outages and general damage.

- **Wider range of temperatures:**
  - Increases in temperature and higher frequency, duration, and intensity of heat waves create an additional burden on keeping equipment cool in exchanges and base stations, resulting in increased failure rates.
  - Increases in mean temperature may increase the operating temperature of network

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[11] Horrocks, L, Beckford, J, Hodgson, N, Downing, C, Davey, R and O'Sullivan, A. (2010) Adapting the ICT Sector to the Impacts of Climate Change – Final Report, Defra contract number RMP5604. London: Defra from Adapting the ICT Sector to the Impacts of Climate Change

equipment, leading to malfunction or premature failure if it surpasses design limits.

— Increases in temperature can stress telecommunications equipment and infrastructure, reducing life span.

d. *Identify how the proposed plan will avoid and/or mitigate weather and climate risks identified; and*

To address the extreme climate-related risks identified above, the Arizona Commerce Authority State Broadband Office will screen the resiliency plans of potential subgrantees to ensure that applicants incorporate climate-resilient features into network architecture design that may include some of the following considerations:

1. Technology platform and infrastructure siting: Assessing the risks posed by extreme weather events and how technology platform and infrastructure siting impacts the ability to withstand these events.

2. Emergency restoration plans: Ensuring that emergency restoration plans are in place that can quickly repair damaged infrastructure following extreme weather events. These restoration plans should particularly focus on the restoration of essential network functions, including voice services and emergency communication systems.

3. Uninterruptible Power Supplies (UPS): Incorporating UPS devices as an essential component to ensure essential backup power during weather-related disruptions. This will help maintain network connectivity during power outages caused by extreme weather events.

4. Emergency inventory of critical components: Developing a minimum emergency inventory of critical components to guarantee timely restoration of network functionality during weather-related disruptions.

5. Emergency response plans and communication strategies: Developing emergency response plans and communication strategies to ensure timely and effective responses to extreme weather events. This will require coordination with power utilities, transportation authorities, public safety agencies, and affected community leaders to ensure efficient restoration of network functionality.

Mitigation Measures for BEAD Program Infrastructure

The Arizona Commerce Authority State Broadband Office will encourage subgrantees to propose hardened and resilient designs that will withstand damage and deterioration from climate threats. The State Broadband Office will provide guidance to subgrantees on how to incorporate mitigation measures into their infrastructure proposals for the BEAD Program. This guidance may include identifying potential risks and impacts of climate change, establishing design criteria and performance standards, encouraging the use of resilient materials and technologies, and identifying funding sources and best practices. Additionally, subgrantees can develop design and construction elements to harden or provide redundancy to critical components such as power and electrical elements that may be susceptible to water infiltration or damage. To promote the best infrastructure, the mitigation measures described below will be encouraged for subgrantees to include, as a part of their plans.

Resilient Design: In areas with identified elevated risk, subgrantees are encouraged to deploy resilient infrastructure that is less vulnerable to disaster damage. Examples of this strategy include elevating structures, employing wet and dry flood-proofing to improve flood damage resistance, deploying buried infrastructure, using wind bracing to improve structural wind resistance, and adding lightning protection to towers. Ongoing inspections of infrastructure before expected periods of harsher weather are encouraged to determine any necessary additions or restructuring. To further promote resilient infrastructure design, the State Broadband Office will incentivize its subgrantees to create resilient designs to ensure the longevity and quality of service by including resiliency in its scoring criteria. Applicants will be scored on their plans of including network or power source redundancies, plans of retrofitting or hardening, and their use of buried fiber cables (especially in areas of identified elevated risk). Additionally, the State Broadband Office will encourage all subgrantee applicants to apply the following infrastructure resiliency and climate readiness measures:

I. **Use of established plans and processes to deal with extreme weather-related risks**: The Arizona Commerce Authority State Broadband Office will encourage its subgrantees to utilize the established climate hazard identifications and processes to prepare for and actively deal with extreme weather-related events during deployment. The State Broadband Office also encourages subgrantees to include how this plan and processes may be included in their description of risks and mitigation efforts in their subgrant applications. Subgrantees may also describe how they plan to use their own existing plans and processes related to addressing climate and weather-related risks for broadband infrastructure.

II. **The speed of restoration of service in the case of an outage**: Prospective subgrantees should include planned speeds of restoring service in case of an outage in their planned network design resiliency. Additionally, performance metrics related to speed of restoration will be defined in subgrant agreements. Broadband connection may be imperative during these times for contacting emergency services and reaching other necessary resources.

III. **System Capacity, Redundancy, and Back-Up Features**: Subgrantees are encouraged to build and maintain critical infrastructure in areas of elevated risk that includes redundancy and additional hardening/resiliency. The design of broadband infrastructure should include back-up power options for vital operations and should be able to accommodate the full extremes of weather, temperatures, and other climate hazards. Subgrantees should also plan for including additional in-home or onsite back-up power resources.

IV. **Retrofitting and Hardening**: The Arizona Commerce Authority State Broadband Office is committed to advocating for broadband infrastructure that is resilient and sustainable, especially given Arizona's susceptibility to a number of intense and damaging weather and extreme weather events. As such, the State Broadband Office will include in its scoring criteria a requirement for subgrantees to include in their network design how they will retrofit and harden new and existing infrastructure to meet or exceed industry standards.

V. **Choosing the appropriate technology platform**: Given that extreme weather events may impact above ground infrastructure, it is imperative that subgrantees consider which technology platform is best to withstand the identified climate threats. Appropriate technology platforms may include buried underground infrastructure as it is resilient to risks such as tornadoes, intense storms, severe winds, and the wearing and damaging impact of extreme heat. As part of subgrantee analysis of their proposed project area, subgrantees should, using their expertise, determine the most suitable technology platform for their infrastructure. This decision should be based on the climate risks of the region and justify reliance on alternative siting of facilities. Further, this choice should be included in subgrantees detailed approach to resilient design.

e. *Describe plans for periodically repeating this process over the life of the Program to ensure that evolving risks are understood, characterized, and addressed, and that the most up-to-date tools and information resources are utilized.*

To address evolving risks from climate-related hazards, the Arizona Commerce Authority State Broadband Office will develop and periodically repeat a screening process over the life of the BEAD Program. The goal of the screening process is to provide ongoing monitoring and assessment of climate-related hazards, while also ensuring that subgrantees are well-informed and able to make informed decisions about the design and implementation of their broadband infrastructure projects. The State Broadband Office is planning to conduct screenings every two to three years to ensure that the information is up-to-date and relevant to current conditions. This screening process will ensure that the identified climate-related hazards are regularly reassessed and communicated to subgrantees. By doing so, the ongoing development and implementation of broadband infrastructure projects will remain relevant and resilient to changing climate conditions.

To ensure the screening process remains effective and relevant, the Arizona Commerce Authority State Broadband Office will coordinate with the Governor's Office of Resiliency and communicate with relevant state and federal agencies. The Arizona Division of Emergency Management Agency (DEMA) is responsible for leading and coordinating emergency preparedness, response, and recovery efforts in the event of a disaster or emergency situation. DEMA works with federal, state, and local partners to develop comprehensive emergency management plans, communicate vital information to the public, and coordinate the deployment of resources and personnel during times of crisis. The State Broadband Office will continue to utilize available climate resources and tools like FEMA's National Risk Index and NOAA's Disaster and Risk Tool to research and evaluate risk in the state. The Arizona DEMA recently received FEMA approval for the State Hazard Mitigation Plan (2023)[12], which is updated every five years. This effort will provide confidence that the agency's planning process remains up-to-date and is addressing potential climate threats effectively. By doing so, the Arizona Commerce Authority State Broadband Office can continue to promote the development of climate-resilient broadband infrastructure throughout Arizona, contributing to greater connectivity, sustainability, and safety for the state's residents and communities.

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[12] https://dema.az.gov/sites/default/files/2023-11/SHMP_2023_Final.pdf

2.11.2 Supporting Documentation for Climate Assessment

The following resources were used in evaluating and composing the Climate Resiliency narrative:

- NOAA National Centers for Environmental Information, State Climate Summaries, Arizona, https://statesummaries.ncics.org/chapter/az/

- NOAA, Western Drought 2021 Spotlight: Arizona, https://www.climate.gov/news-features/event-tracker/western-drought-2021-spotlight-arizona

- Arizona State Climate Office, Climate of Arizona, https://azclimate.asu.edu/climate/

- Arizona Emergency Information Network (AzEIN), https://ein.az.gov/

- Arizona Department of Water Resources, https://www.azwater.gov/gis

- Arizona Flood Warning System (AFWS), https://afws.org/

2.12 Low-Cost Broadband Service Option
(Requirement 16)

2.12.1 Required Subgrantee Low-Cost Broadband Service Option

Describe the low-cost broadband service option(s) that must be offered by subgrantees as selected by the Eligible Entity, including why the outlined option(s) best services the needs of residents within the Eligible Entity's jurisdiction. At a minimum, this response must include a definition of low-cost broadband service option that clearly addresses the following, as outlined on page 67 of the BEAD NOFO:

a. *All recurring charges to the subscriber, as well as any non-recurring costs or fees to the subscriber (e.g., service initiation costs);*

b. *The plan's basic service characteristics (download and upload speeds, latency, any limits on usage or availability, and any material network management practices);*

c. *Whether a subscriber may use any Affordable Connectivity Benefit subsidy toward the plan's rate; and*

d. *Any provisions regarding the subscriber's ability to upgrade to any new low-cost service plans offering more advantageous technical specifications.*

Affordability is a central tenet of Arizona's broadband deployment and digital adoption goals and strategies, acknowledging that building new last-mile infrastructure is ineffective if Arizonans cannot afford monthly internet service costs.

Subgrantee Requirements:

- Subgrantees must participate in the Affordable Connectivity Program or any successor broadband subsidy programs.

- Subgrantees receiving BEAD funds must offer at least one low-cost broadband service option for all BEAD funded projects; subgrantees are strongly encouraged to provide this option for the entirety of the subgrantee's service territory.

- Potential subgrantees are required to provide a marketing plan as part of their application that incorporates mechanisms to improve knowledge of the availability of the low-cost broadband service option and to raise awareness of subsidy programs such as ACP; this marketing plan will be appended to BEAD subgrantee agreement.

Low-Cost Broadband Service Options Definition

The Arizona Commerce Authority State Broadband Office proposes the following definition for low-cost broadband service option:

- **Pricing Commitment**:

  The price of the low-cost broadband service option pricing was designed to result in a net zero cost to ACP eligible subscribers after the subsidy is applied.

- o Pricing on the low-cost broadband service option shall be:

    - $30 per month or less, inclusive of all taxes, fees, and charges if the subscriber does not reside on Tribal Lands, with no additional non-recurring costs or fees to the consumer.

    - $75 per month or less, inclusive of all taxes, fees, and charges if the subscriber resides on Tribal Lands, with no additional non-recurring costs or fees to the consumer.

- o Enforceable commitment to not raise the $30 per month for the 100/20 Mbps service for ten years which represents the federal interest in the project based on the Uniform Guidance from the infrastructure deployment date for each BSL.

- o The pricing can be increased if there is an increase in the broadband service subsidy under ACP or successor programs. However, the price of the low-cost service plan must always result in a net zero cost to ACP subscribers after the subsidy is applied. For example, if the ACP subsidy or a successor or subsequent broadband subsidy program provides a benefit of $40, the low-cost broadband service plan can be increased to $40 a month since the net cost to the eligible customer will still be $0.

- o If the ACP or any successor programs are no longer available, the low-cost plan must still be made available to those previously eligible for ACP at a rate of 35 percent of the FCC Urban Benchmark Rate in all areas including high cost areas and Tribal Lands for the useful life of the network assets. Each year, the FCC conducts a survey of the fixed voice and broadband service rates offered to consumers in urban areas. The FCC uses the survey data to determine the reasonable comparability benchmarks for fixed voice and broadband rates for universal service purposes. The benchmark rate is published by the FCC on their website and applicants can access it by using the following link: https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources. The rate that the applicants should use is the rate that aligns with the BEAD program's minimum speed requirement of 100Mbps download and 20Mbps upload with no data cap. This offer will be enforceable for a period of ten years after the completion of the project which represents the federal interest in the project based on the Uniform Guidance.

- **Service Characteristics**:

    - o Consistently and reliably provides download speeds of at least 100 Mbps and upload speeds of at least 20 Mbps;

    - o Provides typical latency measurements of no more than 100 milliseconds;

    - o Not subject to data caps, surcharges, or usage-based throttling, and is subject only to the same acceptable use policies to which subscribers to all other broadband internet access service plans offered to home subscribers by the participating subgrantee must adhere; and

o Service installed within 10 calendar days of request for service once the network is operational. The rationale for 10 calendar days requirement is to ensure that the 100/20 Mbps service is readily available upon demand by the customer.

Eligibility for Using Subgrantee Requirements

o Allows the end user to apply the Affordable Connectivity Program benefit and Lifeline subsidy to the service price.

o Inform prospective consumers of the existence of the ACP and Lifeline program benefits and how to enroll and apply for the subsidies.

Ability to Upgrade

In the event the provider later offers a low-cost plan with higher speeds downstream and/or upstream, permit eligible subscribers that are subscribed to a low-cost broadband service option to upgrade to the new low-cost offering at no cost. To ensure wider availability of broadband services and tackle significant affordability challenges, the "low cost" requirement dictates that subgrantees provide a monthly service plan priced at $30, encompassing all costs and additional charges. Applicants seeking to raise the low-cost amount from $30 per month must apply for a waiver from the State Broadband Office. Each waiver request will be individually evaluated, and the State Broadband Office retains the authority to decline any waiver that does not clearly demonstrate the necessity of increasing the service cost from $30. The value of the low-cost plan included in the waiver request should not exceed $50. The $50 per month as an appropriate cap was determined based on input provided by a number of Arizona based service providers and consideration that, although higher than the $30 low-cost plan, the cap is still within affordable range for many consumers. This marginal increase will allow service providers to maintain service quality and reliability while also extending their reach to unserved and underserved areas. Additionally, it will support more substantial investments into broadband infrastructure which will ultimately result in improved speed, performance, and customer satisfaction.

The criterion for approval is, but not limited to following:

- Justification for the Waiver – Clearly articulate the specific reasons for requesting a waiver and explain the necessity or benefit of granting the waiver.

- Legal and Regulatory Compliance – Ensure that the request aligns with applicable laws, regulations and policies.

- Demonstrated Need – Provide evidence of a genuine need for the waiver, such as data, research, or assessments that support the request.

- Public Interest and Benefit – Describe the public interest or community benefit that will result from granting the waiver. Explain how the waiver aligns with broader policy goals or societal needs.

- Cost-Benefit Analysis – Conduct a cost-benefit analysis to demonstrate that the benefits of granting the waiver outweigh any potential drawbacks.

2.12.2 Certification for Subgrantee Participation in ACP

The Arizona Commerce Authority State Broadband Office confirms its commitment to follow BEAD Program requirements about mandatory subgrantee participation in the Affordable Connectivity Program or any future programs. Under the BEAD Program, all subgrantees are required to participate in the Affordable Connectivity Program or any future programs, allowing eligible subscribers to apply for the subsidy to the proposed service option.

2.13 Middle-Class Affordability Plans
(Requirement 20)

2.13.1 Plan for Middle-Class Affordability of High-Quality Broadband

Describe a middle-class affordability plan that details how high-quality broadband services will be made available to all middle-class families in the BEAD-funded network's service area at reasonable prices. This response must clearly provide a reasonable explanation of how high-quality broadband services will be made available to all middle-class families in the BEAD-funded network's service area at reasonable prices.

Middle-class Affordable Service Option

The Arizona Commerce Authority State Broadband Office defines a middle-class affordable service option that meets, at a minimum, the following criteria:

- For priority projects, the service must consistently and reliably provide high speeds of at least 1 Gpbs symmetrical, with typical latency measurements of no more than 100 milliseconds.

- For non-priority projects, the service must consistently and reliably provide high download speeds of at least 100 Mbps and upload speeds of at least 20 Mbps, with typical latency measurements of no more than 100 milliseconds.

- The service should not have data caps, surcharges, or usage-based throttling restrictions, and the same acceptable use policies applicable to other broadband internet access service plans offered to home subscribers must apply.

- If a provider later offers a new middle-class affordable option plan with higher speeds downstream and/or upstream, eligible subscribers that are subscribed to a middle-class service option can upgrade to the new middle-class affordable offering at no additional cost.

- Broadband consumer labels that outline the introductory rates, speeds, data allowances, and other critical broadband service information should be provided in an understandable format to allow consumers to comparison-shop for broadband services.

- Compliance with Arizona Consumer Protection Act (A.R.S. § 44-1521-25) and all other applicable state and federal laws is mandatory.

Subgrantee Requirements

The State Broadband Office will require all subgrantees utilizing funds to deploy broadband infrastructure must provide a middle-class service option over the useful life of the network assets. Subgrantees must inform prospective customers of this option by making the plan information publicly available and easily accessible. While the State Broadband Office encourages the provision of the middle-class service option to all eligible prospective customers across the subgrantee's service territory, it is mandatory for this service option to be available at locations within the awarded project areas under the BEAD Program. The key affordability challenge in

Arizona, therefore, is to increase participation rates in the ACP and Lifeline program to make broadband affordable to all Arizonans.

Affordability Pricing Standard

The State Broadband Office reviewed the FCC defined benchmark of 2 percent of monthly household disposable income[13], Pew Charitable Trusts (Pew) affordability data by geographic region[14] and BroadbandNow research[15] that provides broadband pricing data from various sources. The average monthly internet bill in Arizona is about $76.23[16] inclusive of taxes, fees and charges.

Based on this review, the State Broadband Office proposes the affordability pricing standard at approximately 1 percent of median household income ($73,450 in 2022[17]) in the state for the priority projects and less than 1 percent of median household income for the non-priority projects.

Based on the above analysis, the State Broadband Office will use the 80 percent of the FCC urban benchmark rate (https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources) as the affordability standard. The State Broadband Office will use a graded scale for scoring criteria to incentivize affordability.

Affordability Scoring Criteria

The State Broadband Office will leverage the scoring rubric to incentivize proposals that meet or exceed the affordability pricing standard for middle-class affordable service option.

Table 23: Middle-Class Broadband Plan Scoring Criteria for Priority Projects

The affordability category will determine the scores for the prospective subgrantee's commitment to provide the most affordable total price to a customer for 1 Gbps symmetrical service in the project area for five years after the completion of the project. The scoring criteria will be a sliding scale of service cost ranges. An example below demonstrates how this criterion will be scored using the 80 percent of the FCC urban benchmark rate. The FCC 2023 urban benchmark rate for unlimited 1 Gbps symmetrical service is $142.59, and 80 percent of that amount is $114.07 (Source: https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources). It should be noted that this example is only intended to illustrate as actual scoring values may differ, depending on the applicable benchmark rate.

Scoring	Priority Projects Points
>114.07	0
$114.07-$99.81	50
$99.80 - $85.55	65
<85.55	75

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[13] https://docs.fcc.gov/public/attachments/FCC-16-38A1.pdf
[14] https://www.pewtrusts.org/en/research-and-analysis/articles/2023/08/30/is-broadband-affordable-for-middle-class-families
[15] https://broadbandnow.com/research/data
[16] https://www.americantv.com/how-much-is-internet-per-month-in-arizona.php
[17] Median household income Arizona U.S. 2022 | Statista

Additionally, applicants that provide a marketing plan as part of their application that incorporates mechanisms to improve knowledge of the availability of the low-cost broadband service option and to raise awareness of subsidy programs such as ACP will receive up to 10 points.

Table 24: Middle-Class Broadband Plan Scoring Criteria for Non-Priority Projects

The affordability category will determine the scores for the prospective subgrantee's commitment to provide the most affordable total price to customers for 100/20 Mbps service in the project area for five years after the project completion. The scoring criteria will be a sliding scale of service cost ranges. An example below illustrates how this criterion will be scored using the 80 percent of the FCC urban benchmark rate. The FCC 2023 urban benchmark rate for unlimited 100/20 Mbps service is $105.03, and 80 percent of that amount is $84.02 (Source: https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources). It should be noted that this example is only intended to demonstrate as actual scoring values may differ based on the applicable benchmark rate.

Scoring	Non-Priority Projects Points
>$84.02	0
$84.02- $73.52	50
$73.51-$63.02	65
<63.02	75

Additionally, applicants that provide a marketing plan as part of their application that incorporates mechanisms to improve knowledge of the availability of the low-cost broadband service option and to raise awareness of subsidy programs such as ACP will receive up to 10 points.

Monitoring Affordability

- o The pricing commitments in proposals of subgrantees will be incorporated as binding commitments in the BEAD subgrantee agreement. The binding agreement will validate an enforceable commitment to not raise the proposed price per month for the 1Gbps symmetrical service for five years from the infrastructure deployment date for each BSL.

The State Broadband Office will continue to monitor pricing offered by the subgrantees for compliance with the requirements outlined in this section. In the event a subgrantee is found non-compliant, the subgrantee will be subject to claw back provisions with prolonged non-compliance will lead to subgrantee default.

2.14   Use of 20 Percent of Funding
(Requirement 17)

2.14.1 Planned Use of 20 Percent of Funding

Describe the Eligible Entity's planned use of any funds being requested, which must address the following:

a. *If the Eligible Entity does not wish to request funds during the Initial Proposal round, it must indicate no funding requested and provide the rationale for not requesting funds.*

Not Applicable.

b. *If the Eligible Entity is requesting less than or equal to 20 percent of funding allocation during the Initial Proposal round, it must detail the amount of funding requested for use upon approval of the Initial Proposal, the intended use of funds, and how the proposed use of funds achieves the statutory objective of serving all unserved and underserved locations.*

Not Applicable.

c. *If the Eligible Entity is requesting more than 20 percent (up to 100 percent) of funding allocation during the Initial Proposal round, it must detail the amount of funding requested for use upon approval of the Initial Proposal, the intended use of funds, how the proposed use of funds achieves the statutory objective of serving all unserved and underserved locations and provide rationale for requesting funds greater than 20 percent of the funding allocation.*

The Arizona Commerce Authority State Broadband Office requests 100 percent of Arizona's BEAD fund allocation of $993,112,231.37. The State Broadband Office is planning to apply the BEAD funding for deployment activities, administrative costs, and programmatic expenses. We intend to perform a BEAD compliant subgrantee selection process, as stated in Section 2.4, which will guide the deployment activities for utilizing the BEAD funding.

Table 25: BEAD Deployment Budget

#	Category	Budget Allocation	Budget Percentage
1	Deployment Costs	[$943,456,648.30]	[95.00%]
2	Admin Expenses Not Subject to 2%	[$39,724,490.45]	[4.00%]
3	Administrative Expenses	[$9,931,122.62]	[1.00%]
4	Non-Deployment Expenses	[$0.00]	[0.00%]

The Arizona Commerce Authority State Broadband Office believes that it is in the best interest of Arizonans to have immediate access to the full allocation as it will provide greater certainty for potential subgrantees. By having access to the full allocation of funds, cost savings can be achieved by avoiding delays and providing for implementation of broadband infrastructure projects. This is particularly important in closing the digital divide in Arizona. Therefore, the State Broadband Office is requesting the full allocation, as it will enable the state to deliver on

BEAD's statutory objectives while ensuring the successful deployment of broadband infrastructure projects in an efficient and timely manner.

Deployment Cost

The Arizona Commerce Authority State Broadband Office is seeking an allocation of [95 percent] of the total BEAD funds to support implementation and deployment activities, in accordance with the NTIA guidance for "Eligible Entity Deployment Activities". Examples of activities that will be supported by the deployment cost allocation include the following:

- Construction and deployment of broadband infrastructure projects in unserved areas, underserved areas, and eligible CAIs identified in the project areas.

- Design, engineering, and installation of equipment and systems needed to deliver broadband services in the identified unserved and underserved areas.

- Conducting environmental and historical preservation compliance reviews for the broadband infrastructure projects.

- Conducting feasibility studies to determine the cost and effectiveness of deploying broadband infrastructure projects in the identified unserved and underserved areas.

- Monitoring progress and ensuring compliance with all applicable state and federal regulations.

- Performing testing and acceptance of broadband infrastructure projects.

- Project management and supervision of broadband infrastructure project construction.

- Integrating broadband networks into existing systems.

The State Broadband Office believes that this allocation is necessary to ensure efficient implementation and deployment of broadband infrastructure projects, enabling the state to accomplish the objectives of the BEAD Program.

Administrative Expenses Not Subject to 2% Cap

The Arizona Commerce Authority State Broadband Office is seeking an allocation of [4 percent] of the total BEAD funds to support programmatic activities that are not subject to the 2 percent cap. Examples of activities that will be supported by the programmatic expenses include the following:

- Development, management, and implementation of the subgrantee selection process, including pre-registration, selection, challenge, rebuttal, and adjudicative processes.

- Challenge process and deduplication procedures (pre- and post-challenge process).
- Development and refinement of cost models for the Extremely High Cost (EHC) threshold and BEAD minimal outlay calculations.

- Local coordination focused on infrastructure planning with local, regional, and Sovereign Tribal Nation entities.

- Data collection to support mapping, analysis, and program development.

- Mapping including funding areas, public-facing maps, and dashboards.

- Efficient disbursement of funds and fiscal management processes.

Administrative Expenses Subject to 2% Cap

The State Broadband Office recognizes that accomplishing the objectives of the BEAD Program will require significant administrative resources to achieve universal broadband coverage in Arizona. As such, we are requesting one percent to support additional administrative resources to ensure the successful implementation of the BEAD Program. Additional administrative resources are needed to process, evaluate, and accomplish the rigorous timelines of the BEAD Program. These administrative resources will comprise the Arizona Commerce Authority employees and third-party personnel required to supervise and oversee the selection process, deployment, and reporting of subgrantee awards through the following activities:

- Staffing requirements

- Project management and administration

- Reporting necessities and coordination with other federal, state, and local programs.

- Agency coordination

- Procurement and management of third-party resources

- Travel necessary for BEAD activities

- Implementation and monitoring of enforceable commitment agreements for pre-BEAD grant awards to support deduplication.

2.14.2 Initial Proposal Funding Request

Enter the amount of the Initial Proposal Funding Request. If not requesting initial funds, enter '$0.00.'

The Arizona Commerce Authority State Broadband Office requests $988,112,231.37 (100 percent of Arizona's BEAD fund allocation minus Initial Planning Funds).

2.14.3 Certification to Adherence of BEAD Requirements

Certify that the Eligible Entity will adhere to BEAD Program requirements regarding Initial Proposal funds usage. If the Eligible Entity is not requesting funds in the Initial Proposal round and will not submit the Initial Funding Request, note "Not applicable."

The Arizona Commerce Authority State Broadband Office certifies that it will adhere to BEAD Program requirements regarding Initial Proposal funds usage.

2.15 Eligible Entity Regulatory Approach
(Requirement 18)

2.15.1 Waiver of Laws for Eligible Entities

a. *Disclose whether the Eligible Entity will waive all laws of the Eligible Entity concerning broadband, utility services, or similar subjects, whether they predate or postdate enactment of the Infrastructure Act that either (a) preclude certain public sector providers from participation in the subgrant competition or (b) impose specific requirements on public sector entities, such as limitations on the sources of financing, the required imputation of costs not actually incurred by the public sector entity, or restrictions on the service a public sector entity can offer.*

b. *b. If the Eligible Entity will not waive all such laws for BEAD Program project selection purposes, identify those that it will not waive (using the Excel attachment) and their date of enactment and describe how they will be applied in connection with the competition for subgrants. If there are no applicable laws, note such.*

2.15.1.1   Supporting Documentation for Applicable Laws

The Arizona Commerce Authority states, to best of its knowledge, that there are no known laws in the State of Arizona regarding broadband, utility services, or related topics that have been enacted before or after the Infrastructure Act's enactment, which: (a) prevent certain public-sector providers from entering the subgrant competition, or (b) put particular criteria on public-sector organizations, including restrictions on sources of financing, the obligatory imputation of expenditures that are not effectively sustained by the public-sector organization, or limits on the kind of service that a public-sector organization can give.

The State Broadband Office will monitor the Arizona state legislature for legislation related to broadband service and government-owned networks on a regular basis through the program deployment period.

1.15.1.1   *Optional Attachment: As a required attachment only if the Eligible Entity will not waive laws for BEAD Program project selection purposes, provide a list of the laws that the Eligible Entity will not waive for BEAD Program project selection purposes, using the Eligible Entity Regulatory Approach template provided.*

Note Applicable.

2.16 Certification of Compliance with BEAD Requirements (Requirement 19)

2.16.1 Certification for Intent to Comply with BEAD Program

Certify the Eligible Entity's intent to comply with all applicable requirements of the BEAD Program, including the reporting requirements.

The Arizona Commerce Authority State Broadband Office certifies that it intends to comply with all applicable requirements of the BEAD Program, including the reporting requirements.

2.16.2 Certification for Intent to Comply with BEAD Program

Describe subgrantee accountability procedures, including how the Eligible Entity will, at a minimum, employ the following practices outlined on page 51 of the BEAD NOFO:

The Arizona Commerce Authority State Broadband Office has significant experience in designing and managing grant programs and related subgrantee accountability procedures.

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);*

The Arizona Commerce Authority State Broadband Office will distribute project funding to subgrantees on a reimbursable basis; however, fixed cost awards to allow subgrantee the option to benefit from proposed waivers will be reviewed and a final determination will be made prior to the Initial Proposal submission to NTIA. The cost reimbursement method will enable the State Broadband Office to withhold funds if a subgrantee fails to adhere to the program's requirements and BEAD subgrantee agreement. Before processing any payment reimbursement requests, the subgrantee's reported progress, such as the number of connected locations based on predefined metrics, will be verified. The final payment will only be provided after verifying 100 percent deployment of eligible locations within the project deployment timeline defined in the BEAD subgrantee grant agreement. The project team will conduct financial and programmatic progress evaluations, identifying any discrepancies and recommending corrective measures to ensure subgrantees comply with program requirements.

b. *The inclusion of clawback provisions (i.e., provisions allowing recoupment of funds previously disbursed) in agreements between the Eligible Entity and any subgrantee;*

The Arizona Commerce Authority State Broadband Office will implement clawback provisions in all BEAD subgrantee agreements to recover distributed funds if subgrantees fail to comply with Section 60102 of the Infrastructure Act or the BEAD NOFO requirements. The clawback provisions will cover circumstances such as sub non-compliance, not meeting predefined performance metrics in the grant agreement, failing to meet statutory obligations, non-

compliance with the low-cost broadband service option requirement, not complying with the middle-class broadband service affordability plan, and not fulfilling any binding commitments made as part of the subgrantee agreement.

The BEAD subgrantee agreements will also include cure provisions, step-in rights, and termination rights for the State Broadband Office in case of continued non-performance leading to subrecipient default. These measures will allow the State Broadband Office to intervene if subgrantees fail to meet their obligations and permit the State Broadband Office to take appropriate steps to remedy the situation, including reprogramming the funds, withholding payments, and ending the agreement.

c. *Timely subgrantee reporting mandates; and*

Subgrantees will be required to provide reports on a quarterly basis to ensure that the State Broadband Office has updated information on project progress, financial status, and compliance with all relevant regulations. These reports will include detailed information on project finances, key performance metrics, critical construction and operational milestones, and other compliance reporting. Some examples of the subgrantee reporting requirements are:

- Financial statements of the subrecipient on a periodic basis;

- Location identifications (including the Broadband Serviceable Location Fabric established under 47 U.S.C. 642(b)(1)(B)) that constitute the service locations that will be served by the broadband infrastructure to be constructed and the status of each project;

- New locations served within each project area at the relevant reporting intervals, and service taken (if applicable);

- Category of location such as residential, commercial, or a community anchor institution;

- Types and locations of facilities that have been constructed and installed;

- Peak and off-peak actual speeds of the broadband service being offered;

- Maximum advertised speed of the broadband service being offered;

- Pricing including non-promotional prices, including any associated fees, charged for different tiers of broadband service being offered;

- All interconnection agreements that were requested, and their current status;

- Network information in appropriate formats required for asset mapping

- Reporting of the number and amount of contracts and subcontracts awarded by the subgrantee disaggregated by recipients of each such contract or subcontracts that are MBEs or WBEs;

- Evidence of payment of prevailing wages including certified payroll records; and

- Comply with any other reasonable reporting requirements determined by the State Broadband Office to meet the reporting requirements and certify that the information in the report is accurate.

To provide the State Broadband Office with transparency into the project and programmatic performance, reporting mandates will be included as part of the BEAD subgrantee agreements. These reports will enable the State Broadband Office to track funding usage and monitor the progress of subgrantee projects against pre-defined metrics. Leveraging programmatic dashboarding, the State Broadband Office will track summarized information and data, making it easier to track and report project and programmatic performance. By implementing these reporting mandates and a dashboarding system, the State Broadband Office will gain a clear view of how projects are advancing, use the data to inform decision-making, and ensure compliance with the BEAD subgrantee agreements.

d. *Robust subgrantee monitoring practices.*

The State Broadband Office has developed a comprehensive monitoring process that includes several key activities aimed at ensuring subgrantees comply with all applicable program requirements. These key activities under the monitoring plan include:

- **Develop guidelines, checklists, and training for subgrantees**: Develop detailed guidelines on program administration, requirements of subgrantee and required reporting throughout the project lifecycle; provided onboarding training and checklists to inform and track subgrantee performance and compliance.

- **Technical assistance**: Provide technical assistance to subgrantees on federal and state grant compliance, engineering and network feasibility, financial feasibility, and technical troubleshooting.

- **Upfront and on-going risk assessments**:

  - **Financial solvency review** – Perform a comprehensive financial solvency assessment of the prospective applicants both upfront and periodically to assess the potential risk level of the applicant; To that end, all prospective applicants will be required to submit a questionnaire and audited financial statements upfront and periodically. The review process will be documented and scored to establish the level of risk for the applicant.

  - **Project financial review** – Periodically financial assessment of the project will be conducted to track performance and compliance.

  - **Risk based monitoring regime** – Continued risk assessments will be used to determine the frequency and scope of subgrantee monitoring. Subgrantees will be categorized by low, medium, and high risk, and the monitoring and compliance strategy will be adjusted accordingly. Additional monitoring procedures may comprise desk reviews of staffing changes, evaluating new policies and procedures, technical on-site visits to confirm project completion and evaluate progress.

- **Payment processing** – Develop the necessary forms, processes, procedures, and submission requirements related to reimbursement requests submitted by subrecipients to help ensure compliance with program requirements including the following key activities:

- o **Review of eligible expenses** – All reimbursement requests will undergo a detailed review of eligibility under the program requirements and the BEAD subgrantee agreement.

- o **Review of supporting documentation** – Subrecipients will be required to provide proper documentation, evidence, and vendor invoices to support reimbursement of relevant project eligible costs expenses.

- o **Funding match monitoring** – Reimbursement requests submitted by subrecipients will be verified to ensure that the funding match requirements per the subgrantee applications and the BEAD subgrantee agreements are satisfied.

- **Ongoing project monitoring and project close-out process:**

  - o Hold subgrantees accountable for reporting and providing all documentation related to project performance and financial obligations that are furnished in a timely manner.

  - o As part of the project closeout phase, the State Broadband Office will verify that the final invoice is marked "final" and audit all technical / financial reports to ensure that the subrecipient delivered all project deliverables and fulfilled project obligations. All necessary documentation will be preserved in agreement with record retention requirements.

  - o Continue to monitor both project and programmatic performance and verify that proper closeout procedures are adhered to.

2.16.3 Certification for Subgrantee Civil Rights and Non-Discrimination

Certify that the Eligible Entity will account for and satisfy authorities relating to civil rights and nondiscrimination in the selection of subgrantees.

The Arizona Commerce Authority State Broadband Office certifies that it will account for and satisfy authorities relating to civil rights and nondiscrimination in the selection of subgrantees. The State Broadband Office intends to include in subgrantee contracts language certifying intent to comply with applicable statutes and regulations prohibiting discrimination as defined in the BEAD NOFO:

1. Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), and the Department of Commerce's implementing regulations, 15 CFR Part 8, which prohibits discrimination on the basis of race, color, or national origin under programs or activities receiving federal financial assistance.

2. Section 504 of the Rehabilitation Act of 1973, as amended (29 U.S.C. 794), and Department of Commerce implementing regulations published at 15 C.F.R. Part 8b, which prohibit discrimination based on handicap under any program or activity receiving or benefiting from federal assistance.

3. Title IX of the Education Amendments of 1990 (20 U.S.C. §§ 1681 et seq.) which prohibits discrimination on the basis of sex under federally assisted education programs or activities.

4. The Age Discrimination Act of 1990, as amended (42 U.S.C. 12101 et seq.), and Department of Commerce implementing regulations at 15 CFR Part 20, prohibits discrimination on the basis of age in programs or activities receiving federal financial assistance.

5. Title II of the Americans with Disabilities Act of 1990, as amended (42 U.S.C. 12101 et seq.), prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by state and local governments or instrumentalities or agencies thereto.

6. Title VII of the Civil Rights Act of 1964, 42 U.S.C. §§ 2000e., which provides that it is an unlawful employment practice for an employer to discharge any individual or otherwise to discriminate against an individual with respect to compensation, terms, conditions, or privileges of employment because of such individual's race, color, religion, sex, or national origin. Note in this regard that Title VII, 42 U.S.C. § 2000e-1(a), expressly exempts from the prohibition against discrimination based on religion "a religious corporation, association, educational institution, or society with respect to the employment of individuals of a particular religion to perform work connected with the carrying on by such corporation, association, educational institution, or society of its activities."

2.16.4 Certification for Management of Cybersecurity and Supply Chain Risk

Certify that the Eligible Entity will ensure subgrantee compliance with the cybersecurity and supply chain risk management requirements on pages 70 - 71 of the BEAD NOFO to require prospective subgrantees to attest that:

Cybersecurity

1. *The prospective subgrantee has a cybersecurity risk management plan (the plan) in place that is either: (a) operational, if the prospective subgrantee is providing service prior to the award of the grant; or (b) ready to be operationalized upon providing service, if the prospective subgrantee is not yet providing service prior to the grant award;*

2. *The plan reflects the latest version of the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity (currently Version 1.1) and the standards and controls set forth in Executive Order 14028 and specifies the security and privacy controls being implemented;*

3. *The plan will be reevaluated and updated on a periodic basis and as events warrant; and*

4. *The plan will be submitted to the Eligible Entity prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the Eligible Entity within 30 days.*

The Arizona Commerce Authority State Broadband Office will mandate that subgrantees certify their compliance with cybersecurity and supply chain risk management requirements. Additionally, to comply with this requirement, subgrantees will be required to develop a cybersecurity risk management plan and have it in place before the grant is awarded if they are already providing service to the area. In the case of prospective subgrantees who are not yet providing service, they must demonstrate readiness to operationalize the cybersecurity risk management plan upon providing service after the grant is awarded.

- The cybersecurity risk management plan must be based on the latest available version of the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity, which is currently Version 1.1.

- The plan must also adhere to the standards and controls outlined in Executive Order 14028 and must specify the particular security and privacy controls being implemented.

- The cybersecurity risk management plan will be subject to periodic reevaluation and updating, as well as changes in response to significant events.

- The subgrantee must submit the plan to the State Broadband Office before receiving funds. In the event of any material modifications to the plan, the subgrantee will submit a new version to the State Broadband Office for review within 30 calendar days.

Supply Chain Risk Management (SCRM)

1. *The prospective subgrantee has a SCRM plan in place that is either: (a) operational, if the prospective subgrantee is already providing service at the time of the grant; or (b) ready to be operationalized, if the prospective subgrantee is not yet providing service at the time of grant award;*

2. *The plan is based upon the key practices discussed in the NIST publication NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry and related SCRM guidance from NIST, including NIST 800-161, Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations and specifies the supply chain risk management controls being implemented;*

3. *The plan will be reevaluated and updated on a periodic basis and as events warrant; and*

4. *The plan will be submitted to the Eligible Entity prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the Eligible Entity within 30 days. The Eligible Entity must provide a subgrantee's plan to NTIA upon NTIA's request.*

The Arizona Commerce Authority State Broadband Office will mandate that subgrantees develop and submit a Supply Chain Risk Management (SCRM) plan. Similar to the cybersecurity risk management plan, the SCRM plan must already exist if the subgrantee is providing services to the area; otherwise, subgrantees must demonstrate readiness to operationalize the plan upon providing service when the grant is awarded. The Arizona Commerce Authority has developed a strategy for stakeholders who wish to maximize their purchasing power or mitigate delays or access to favorable pricing and services for broadband deployment, by coordinating procurement. This strategy could help identify existing, or recommend new, processes, procedures or entities. This strategy is intended to be provided as a public service, and participation in any subsequent recommendations from the resulting strategy would be entirely voluntary for public and private stakeholders of the State Broadband Office.

The purpose of the SCRM plan is to manage supply chain risks associated with the subgrantee's network infrastructure and equipment. Like the cybersecurity risk management plan, the SCRM plan will be subject to periodic assessments and updates in response to significant events.

The SCRM plans will be:

- Based on the best practices outlined in NIST publication NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry. Additionally, the SCRM plan will also reference relevant guidance from NIST, such as NIST 800-161, Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations and will specify the supply chain risk management controls being implemented.

- Subject to periodic evaluation and updating as needed for supply chain risk management purposes and appropriately revised in response to significant events.

- Submitted to the State Broadband Office before receiving funds. If changes are made to the plan, subgrantees must submit a new version to the State Broadband Office within 30 calendar days.

In accordance with the BEAD Initial Proposal Volume II guidance, any subgrantee that relies in whole or in part on network facilities owned or operated by a third party (e.g., purchases wholesale carriage on such facilities), must obtain cybersecurity and supply chain risk management processes and procedures from that network provider and provide the results in their application.

Failure to comply with any of the reporting requirements, monitoring requirements, civil rights requirements, cybersecurity, supply chain management, or any other requirements set by the NTIA, or the State Broadband Office may result in penalties in accordance with 2 C.F.R. 200.339 such as:

- Imposition of additional award conditions

- Payment suspension

- Award suspension

- Grant termination

- Recoupment of funds

- Potential debarment of organizations and/or personnel

2.17 Volume II Public Comment

2.17.1 Public Comment Period Process

Describe the public comment period and provide a high-level summary of the comments received during the Volume II public comment period and how they were addressed by the Eligible Entity. The response must demonstrate:

a. *The public comment period was no less than 30 days; and*
b. *Outreach and engagement activities were conducted to encourage feedback during the public comment period.*

The public comment period for Arizona's Initial Proposal Volume II lasted for over 30 calendar days, from November 6, 2023, to December 6, 2023. The Initial Proposal Volume II document was made available for public comments on the Arizona Commerce Authority's BEAD Program website via an easily accessible portal. Arizonans submitted their public comments and feedback for the Initial Proposal Volume II using three different channels: (a) submitting comments through the online form provided on the Arizona Commerce Authority's website; (b) completing the PDF form with comments and uploading it via the website; and (c) e-mailing the PDF form with comments to broadband@azcommerce.com.

During the open public comment period for the Initial Proposal Volume II, a total of 57 comments were submitted to the Arizona Commerce Authority State Broadband Office. These comments covered a range of topics, including positive feedback on Arizona's broadband efforts, expressed enthusiasm for the BEAD Program, as well as comments and suggestions regarding Arizona's process and commitment to efficient deployment of broadband funds.

The comments received spanned primarily across the following categories:

- Local, Tribal, & Regional Broadband Planning Processes
- Local Coordination
- Deployment Subgrantee Selection
- Labor Standards and Protection
- Workforce Readiness
- MBE / WBE / Labor Surplus Firms Inclusion
- Cost and Barrier Reduction
- Climate Assessment
- Low-Cost Broadband Service Option
- Middle-Class Affordability Plans
- Certification of Compliance with BEAD Requirements
- Attachment - Local Coordination Tracker
- Formatting and Clarification on the Content
- Community Anchor Institutions

To address comments received on the Initial Proposal Volume II report, we have grouped them into the following three categories.

- Category 1 comments included general feedback that was received regarding the BEAD Program and related efforts, without any specific suggestions or observations. As such, these comments do not require any modifications to the Initial Proposal Volume II document or any action by the State Broadband Office.

- Category 2 comments primarily consisted of questions or suggestions for improvements for the broadband infrastructure deployment in Arizona. These comments, summarized below, provided valuable insights for potential program enhancements.

  - ***Local, Tribal, & Regional Broadband Planning Processes***

    Stakeholders recommend working with Eastern Arizona College to establish technical and academic programs to improve ACA's local, tribal, and regional broadband planning processes. They also suggest organizing consistent and timely county meetings, providing responses to questions from tribal consultations and roundtable meetings, and creating an interactive process that allows county input to help define project areas.

  - ***Local Coordination***

    Various stakeholders suggested that the State Broadband Office include a provision in the grant agreement that requires subgrantees to coordinate with all relevant local and tribal governments, emphasizing the need for local participation and outreach efforts. They suggested creating a broadband and 5G sector partnership in Arizona, increased advertising for local coordination events, and addressing concerns about ISP coverage data accuracy.

    Other recommendations included forming a statewide social media group, publicizing ACP changes, providing technical assistance to various stakeholders, and aiding ISPs in finding BEAD project partners. Stakeholders also suggested aligning with the Digital Equity Capacity and Competitive Grant Programs to provide additional support for small and mid-sized ISPs and engaging with state coalitions and community groups. Stakeholders suggested coordination with labor organizations and unions as partners in the process of closing the digital divide and providing reliable and affordable broadband services through a collaborative approach.

  - ***Deployment Subgrantee Selection***

    Stakeholders recommend allowing grant applicants to define their project areas, requesting clarification on ACA's approach to calculating NPV and minimal bead outlay, and including data used for subgrantee match requirements. They also suggest defining project areas by sections larger than census block groups, such as counties or neighborhoods, and requiring grant applicants to submit a 10-year business plan and including financial responsibility and service history in the scoring criteria.

    Stakeholders suggested a variety of changes to the scoring system, such as increasing the weight of local and tribal coordination, considering communities or counties rather than individual households, and reevaluating the impact of affordability criteria. They also propose revising the affordability scoring and eliminating the "open access" criterion. Potential concerns were raised regarding the match requirement scoring

criteria, creating an unfair advantage for larger ISPs. Stakeholders suggested reevaluating the scoring metrics for the BEAD Program to prevent larger providers from gaining undue advantages. Other suggestions included modifying the Extremely High-Cost Threshold, requiring consistent pricing, implementing expedited review processes, transparent procedures, and encouraging innovation in deployment practices.

Other suggestions included awarding points for faster and more cost-effective deployment plans, working backwards for total funding to prioritize investments, and identifying outliers in applications. Stakeholders provided comments regarding equitable workforce development, local hiring, and diversity of subgrantees and how these factors will impact scoring.

- *Labor Standards and Protection*

Stakeholder suggested that the State Broadband Office should refrain from requiring or evaluating labor requirements beyond the existing federal and state regulations.

- *Workforce Readiness*

Stakeholders advocated for increasing the focus on broadband workforce as a key factor in economic growth, job creation, and workforce preparation. They proposed allowing more flexibility for applicants in supporting workforce development and choosing initiatives that work best for them. Additionally, stakeholders suggested treating workforce plans as material grant conditions and legally enforceable, seeking clarification on locally hired workforce information, and incorporating disclosure requirements for locally based workforces. They also recommend requiring detailed workforce plans from applicants.

- *MBE / WBE / Labor Surplus Firms Inclusion*

Stakeholder expressed concerns about the burden that the performance metrics and feedback process would put on applicants.

- *Cost and Barrier Reduction*

Stakeholders suggested streamlining the permitting process for broadband deployment by eliminating non-cost-based fees, prohibiting excessive requirements, and implementing a "Broadband Ready Communities" model to assist local communities in navigating bureaucratic approvals and costs. Moreover, stakeholders recommended prohibiting non-reimbursable undergrounding mandates and requiring private third parties to pay for utility relocations. Local authorities should review their permitting processes and ensure they have the necessary resources to process and issue permits quickly. Utilizing existing infrastructure and rights-of-way, as well as coordinating with entities that manage them, can help reduce broadband deployment costs. Each project must also undergo an assessment to determine any impact on historic properties.

Additionally, stakeholders suggested establishing resources for counties and municipalities to expedite fiber deployment approvals and reconsidering the approach to serve all residents within defined project areas, as it may be unnecessarily costly in areas near population centers with existing networks. There is a need for flexibility in

serving eligible locations and prioritizing projects that leverage existing infrastructure, as this can help reduce costs and connect unserved/underserved locations. Lastly, stakeholders suggested that reasonable assurances should be provided that the GIS mapping data will be securely kept and not disclosed in accordance with applicable laws.

- *Climate Assessment*

    Stakeholder emphasized the importance of incorporating climate-related concerns into the scoring model. Additionally, the stakeholder indicated that wireless deployment should not be preferred over fiber deployment in rural areas to better safeguard communities during emergencies and natural disasters, ensuring their safety and resilience in the face of changing environmental conditions.

- *Low-Cost Broadband Service Option*

    Stakeholders emphasized the importance of ensuring affordability for low-income and middle-class individuals without resorting to prohibited rate-setting. They propose using the Federal Communications Commission's (FCC's) reasonable comparability benchmark to maintain consistency in the affordability of BEAD-funded services, avoiding a fragmented system of rate benchmarks.

    Stakeholders suggested that the State Broadband Office no longer require service providers to participate in the Lifeline program, as it mandates the service provider to be an Eligible Telecommunications Carrier, which does not apply to all applicants. Lastly, they suggested providing ISPs with flexibility in pricing and packaging their services to manage and operate BEAD-funded networks while offering consumers reasonably comparable prices to those in non-subsidized areas.

- *Middle-Class Affordability Plans*

    Stakeholders advocated for a competitive pricing environment for ISPs and emphasized the need for flexibility in pricing. They have expressed the desire for non-set pricing in relation to the State Broadband Office and ISPs. They suggested that the implementation of clauses should allow ISPs to adjust their prices as necessary, so as not to be prohibited from changing them in response to inflation and other varying economic factors.

- *Certification of Compliance with BEAD Requirements*

    Stakeholders suggested utilizing SCS 9001 to meet BEAD NOFO security requirements. They also proposed following the Rural Digital Opportunity Fund and Connect America Fund II reporting process, which is done annually, as opposed to the semi-annual progress reporting recommended in the BEAD NOFO. Additionally, stakeholders suggested the consideration of equal monthly grant payments and adopting audit and compliance requirements, and creating a reimbursement process on a monthly or quarterly basis to ensure ISPs have enough capital investment to support broadband buildout acceleration.

- *Attachment - Local Coordination Tracker*

Stakeholder suggested that the State Broadband Office provide regular and public summaries of the feedback received from local coordination activities, utilizing meeting minutes and reports.

- Category 3 comments were generally seeking specific adjustments or considerations that are more appropriate for the Initial Proposal Volume I such as the comments related to Community Anchor Institutions (CAIs). The Arizona Commerce Authority State Broadband Office will further evaluate these comments as necessary to ensure that Arizona's BEAD Program remains responsive to stakeholder needs and exhibits continuous refinement of our initiatives.

2.17.2 Supplemental Materials to the Volume II Submission

As an optional attachment, submit supplemental materials to the Volume II submission and provide references to the relevant requirements. Note that only content submitted via text boxes, certifications, and file uploads in sections aligned to Initial Proposal requirements in the NTIA Grants Portal will be reviewed, and supplemental materials submitted here are for reference only.

Not Applicable.

2.18   Appendix A

2.18.1 Stakeholder Asset and Resource Map

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES												
Organization	**Covered Population**					**Internet Access**	**Devices**	**Digital Navigators**	**Digital Literacy**	**Workforce Development**	**Affordability**	**Telehealth**
AARP				A			X	X	X	X	X	X
Ability 360		D				X			X	X		
ADOT			R	M		X				X		
AireBeam			R			X					X	
Ajo Unified	L	D	R	M	E	X			X			
Alexander's Abilities		D		M					X			
Alhambra Elementary School District	L	D		M	E	X			X			
ALL in Education	L			M	E				X			
Alliance for Navajo Broadband			R	M	E	X			X	X	X	
Allo			R			X				X	X	
Amazon			R		V				X	X		
American Indian Policy Institute		D		M			X			X	X	
Amerind			R	M						X		
AMVets			R	M				X		X	X	
Anodyne Independent Living		D					X	X	X			
Apache County Town Hall			R			X						
Apple	L	D	R		E		X		X	X		
Area Agency on Aging				A			X		X			
Arivaca Community Center	L		R	A		X						
Arizona @ Work	L				V				X	X		
Arizona Advisory Council on Indian Healthcare	L		R	M	E							X
Arizona Association for Economic Development			R							X		
Arizona Broadband Stakeholder Network			R			X						
Arizona Center for Civic Leadership (Flinn)				A				X				X
Arizona Center for the Deaf and Blind				M						X		
Arizona Center on Aging		D		A			X		X	X		
Arizona Coalition for Military Families	L		R	A	V					X		
Arizona Commission for the Deaf and Hard of Hearing		D							X	X		
Arizona Community Action Association	L										X	

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES								
Organization	Covered Population	Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
Arizona Community Foundation	L D R A M V E				X		X	
Arizona Department for Veteran Services	V		X			X		
Arizona Department of Administration	L D I R A M V E					X		
Arizona Department of Corrections, Rehabilitation & Reentry	L I				X	X		
Arizona Department of Economic Opportunity	L R		X		X	X	X	
Arizona Department of Economic Security	L D R A M V E		X			X		
Arizona Department of Education	L D R M E	X	X	X	X	X		
Arizona Department of Health Services	L D R A M E				X			X
Arizona Department of Homeland Security	R				X	X		
Arizona Department of Housing	L R	X	X		X	X	X	
Arizona Department of Juvenile Corrections	I				X	X		
Arizona Department of Education (Tribal School)	L D				X	X		
Arizona Department of Education- E-RATE	D R M E	X			X	X		
Arizona Department of Education ODTL	L D R M E	X	X				X	
Arizona DES Div. of Developmental Disabilities	R	X						X
Arizona Developmental Disabilities Advisory Council	D					X		
Arizona Health Care Cost Containment System	L		X				X	
Arizona Hispanic Chamber of Commerce	M				X	X		
Arizona Kinship Support Services – Children of Incarcerated Parents Program	L I	X						
Arizona LeadingAge	D A							
Arizona Literacy & Learning Center	M E	X	X		X	X		
Arizona Public Libraries (services vary by library, please see Appendix for more information)	L D I R A M V E	X	X	X	X	X	X	X
Arizona Rural Development Council	L R E	X	X		X	X	X	
Arizona Rural Schools Association (ARSA)	L D I R A M V E	X	X	X	X	X	X	
Arizona State Library, Archives & Public Records	L D	X	X		X	X	X	
Arizona State University	L R M		X		X	X		
Arizona Technology Access Program (AzTAP)	L M		X		X	X		
Arizona Technology Council	R A	X	X	X	X	X		X
Arizona Technology in Education Association (AZTEA)	L R M E	X			X	X		
Arizona Telemedicine Program	D R M V E					X		
Arizona Western College	E	X				X		
Arizona Western College; Southwest Technical Education of Yuma	L R M	X			X	X		
Arouet	R				X			
ASU Experience Center	L D M E			X				
ASU Office of Community, Health, Engagement, and Resiliency	L M							X

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES															
Organization	Covered Population								Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
	L	D	I	R	A	M	V	E							
ASU Prep	L	D				M		E	X			X			
ASU Sustainable Cities Network				R									X		
ASU Thunderbird School of Global Management								E	X				X		
AT&T	L								X	X				X	
AZ Common Ground	L		I						X						
Arizona PBS/EC Workforce Registry & Scholarships	L					M						X	X		
Arizona State Land Department									X						
Arizona State Parks	L	D	I	R	A	M	V	E	X	X	X	X	X	X	x
AZNext	L	D		R	A	M	V	E	X						
AZ StRUT	L					M				X		X		X	
Banner University Medical Center South	L				A	M									X
Base Arizona	L		I			M							X		
Black Chamber of Arizona						M							X		
Boys & Girls Club of Greenlee County	L			R	A	M		E	X	X		X			
Boys & Girls Club of Santa Cruz County	L			R		M			X	X					
Boys and Girls Club	L			R		M				X		X	X		
Bureau of Indian Education/Cottonwood Day School				R		M			X						
Cartwright Elementary School District	L	D		R	A	M			X						
Casa Grande Teen Center	L					M			X	X		X	X		
Catholic Charities MANA House	L						V						X		
Centennial Community Center				R	A				X						
Center for the Future of Arizona	L			R		M							X		
Central Arizona College - Superstition Mountain Campus	L	D			A	M		E	X						
Central Arizona Shelter Services (CASS)	L	D			A	M	V		X				X	X	
Chandler Unified School District	L	D				M		E	X	X					
Chicanos Por la Causa	L					M		E	X	X	X	X	X	X	
Childrens Clinics		D													X
Chino Valley USD	L	D		R		M		E	X				X		
Chrysalis Veteran's Services							V		X				X		
City of Apache Junction	L	D					V		X						
City of Avondale	L	D				M	V		X				X		
City of Buckeye	L	D			A	M	V		X				X		
City of Carefree		D		R	A	M	V		X				X		
City of Casa Grande	L	D		R	A	M	V		X				X		
City of Cave Creek		D		R		M	V		X				X		

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES								
Organization	Covered Population	Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
City of Chandler	L D A M V	X				X		
City of Flagstaff	L R	X				X		
City of Fountain Hills	D I R A M V E	X				X		
City of Gilbert	L I A M V E	X				X		
City of Glendale	L A M V E	X				X		
City of Goodyear	L A M V E	X		X		X		
City of Kingman	L A M V E	X				X		
City of Mesa	L R A M V E	X				X		
City of Page	L D A M V E	X	X	X		X	X	
City of Peoria	L R	X				X		
City of Phoenix	L M V	X		X		X		
City of Queen Creek	L D I A M V E	X	X	X	X	X	X	
City of Safford	L A M V E	X				X		
City of Scottsdale	L R A M V E	X				X		
City of Sierra Vista	L A M V	X				X		
City of Surprise	L R A M V E	X				X		X
City of Tempe	L A M V E	X				X		
City of Tolleson	L A M V E	X				X		
City of Tucson	L D A M V E	X	X	X	X	X	X	
City of Tucson Housing & Community Development	L A M E	X				X		
Clifton Community Center	L D I A M V E	X				X		
Clifton Community Center @ Historic Train Depot	L D A M E	X			X	X	X	
Cochise College	L R A							
Cochise County	L R	X						
Cochise County reentry program	R M V E	X			X	X		
Coconino Department of Health and Human Servcies	L R	X				X		
College Connect Tempe	L I	X				X		
College of Health Solutions	L D R A M E	X			X			X
Comcast	L M	X						
Common Sense Media	L D M	X		X		X		X
Connect Arizona	L R	X						
Connect Pima	L D R M E				X	X	X	
Conrad Foundation	L D R A M E	X	X	X	X	X	X	
Cox Communications	L D I R A M V E				X	X		
Curator Solutions						X		

	ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES							
Organization	Covered Population	Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
CVS Health	L, R A M V E	X	X	X	X	X	X	
DELL (Dell Technologies)	R, E				X	X		
Deloitte	L D, R A M V E							X
Department of Veterans Affairs	D, R A		X					
Department Of Veterans' Services	M		X		X	X		
Desert Heights Charter School	V					X		
Developmental Enrichment Centers (DEC)	A V				X	X	X	
Digital Connect	L, M	X	X		X			
Digital Equity Institute	L D	X			X			
Digital Payson	R A M, E	X	X	X	X	X	X	
Dine College	L D, R A M V E	X	X	X	X	X	X	X
Direct Advocacy & Resource Center	L, R	X				X		
Disability Resource Center at Arizona State University	R, M	X	X		X	X		
Disability Resource Center at Northern Arizona Univ	D	X						
Disability Resource Center at University of Arizona	D	X	X					
Disabled American Veterans	D	X	X					
Division of Developmental Disabilities/DES	D	X	X					
Downtown Phoenix Partnership	D, M V	X	X			X		
Duet: Partners In Health & Aging	D				X	X		X
Eastern Arizona College	L	X						
Edgagement	D, A				X			X
Epilepsy Foundation	L D, R A M V E	X				X		
Equality Health Foundation	L D, A M					X		X
EveryoneOn Arizona	R A M V E	X			X			
Expect More Arizona	L D, A M E						X	X
Financial Empowerment Foundation	R, E	X	X	X			X	
Finding Balance	L						X	
Flagstaff Unified School District	L				X	X		
Flinn Foundation	D, R A M E				X	X	X	X
Flowing Wells Unified School District	L D, A M E	X			X	X		
Fortinet						X		
Foundation for Blind Children	D, R A M V E	X						
Friendly House Adult Education							X	
Friends of Daisy Mountain Trails	D		X		X			
Future Stars	L, R A				X	X		

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES															
Organization	Covered Population								Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
GateWay Community College	L								X						
Geeks 2 You				R		M				X					
Gila County		D				M	V	E	X		X		X		
Gila County Communiy College	L				A						X				
Gila Valley YMCA	L	D		R		M	V	E	X	X		X	X		
Girl Scouts of Arizona	L			R				E	X	X		X	X		
Glendale Community College				R		M		E	X						
GoEducate	L	D	I	R		M		E	X		X	X	X		
Gonzales Group LLC						M		E	X				X		
Goodwill of Central and Northern Arizona	L			R	A	M		E					X		
Goodwill- Reentry services	L					M			X						
Google Cloud	L					M		E				X	X		
Google Fiber	L		I			M			X				X		
Gorman USA	L								X				X	X	
Graham County Chamber of Commerce									X						
Greasewood Springs Community School									X						
Greater Phoenix Economic Council				R					X				X		
Greater Phoenix Leadership				R		M						X	X		
Greater Phoenix Urban League	L					M							X		
Greater Vail Community ReSources	L					M							X		
Greenlee County Community Action	L					M							X		
Grow with Google	L			R	A				X						
Healthy Communities, Vitalyst Health Foundation	L			R								X			
Helios Education Foundation	L			R	A	M		E			X		X		
Hesperus	L			R		M									X
Hispanic Chamber of Commerce				R		M		E	X				X		
Hope's Crossing	L			R		M	V								
HP	L					M			X				X		
Indian Hills Community Center	L					M						X	X		
Inmate Programs and Reentry Arizona Department of Corrections Rehabilitation and Reentry	L	D		R	A	M	V	E			X				
InsideOut Network	L			R		M			X						
Intel	L		I			M							X		
Interfaith Community Services	L		I										X		
Isaac School District	L			R	A	M			X	X					
Jerry Ambrose Veterans Council		D			A	M			X				X		

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES								
Organization	Covered Population	Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
JMA Wireless	D M E	X	X		X			
Job Path	L R V	X				X		
Komputer Kids	L	X						
League for Innovation in the Community College	M	X				X		
League of Cities and Towns	R M		X		X			
Learning.com	L M E					X		
Litchfield Elementary School District	L R M					X		
Literacy Connects	L M E				X			
Local First Arizona	D M E	X						
Lumen Technologies	L M				X			
Machusak Recreation Center	L R				X	X		
Maricopa Association of Governments	L R	X					X	
Maricopa Community Colleges	L R	X						
Maricopa County	L R A M E					X		
Miami High School	L D M E	X	X		X	X		
Microsoft	L D R A M E	X						
Middle Ground Prison Reform	L D R M E	X						
Mohave Community College	L R A M E		X					
Mohave County	L I					X		
Moonshot at NACET	D R M E	X	X		X	X		
Morenci Recreation Center	R A M							
Murdoch Center	L R M					X		
Nacog Area Aging Agency	R	X						
NACOG Community Services	L A M	X	X			X		
Narbha Institute	L A							
Native American Connections	L R	X	X			X		
Native Americans for Community Action, Inc. (NACA)	D R							
Native Forge	L M			X	X	X		
NAU-Education Technology Consortium	L R M					X		
Navajo County	L M	X	X			X		
Navajo County Education Service Agency	L D R M E	X				X		
Navajo Nation, Department of Dine Education	L D I R A M V E	X						
Navajo Schools	L D R M E				X	X		
New Horizons Disability Empowerment Center (NHDEC)	D R M E				X	X		
Noah Webster Schools	L D R M E	X			X			

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES									
Organization	Covered Population	Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
Nogales Unified School District	L D	X			X	X		
Northern Arizona University	L M	X	X					
One n Ten	L D R M E	X						
Osborn School District	L D I R A M V E	X	X	X	X	X		
Oscar Yrun Community Center	L M	X	X		X	X		
Page Unified School District	L D R A M E	X	X					
Paiute Neighborhood Center	L R A M	X			X	X		
Paradise Valley Unified School District	L D R M E	X	X					
Parker Police Department	R M E	X			X	X		
Partnership for Economic Innovation	L D M E	X						
Phoenix Chamber of Commerce	L I	X				X		
Phoenix College	L R A M					X		
Phoenix Community Alliance	D A M	X						
Phoenix Elementary School District #1	L D I R A M V E	X	X			X		
Phoenix Indian Center	L	X				X		
Phoenix Oasis Reentry Services	D M E	X	X					
Phoenix Public Housing	L A M E	X						
Phoenix Sister Cities	I					X		
Phoenix VA Healthcare System	D I A M V E	X	X	X	X	X	X	
Pima Community College	L	X			X	X		
Pima County Community Action Agency	L V				X			X
Pima County Government	L D M V E	X	X	X	X	X		
Pinal County Schools	L	X				X		
Pipeline AZ	L D R A M E	X				X		
Prescott Chamber of Commerce	D R M E	X	X					
Presidio	R M E					X		
Primavera Foundation PREP Program	L R	X				X		
Promise AZ	D R							
Pueblo del Sol K-8 School	L D M E				X	X		
Puente	M E							
Quartzsite Community Center	L D M E	X						
Rainbow Housing Assistance	L I M E				X			
Read Better Be Better	L R A	X			X			
RefurbIT	L R A M	X						
Regional Economic Development Center at Yavapai College	M E	X			X			

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES									
Organization	Covered Population	Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
RISE	D I R A M V E		X				X	
Saavi Services for the Blind	R	X	X			X		
Safford Senior Center	D	X				X		
Sahuarita Food Bank	L R M					X		
Saint Michael Indian School	L D	X			X	X		
Salt River Project	L A				X			
Sanders Unified Schools	L D R A M V E	X	X		X	X		
Santa Cruz Community Foundation	L R M				X	X		
Santa Cruz Training Programs, Inc.	R M					X		
School Connect AZ	D R M E	X						
SciTech Institute	L D M E	X						
Senita Valley Elementary	L R A M E	X				X		
Services Maximizing Independent Living & Empowerment (SMILE)	D					X		
Siklu	L R M				X			
Skyline Education, Inc.	L R				X	X		
Sonoran Schools	L D	X			X	X		
Southside Community Association	L R	X						
Southwest Human Development	D M							
Special Olympics	D M E	X			X			
Spectrum Healthcare, Prescott	L				X	X		
Springerville Town Hall	D M				X	X		
St Johns County Health Center	L D R M E		X			X		X
St John's High School	L R M	X						X
Step Up Schools Mesa	L R	X				X		
Student Success Innovations, ASU Office of the University Provost	L R M	X	X			X		
Summit Healthcare Clinic	L D R A M							X
Sun Corridor Network	L D R A M	X	X		X			
Sunnyside Unified School District	L D M	X						
SUSD #18 (Scottsdale Unified School District)	L D M							X
Take Charge America	L R A M E	X		X			X	
Tanque Verde High School, Tucson	L D M	X	X		X			
Tech Launch Arizona, Tucson	D R M	X	X					
TechBridge Arizona	L	X	X		X	X	X	
TechSupport Arizona	L				X			
Tek Compass	D M E	X			X	X		

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES								
Organization	Covered Population	Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
Televerde Foundation	I				x	x		
Tempe Elementary School District	L, M	X				X		
Tempe Union High School District	L, M, E				X	X		
TGen North, Flagstaff	D, A, M, E			X				
The Arc of Arizona		X						
The Arizona Justice Project	D, M, E	X	X		X			
The Connective	D, M, E	X	X					
The Gathering Space		X				X		
Ting Wireless	L, D	X			X			
T-Mobile	L, I				X	X		
Tohono O'odham Community College	L					X		
Tohono O'odham Utility Authority	L							X
Town of Camp Verde	L, R	X						
Town of Clarkdale	R, M, E	X			X	X		
Town of Clarkdale	R, M	X					X	
Town of Eager	L, R, M	X				X		
Town of Fountain Hills	R	X				X		
Town of Gilbert	R, M	X				X		
Town of Miami	L, A	X				X		
Town of Oro Valley	M, E	X				X		
Town of Parker Public Library	R, M	X						
Town of Patagonia	R, M	X				X		
Town of Payson	L, R	X	X		X	X		
Town of Queen Creek	L, R	X						
Town of Superior	L, A	X	X		X	X		
Town of Superior	L, M	X						
Town of Youngtown	L, R, M	X				X		
Triad wireless	R, A	X				X		
TRIADVOCATES LLC		X					X	
Tubac Community Center	L	X					X	
Tucows	R, M	X				X		
Tucson Alliance for Autism								
Tucson Hispanic Chamber of Commerce	D	X						
Tucson House	L, M	X				X		
Tucson Metro Chamber	D, R, A, M, V, E	X		X	X		X	

ARIZONA ASSETS, STAKEHOLDERS, AND RESOURCES

Organization	Covered Population	Internet Access	Devices	Digital Navigators	Digital Literacy	Workforce Development	Affordability	Telehealth
Tucson Youth Development Inc	L, D, A, M, V, E	X	X			X		
Tuscson Connected	L, M	X				X		
TUSD/Utterback Middle School (Tucson Unified School District)	L, M	X						
Tynkertopia	L, D, M, E	X			X			
Unified Arizona Veterans	M	X	X		X	X	X	
United Cerebral Palsy of Southern Arizona (UCPSA)	V	X				X		
United Way of Tucson and Southern Arizona	L, D	X			X			
United Way of Yuma County	L, R, M, E	X	X		X	X		
University of Arizona	R, M, E	X						
University of Arizona Cooperative Ext	L, M, E	X	X		X	X		
University of Arizona Online	R, M, E	X			X	X		
Valley of the Sun United Way	L, M, E	X			X	X		
Valley of the Sun YMCA	L, M	X	X		X	X		
Valley of the Sun YMCA - Outreach Program for Aging Seniors (Y OPAS)	M	X	X		X	X		
Verizon	L, A			X	X			
Viney Jones Community Center	L	X	X		X	X	X	
VMware	L, D, M	X	X	X	X	X		
We Care Tucson	L, R, A, M	X						
Westward Ho- Collaboratory	L, D, M	X	X	X				
Wickenburg	L, D, A, M	X			X			
Wilcox Theater of the Arts	R, A	X						
WIOA Arizona@Work	L, R, M	X						
Workforce Board	L, R, M, E	X	X			X		
Workforce Development Association	L, M, E				X	X		
Working Alternatives	L, I, M				X	X		
World Enabled/Victor Pineda Foundation, Inclusive Cities lab	D, M		X					
World Wide Technology		X						
Yavapai College	L, R, M, V, E	X			X	X		
Yavapai County	L, R, A, M, V	X				X		
Yavapai Reentry Project	L, I, R, M	X			X	X		
YMCA	L, M	X	X		X	X		
Youth on their own	L, R, M					X		
Yuma County	L, R, A, M, E	X						
Yuma Crossing National Heritage Area Corporation	R, M, E							
YWCA	M	X	X		X			X
YWCA Metropolitan Phoenix	L, M	X	X		X	X		
YWCA of Southern Arizona	L, M, E	X	X		X	X		

2.18.2 Key for Map

Symbol	Covered Population	
L	Covered Households	Individuals who live in households with incomes below 150% of the poverty threshold
D	Individual with a Disability	Individuals with a physical or mental impairment that substantially limits one or more major life activity
I	Incarcerated Individuals	Inmates confined or recently released from a prison or jail, other than those in a federal corrections facility
R	Rural Residents	Any town with less than 50,000 residents and not an urbanized areas next to a town with 50,000 or more residents
A	Aging Individuals	Individuals aged 60 years and older
M	Members of a Racial or Ethnic Minority Group	Individuals who are Black, Hispanic or Latino, Asian, Native American or Alaska Native, Native Hawaiian or other Pacific Islander.
V	Veterans	Individuals who served in the active military, navy, or air service and were honorably discharged or released
E	Individual with a language barrier (non-English speakers)	Individuals with a language barrier including individuals who are English learners with a low level of literacy