



# Michigan Department of Labor and Economic Opportunity (LEO)

## Michigan High-Speed Internet Office



# Broadband Equity, Access, and Deployment (BEAD) Initial Proposal Volume II - Final

*August 27, 2024*



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# 1 Introduction

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Michigan recognizes that nearly every aspect of life is impacted by access to fast, reliable, and affordable high-speed internet service. From virtual learning, telehealth, and remote working to job opportunities, communication, and accessing government services, the internet is critical for every resident, business, institution, and community in Michigan.

As of 2023, close to 500,000 households are unserved or underserved by high-speed internet infrastructure and another 730,000 households face barriers related to affordability, adoption, device access, digital literacy, or a combination thereof. Taken together, this means that approximately 30% of Michigan households do not have an affordable, reliable high-speed internet connection that meets their needs.

This document is the second of two submissions which together will comprise Michigan's Broadband Equity, Access, and Deployment (BEAD) Initial Proposal to the National Telecommunications and Information Administration (NTIA). The Initial Proposal details Michigan's plan to help ensure that every resident has access to a reliable, affordable, and high-speed broadband connection. The Initial Proposal Volume 1 was published for public comment and can be found on the Michigan Department of Labor and Economic Opportunity website [here](#). This second (Volume II) responds to sixteen requirements for the Initial Proposal as per the Notice of Funding Opportunity (NOFO). These requirements are:

- **Objectives (Requirement 1)** – Outlining the long-term objectives for deploying broadband and closing the digital divide.
- **Local, Tribal, and Regional Broadband Planning Coordination (Requirement 2)** - Identify and outline steps to support local, Tribal, and regional broadband planning processes or ongoing efforts.
- **Local Coordination (Requirement 4)** - Describe the coordination conducted, summarize the impact on the content of the Initial Proposal, and detail ongoing coordination efforts.
- **Deployment Subgrantee Selection (Requirement 8)** - Provide a detailed plan to competitively award subgrants for deployment projects.
- **Non-deployment Subgrantee Selection (Requirement 9)** - Describe a fair, open, and competitive subgrantee selection process for eligible non-deployment activities.
- **Eligible Entity Implementation Activities (Requirement 10)** - Describe any initiatives the Eligible Entity proposes to implement as the recipient without making a subgrant, and why it proposes that approach.
- **Labor Standards and Protections (Requirement 11)** - Describe the specific information that prospective subgrantees will be required to provide in their applications and how that information will be weighed as part of the competitive subgrantee selection process.
- **Workforce Readiness (Requirement 12)** - Describe how the Eligible Entity and their subgrantees will advance equitable workforce development and job quality objectives to develop a skilled, diverse workforce.
- **Minority Business Enterprises (MBEs)/ Women's Business Enterprises (WBEs)/ Labor Surplus Firms Inclusion (Requirement 13)** - Describe the process, strategy, and the data tracking method(s) to ensure that MBEs, WBEs, and labor surplus area firms are recruited, used, and retained, when possible.



- **Cost and Barrier Reduction (Requirement 14)** - Identify steps that will be taken to reduce costs and barriers to deployment.
- **Climate Assessment (Requirement 15)** - Describe the assessment of climate threats and proposed mitigation methods.
- **Low-Cost Broadband Service Option (Requirement 16)** - Describe the low-cost broadband service option(s) that must be offered by subgrantees.
- **Middle Class Affordability (Requirement 20)** - 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.
- **Use of 20 Percent of Funding (Requirement 17)** - If the Eligible Entity is requesting more than 20 percent (up to 100 percent) of funding allocation during the Initial Proposal round, detail the amount of funding requested for use upon approval of the Initial Proposal.
- **Eligible Entity Regulatory Approach (Requirement 18)** - Disclose whether the Eligible Entity will waive all laws concerning broadband, utility services, or similar subjects.
- **Certification of Compliance with BEAD Requirements (Requirement 19)** - Certify the Eligible Entity's intent to comply with all applicable requirements of the BEAD Program, including the reporting requirements.



## 2 Objectives (Requirement 1)

2.1.1. 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.

Michigan’s statewide goals for broadband are to ensure that high-speed internet access is available to every home, business, institution, and community and that 95% of Michigan households adopt a permanent home internet connection. There is clear and compelling evidence that there is significant economic benefit to expanding high-speed internet access and increasing adoption; for example, in September 2021, Connected Nation published an analysis of the effects of high-speed internet adoption across 12 Michigan counties and demonstrated that unemployment rates improved more than twice as fast in communities that participated in programming designed to increased access, adoption and usage than in communities that did not and that population grew 33% more quickly in such communities.<sup>1</sup> A separate study published by the C. William Swank Program in Rural-Urban Policy at The Ohio State University found an average annual economic benefit of \$1,850 per household connected to the internet over those that were not.<sup>2</sup>

The Michigan High Speed Internet Office (MIHI) has further established the following objectives to realize its vision and these goals:

Objective 1: Expand high-speed broadband infrastructure to reach unserved and underserved areas	Identify and address areas of the state where high-speed internet access is limited or non-existent and invest in new infrastructure to close the gaps.
Objective 2: Increase digital skills	Develop and implement programs to promote digital literacy and digital skills and provide training and education for individuals and organizations, particularly those that are underrepresented and marginalized, to effectively use and benefit from technology. Digital skills training should be designed to evolve as required skills for new technologies and devices advance over time.
Objective 3: Promote affordable broadband services	Help ensure internet service providers offer affordable plans for low-income households and create programs to make broadband services and affordability programs more accessible to all.
Objective 4: Support equitable access to devices	Provide support for residents to obtain and use affordable devices such as computers and tablets and promote the use of libraries and other community centers as digital access and device lending points. Device programs should also evolve as device technology advances over time, and consumers should have ready access to quality technical support to sustain and prolong their use.
Objective 5: Empower consumers with applications and online content	Support the development of robust applications and online content designed to enable and encourage self-sufficiency, participation, and collaboration that are accessible by all Michiganders. Moving towards digital equity allows the development of new, robust accessible online content that allows users to improve their quality of life.

<sup>1</sup> <https://connectednation.org/press-releases/study-expanding-broadband-linked-to-economic-growth>

<sup>2</sup> [https://aede.osu.edu/sites/aede/files/publication\\_files/Connecting%20the%20Dots%20of%20Ohio%20Broadband\\_0.pdf](https://aede.osu.edu/sites/aede/files/publication_files/Connecting%20the%20Dots%20of%20Ohio%20Broadband_0.pdf)



MIHI has also established digital equity goals, which have served as a guiding force in devising effective strategies to bridge the digital divide and promote digital equity across Michigan. Michigan's Digital Equity goals include the following:

Goal 1	Ensure all Michiganders have access to an affordable, reliable high-speed internet connection at their homes
Goal 2	Attract workers and employers to Michigan
Goal 3	Improve educational attainment including removing barriers for credentialing workers and in postsecondary achievement
Goal 4	Improve overall health outcomes, particularly with improvement in covered populations
Goal 5	Educate Michiganders about the online services available to them as a resident of the state

Pursuit of each of these goals, and improvements in access to and adoption and use of high-speed internet service, will support economic growth, enhance job creation, and encourage population growth across our state.



### 3 Local, Tribal, and Regional Broadband Planning Coordination (Requirement 2)

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2.2.1. 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 planning and coordination process for the BEAD Program included extensive stakeholder engagement. This engagement strategy was developed to also align to the requirements of the Digital Equity Act (DEA) and give a voice to communities with the greatest digital needs. The stakeholder engagement process contributed to the development of plans and strategies by providing valuable insights and feedback from underrepresented communities and covered populations with differing needs. This feedback was incorporated into the planning and coordination process to develop more effective and targeted solutions that addressed community concerns related to internet connectivity. Ongoing community feedback is planned over the life of the BEAD Program to track the impact of MIHI's execution strategies and planned activities, ensuring that the priorities identified in this document are achieved.

MIHI strove to develop a coordination and outreach strategy that recognized and captured the unique challenges and different digital equity priorities for each region and underrepresented populations in Michigan, with the ultimate goal of receiving feedback in a comprehensive and equitable manner. Based on the foundational understanding that communities know communities best, MIHI adopted the ethos of "listen first, plan second" and developed a grassroots strategy where communities led conversations and were empowered to identify their unique challenges. MIHI placed a strong emphasis on creating opportunities for engagement with underrepresented communities and covered populations by inviting organizations which represent these populations to participate in engagement opportunities such as community meetings and roundtable discussions and by choosing to visit communities which are affected by. Additionally, sites for the MI Connected Future (MICF) meetings described in more detail in the following paragraphs were selected through an informal analysis of underrepresented communities' and covered populations' representation and gaps in broadband infrastructure availability. MIHI aimed to support a target audience of individuals directly impacted by lack of availability and to support equitable feedback from historically marginalized individuals.

MIHI developed a robust and innovative community and stakeholder engagement process called MI Connected Future (MICF). The MICF aimed to holistically and authentically engage with communities and stakeholders to provide the state with the input and direction needed to achieve universal broadband access and a more digitally equitable state. Comprised of in-person regional meetings and virtual partnership roundtables with industry leaders and organizations representing underrepresented communities and covered populations, MICF actively supports robust community outreach and input while providing an opportunity for industry to identify additional barriers in the broadband space in a comprehensive and equitable manner.



Results of MIHI's efforts will be available to the public and continuously updated on the MIHI website: [LEO - Michigan High-Speed Internet Office](#). The approach included three primary components:

- Community Listening Tour
- Partnership Roundtables
- Tribal Consultations

### 3.1 Community Listening Tour

MIHI conducted a collaborative state-wide Community Listening Tour to engage with communities to build trust and long-term relationships, support quality data collection and analysis, highlight stories of needs and success, and emphasize cyclical input. The Listening Tour consisted of 43 community meetings, distributed across the ten multi-county economic "Prosperity Regions". Each Prosperity Region has unique demographics and characteristics; some areas have large rural and aging populations while others may have a high portion of limited-English speaking residents. Understanding this, the strategy aimed to collect information on these regional variations. Each region and community in the state is unique and approaching the needs of each in the way that serves them best promotes equity.

MICF supports equitable engagement by respecting the unique needs of each community. This manifests as relationship building with community leaders prior to hosting community meetings in their towns. Buy-in is crucial for the success of MICF, and ultimately for the success of BEAD and DEA programs. In the conversations leading up to a formal community meeting, MIHI acted within its capacity to understand the issues that are important to the community, including critical context regarding past and current broadband and digital equity and inclusion activities. MIHI tailored the approach to the community meeting based on the information gathered prior to the event, however, the feedback prompts during the meetings remained the same for all stakeholders to gather consistent data that could be analyzed.

MIHI deployed the MICF Community Listening Tour using a phased approach, the initial phase of which included 33 community engagement meetings designed to obtain input and feedback in 32 communities across Michigan, with no fewer than 3 meetings in each of the 10 Prosperity Regions. MIHI's decisions about the locations for MICF meetings were based on consideration of where members of underrepresented communities and covered populations live within the state, as well as which communities are most strongly affected by gaps in broadband infrastructure availability. The specific meeting sites were chosen in conjunction with input from community leaders and organizations, and the meetings were scheduled at various times of the day (including morning, afternoon, and evening), in an effort to provide the opportunity for as many individuals as possible, including those with non-traditional work schedules, to attend and participate.

In an effort to engage underrepresented communities and covered populations, MIHI initiated specific callouts for engagement with local, regional, and tribal governments and organizations that represent and serve underrepresented populations and underrepresented groups. This approach allowed MIHI to meet and engage with stakeholders within the communities they reside, deepening the relationship between MIHI and the community with a focus on underrepresented populations.

During the meetings, community members were given the opportunity to share their thoughts on prioritizing BEAD Program funding to deliver affordable, equitable, and reliable high speed internet service throughout Michigan. MIHI created additional opportunities for engagement through the Community Meeting in a Box (CMIB) program. CMIBs provided advocacy groups and communities with an opportunity to engage in the MICF process if they were not able to attend one of the in-person sessions. CMIBs contained all of the presentation and data collection materials, along





with a meeting facilitation guide for hosting local MICF events without MIHI staff present. Forty-five CMIBs were sent to organizations and communities during the MICF listening tour.

The data gathered during the MICF Community Listening Tour Phase One meetings was integrated into the BEAD 5-Year Action Plan, which meant that the state's broadband goals and priorities were directly informed by individual Michiganders, grassroots organizations, and community stakeholders. It also guided the development of Michigan's BEAD Initial Proposal.

MICF Community Listening Tour Phase Two consisted of an additional ten stops to collect public comment and feedback on the draft BEAD Five-Year Action Plan and the Digital Equity Plan. Changes to both documents were made based on feedback received during MICF Phase Two meetings.

Various approaches were used to promote participation in the Community Listening Tour meetings, including through various media channels, including local news media such as print, news spots, and radio shows, email campaigns, and distribution of flyers. Special attention was placed on creating opportunities for engagement with underrepresented communities as defined by BEAD and covered populations as defined by the Digital Equity Act. These groups included low-income individuals, aging adults, rural residents, members of covered households, members of racial or ethnic minority groups (including Indigenous and Native American people), veterans, women, LGBTQI+ people, individuals with disabilities, individuals with language barriers, incarcerated or formerly incarcerated individuals, and people who are otherwise adversely affected by persistent poverty or inequality. Members of these groups were targeted to participate in the community meetings by promoting the meetings to and through organizations who serve members of these populations. MIHI leveraged partners in other state agencies such as MDE, LEO Workforce Development, MDOS, MDOC, and LEO Communications to identify organizations that represent various underrepresented communities and covered populations, for the purposes of promoting community meetings to them.

The initial data collection phase of MICF aimed to gather feedback from Michiganders regarding their biggest broadband barriers and their priorities for addressing digital equity. Collection of quality data is crucial for determining the correct baseline for broadband service in Michigan. Quality data also supports an equitable deployment strategy in both the infrastructure and digital equity programs.

Questions asked and feedback requested from community members were consistent throughout the state-wide tour, however, the context in which the questions were delivered was unique to the type of participants MIHI was engaging. The MIHI team has analyzed feedback from and engaged with other professional organizations to ensure analysis accurately reflects the data collected. The results of the priority identification and ranking data gathered during the listening tour can be found in the Regional Profiles of the Five-Year Action Plan.

## 3.2 Partnership Roundtables

Partnership Roundtables represent MIHI's work to regularly convene a wide variety of stakeholders to provide feedback and input on various activities related to BEAD and DEA. A series of virtual Partnership Roundtables were established and convened monthly starting in January 2023 to gather input from the wider external stakeholders throughout Michigan, irrespective of location. Participants of the Roundtables consisted of representatives from community anchor institutions, tribal nations, organizations that represent and/or serve underrepresented communities and covered populations, internet service providers, local government, labor unions, and many others. Participants were identified and invited to the Roundtables through various means including through collaboration with other state departments, self-identification to the MIHI office, and research into existing organizations involved in broadband access and infrastructure. Additionally, several meetings were facilitated between MIHI and other organizations, providing a platform to share pertinent information about the roundtables and community listening tour. The cross-sectoral format



aimed to share information and resources, raise awareness of potential issues concerning infrastructure deployment and digital inclusion, and provide MIHI with policy and operational guidance for the development and implementation of the BEAD Program.

The Partnership Roundtables met regularly throughout the development of the BEAD Five-Year Action Plan and Initial Proposal and will continue to meet through the development of the Final Proposal and BEAD implementation. Each meeting focuses on a topic or theme. Participants are asked targeted questions to which MIHI collects responses. The first meeting was used to level-set the BEAD Program goals and requirements, introduce the format of the discussions, and seek participants' input on ultimate goals. Subsequent meetings focused on different themes such as deployment equity/infrastructure availability, affordability, workforce development, and digital skills. The discussions allow stakeholders to provide direct input on equitable solutions and strategies regarding broadband deployment in underserved Michigan areas, affordability program ideas and structures for execution, workforce development investment, digital skills training, and curriculum. Future meetings will focus on the impact of the program and whether participants are witnessing improvements in digital connectivity and equity.

Community and stakeholder feedback received through Partnership Roundtables will play a vital role in informing the development of the BEAD program in Michigan, the development of the Final Proposal, and ensuring that community-specific needs and priorities are considered throughout the entire BEAD program's implementation. By doing so, applicants must demonstrate how they have engaged with local communities and stakeholders during the proposal's development, consider community-based priorities and needs, and prioritize equitable access to high-speed internet service for all Michigan residents.

### 3.3 Tribal Consultations

As part of the MICF program, MIHI worked closely with Tribal leaders and representatives to address important issues outlined in the BEAD Five-Year Action Plan and Digital Equity Plan. To ensure collaboration and gathering of valuable feedback from Tribes, MIHI organized a Tribal Consultation session on June 15, 2023, where the insights and advice from Tribes on the most efficient ways of connecting their communities was sought. Invitations were extended to twelve Tribal nations, and six participated, including Bay Mills Indian Community, Grand Traverse Band of Ottawa and Chippewa Indians, Keweenaw Bay Indian Community, Match-e-be-nash-she-wish Band of Potawatomi Indians (Gun Lake Tribe), Saginaw Chippewa Indian Tribe of Michigan, and Sault Ste. Marie Tribe of Chippewa Indians. These discussions focused on critical issues related to BEAD and digital equity and invited Tribal representatives to provide advice and insights on how best to get tribal communities connected. MIHI requested Tribal input on key considerations regarding digital equity for Tribal nations, identification of unserved and underserved areas, listing of community anchor institutions eligible for funding, and broadband deployment and digital equity projects within Tribal nations. The feedback collected through the tribal consultation session helped MIHI to understand the needs, challenges, and opportunities of different communities across Michigan. MIHI used the detailed feedback, input, and data from the Tribal Consultation, as well as Community Listening Tour meetings and Partnership Roundtable meetings to ultimately develop high-level priorities for the BEAD program. In the future, MIHI will continue to engage with Tribes to support development of the Final Proposal, to better serve and represent Tribes throughout the state, and to ensure that MIHI's efforts address their needs and priorities related to internet connectivity.

### 3.4 Ongoing Efforts

As part of MIHI's ongoing commitment to stakeholder engagement, MIHI plans to schedule additional partnership roundtable discussions with community associations, Internet Service Providers (ISPs), non-profit organizations, local and regional governments, and other critical stakeholders to help guide the development of the Initial and Final



Proposals. As part of these efforts, MIHI organized a roundtable discussion on the Initial Proposal Volume I and BEAD subgrant program design aimed at gathering valuable insights from stakeholders on the challenge process and community anchor institutions, among other key topics. During the discussion, stakeholders were given the opportunity to share their insights and feedback through a survey and encouraged to participate in the Volume I and II public comment process once available.

Additionally, MIHI has continued to reach out to Tribal Governments through proactive outreach efforts and by leveraging existing relationships with Tribal representatives. In line with these efforts, MIHI solicited from tribes during the public comment period for its Initial Proposal Volume I and II. The feedback that MIHI received as part of this collaboration process will allow MIHI to tailor connectivity initiatives and priorities to better serve the specific needs of Tribal communities.

Through these efforts, MIHI ensures that stakeholders continue to have a voice in the ongoing implementation of broadband infrastructure to close the digital divide.



## 4 Local Coordination (Requirements 4)

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2.3.1. Describe the coordination conducted, summarize the impact such impact has on the content of the Initial Proposal, and detail ongoing coordination efforts. Set forth the plan for how the Eligible Entity will fulfil the coordination associated with its Final Proposal.

The local coordination conducted for the BEAD Program involved extensive stakeholder engagement through the MICH program, which included a community listening tour, partnership roundtables, and tribal consultations. MICH engaged communities and stakeholders holistically, providing input and direction to achieve universal broadband access and digital equity in the state. Through the program's community outreach, input, and industry involvement, barriers in the broadband space were identified and addressed in an equitable and comprehensive approach. MIHI upheld our philosophy of "listen first, plan second," placing significant importance to prioritize the needs and current challenges of communities and stakeholders into the planning process in an equitable manner.

MIHI strove to develop a coordination and outreach strategy that recognized and captured the unique challenges and different digital equity priorities for each region and underrepresented populations in Michigan, with the ultimate goal of receiving feedback in a comprehensive and equitable manner. MIHI placed a strong emphasis on creating opportunities for engagement with underrepresented populations and historically marginalized individuals by inviting organizations which represent these populations to participate in engagement opportunities such as community meetings and roundtable discussions. Additionally, sites were selected through an informal analysis of underrepresented population representation and broadband infrastructure availability. MIHI aimed to support a target audience of individuals directly impacted by lack of availability and to support equitable feedback from underrepresented population representation.

The Community Listening Tour included 33 in-person events for initial data collection, and an additional ten stops for public comment and feedback on the Five-Year Action Plan and Digital Equity Plan. The 43 community meetings were held across the ten "Prosperity Regions" and aimed to gather information on the unique demographics and characteristics of each region. Each of Michigan's Prosperity Regions was visited by MIHI at least four times. Locations of community meetings were determined in conjunction with input from community leaders and organizations. The community meetings were scheduled at various times of the day, including the morning, afternoon, and evening, providing the opportunity for all individuals, including those with non-traditional work schedules to attend the meetings. In an effort to engage underrepresented populations, MIHI initiated specific callouts for engagement with local, regional, and tribal governments and organizations that represent and serve underrepresented populations and underrepresented groups. This approach allowed MIHI to meet and engage with stakeholders within the communities they reside, deepening the relationship between MIHI and the community with a focus on underrepresented populations.

Various approaches were used to promote participation in the Community Listening Tour meetings, including through various media channels such as, local news media such as print, news spots, and radio shows, email campaigns, and distribution of flyers. Special attention was placed on creating opportunities for engagement with underrepresented populations and historically marginalized populations. These groups included low-income individuals, aging adults, rural residents, members of covered households, members of racial or ethnic minority groups, veterans, people with disabilities, those with language barriers, and incarcerated individuals. Members of these groups were targeted to participate in the community meetings by promoting the meetings to organizations who represent these populations. MIHI leveraged state partners such as MDE, LEO Workforce Development, MDOS, MDOC, and LEO Communications to identify organizations that represent various community populations and promote community meetings to them.



Additionally, special sessions were hosted for youth at Flint and Wayne State University, and 45 meetings in a box were distributed for community members unable to attend the in-person sessions. Throughout the listening tour, MIHI collected feedback from 949 participants and 823 surveys. The MIHI team analyzed the data gathered during the tour to develop Regional Profiles, determining the identification and rankings of priorities that are reflected in the Initial Proposal.

MIHI's Partnership Roundtables were a crucial aspect of MIHI's work to gather input from a wide range of stakeholders throughout Michigan. These roundtables took place from January 2023 to July 2023 monthly, to discuss key issues related to broadband deployment and digital inclusion in Michigan. Participants of the Roundtables consisted of representatives from different sectors, including community anchor institutions, tribal nations, organizations representing underrepresented populations, internet service providers, and local government. Participants were identified and invited to the roundtables through various means including through collaboration with other state departments, self-identification to the MIHI office, and research into existing organizations involved in broadband access and infrastructure. Additionally, several meetings were facilitated between MIHI and other organizations, providing a platform to share pertinent information about the roundtables and community listening tour. The feedback collected through partnership roundtables and tribal consultations helped MIHI to understand the needs, challenges, and opportunities of different communities across Michigan. MIHI used the detailed feedback, input, and data to ultimately develop high-level priorities for the BEAD program.

Community and stakeholder feedback received through Partnership Roundtables will play a vital role in informing the development of the BEAD program in Michigan, the development of the Final Proposal, and ensuring that community-specific needs and priorities are considered throughout the entire BEAD program's implementation.

Furthermore, ongoing community feedback is planned over the life of the BEAD Program to track the impact of execution strategies and planned activities, ensuring that the priorities identified are achieved.

MIHI conducted outreach to organizations and entities which represented the BEAD defined underrepresented populations to bolster the participation of the Partnership Roundtables, and to spread awareness of the BEAD program. Outreach included direct contact to organizations including the Michigan Women's Commission, and Nation Outside, a state-wide organization supporting formerly incarcerated individuals. Additionally, MIHI staff met with workforce groups specifically dedicated to support people of color and low-income individuals which resulted in their engagement in partnership round tables and the Digital Equity Act planning process. Throughout many meetings, workforce was discussed along with the barriers that specifically keep underrepresented populations from entering the workforce. MIHI staff regularly elevated the importance of employers providing barrier removal activities such as engaging with the Michigan Tri-Share program to offset childcare costs for employees, which particularly supports women. MIHI staff elevated Secretary Raimondo's Women in Construction goals, along with the LEO strategic goal to support 50,000 Michigan women to re-enter or remain in the workforce to partners throughout multiple conversations in both individual and large group meetings. MIHI also advocated for the hiring of formerly incarcerated individuals to employers by removing hiring barriers such as a background check or requiring new hires to purchase cost prohibitive uniforms.

To provide transparency and keep Michigan communities, potential BEAD program applicants, and stakeholders informed of any changes to the Initial Proposal and Final Proposal, MIHI regularly updates its section on the LEO website. The approved versions of Initial Proposal Volume I was and Volume II will be posted so that the public can view the changes made based on public comments and curing comments from NTIA. Additionally, details from the Initial Proposal will be incorporated into grant application guidance and materials, which will include both documents and webinars regarding the program and its requirements for applicants. Applicants and stakeholders, as well as the general public, will have the opportunity to review the outcomes of the grant-making process in the Final Proposal, which will be published on the LEO website.



As part of MIHI's ongoing commitment to stakeholder engagement, MIHI plans to schedule additional partnership roundtable discussions with community associations, Internet Service Providers (ISPs), non-profit organizations, Tribal nations, local and regional governments, and other critical stakeholders throughout implementation of Michigan's BEAD program. For example, as part of these efforts, MIHI organized a roundtable discussion on the Initial Proposal Volume I and BEAD subgrant program design aimed at gathering valuable insights from stakeholders on the challenge process and community anchor institutions, among other key topics. During the discussion, stakeholders were given the opportunity to share their insights and feedback through a survey and encouraged to participate in the Volume I and II public comment process when those became available. Additionally, MIHI plans continued, proactive outreach to Tribal Governments to strengthen existing relationships with Tribal representatives and build additional ones.

Through these efforts, MIHI ensures that stakeholders continue to have a voice in the ongoing implementation of broadband infrastructure to close the digital divide.

MIHI has included as an attachment the Local Coordination Tracker Tool, certifying that MIHI has conducted coordination, including with Tribal Governments, local community organizations, unions and work organizations, and other groups. The required attachment is named: [Local\\_Coordination\\_Documentation\\_Tracker\\_2023.xlsx](#).

2.3.1.1. As a required attachment, submit the [Local Coordination Tracker Tool](#) to certify that the Eligible Entity has conducted coordination, including with Tribal Governments, local community organizations, unions and work organizations, and other groups.

 [Local\\_Coordination\\_Documentation\\_Tracker\\_2023.xlsx](#)

2.3.2. 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."

The State of Michigan shares geography with 12 Federally recognized Tribal Nations, which are:

- Bay Mills Indian Community
- Grand Traverse Band of Ottawa and Chippewa Indians\*
- Hannahville Indian Community
- Keweenaw Bay Indian Community
- Lac Vieux Desert Band of Lake Superior Chippewa Indians of Michigan
- Little River Band of Ottawa Indians\*
- Little Traverse Bay Bands of Odawa Indians\*
- Match-e-be-nash-she-wish Band of Potawatomi Indians (Gun Lake Tribe)
- Nottawaseppi Huron Band of Potawatomi\*
- Pokeagon Band of Potawatomi Indians
- Saginaw Chippewa Indian Tribe of Michigan
- Sault Ste. Marie Tribe of Chippewa Indians\*



MIHI began preparing for the Tribal Consultation process early in 2023 by seeking meetings with each of the Tribal Nations; direct meetings between MIHI staff and representatives of the following Tribes took place in the first six months of 2023:

- Grand Traverse Band of Ottawa and Chippewa Indians
- Little River Band of Ottawa Indians
- Little Traverse Bay Bands of Odawa Indians
- Nottawaseppi Huron Band of Potawatomi
- Sault Ste. Marie Tribe of Chippewa Indians

MIHI ensured that Tribal Leaders and representatives from each Tribal Nation were invited to join the Partnership Roundtable meetings that were described in section 3.2 of this document. The following Tribes have attended at least one Partnership Roundtable meeting:

- Bay Mills Indian Community
- Little River Band of Ottawa Indians
- Match-e-be-nash-she-wish Band of Potawatomi Indians (Gun Lake Tribe)
- Nottawaseppi Huron Band of Potawatomi
- Sault Ste. Marie Tribe of Chippewa Indians

In addition, MIHI communicated regularly both with Governor Whitmer's Tribal Liaison and with the Department of Labor and Economic Opportunity's Tribal Liaison to ensure that each of them were fully aware of the conversations between MIHI and the Tribes and could encourage engagement with MIHI. MIHI was invited to participate in the Governor's Office Monthly Tribal-State Call on April 19, 2023, and used the time to share updates on the process that MIHI was using to prepare for the BEAD Program and Digital Equity Act programs in Michigan, including the fact that a Tribal Consultation was being scheduled and that a formal invitation would be forthcoming.

MIHI has also built a positive relationship with the United Tribes of Michigan, an organization that provides a forum to address issues of common concern among Michigan's federally recognized Tribes. The United Tribes invited MIHI to present to its meeting on June 1, 2023, and included information about MIHI and the upcoming Tribal Consultation in the written meeting preparation materials. Each of the Tribes had one or more representatives at the United Tribes meeting. MIHI used its presentation time to share background information about the office itself, the BEAD Program, the Digital Equity Act, and the upcoming Tribal Consultation (including both logistical information about how to join the meeting and a preview of the key questions that were included on the agenda). Several Tribes asked questions of MIHI staff after the presentation and the United Tribes Chairman indicated his belief that Tribes could benefit from engaging in Michigan's BEAD Program. MIHI is striving to continue to build this relationship throughout the development of the Final Proposal and implementation of the BEAD Program.

MIHI conducted a formal Tribal Consultation on June 15, 2023. Planning for this Consultation included the Director of the Michigan Department of Labor and Economic Opportunity, the Tribal Liaison for the Michigan Department of Labor and Economic Opportunity, the NTIA Federal Program Officer for Michigan and NTIA Midwest Tribal Federal Program Officer. The Tribal Consultation invitation, agenda, and participation list have been included as an attachment titled "MIHI Tribal Consultation Invitation, Agenda, and Participation List.docx". Additionally, the meeting notes have been



included an attachment titled "MI Tribal Consultation Notes\_6.15.2023.docx". The following tribes attended the Consultation:

- Bay Mills Indian Community
- Grand Traverse Band of Ottawa and Chippewa Indians
- Keweenaw Bay Indian Community
- Match-e-be-nash-she-wish Band of Potawatomi Indians (Gun Lake Tribe)
- Saginaw Chippewa Indian Tribe of Michigan
- Sault Ste. Marie Tribe of Chippewa Indians

As indicated on the agenda, the discussions during the Consultation focused on critical issues related to BEAD and digital equity and invited Tribal representatives to provide advice and insights on how best to get tribal communities connected. MIHI requested Tribal input on key considerations regarding digital equity for Tribal nations, identification of unserved and underserved areas, listing of community anchor institutions eligible for funding, and broadband deployment and digital equity projects within Tribal nations.

In keeping with the "listen first, plan second" ethos identified throughout this Initial Proposal and the entire MICF planning process, MIHI did not present a written plan at any point prior to or during the Consultation, as such a document did not yet exist. Instead, the feedback and comments Tribal representatives shared during Consultation were taken into consideration and incorporated into both volumes of Michigan's BEAD Program Initial Proposal and Michigan's Digital Equity Plan. For example, one of the recurring concerns expressed by Tribes was the importance of preserving Tribal sovereignty and ensuring that they have a say in who provides high-speed internet service on Tribal Lands.

Additionally, Tribal leaders provided critical input to CAIs located in Tribal communities. Two important categories of CAIs identified were Tribal health centers and libraries. MIHI recognizes the importance of these institutions in Tribal communities and has taken their feedback into account while developing the program plan.

MIHI took additional efforts to consult with the tribes that did not attend the meeting by including meeting notes and materials as part of the wrap-up, which were distributed to all of the Tribal nations invited to participate in the consultation. The Tribal Consultation stressed the importance of feedback, and tribal nations were encouraged to bring any comments or feedback directly to MIHI. Moreover, Volume I and II of the initial proposal were shared with all tribal entities, with encouragement for their feedback and submission of public comments. MIHI made various efforts to engage with each of the federally recognized Tribal Nations that share geography with the state of Michigan, has engaged in one or more ways with each of the Tribes and incorporated the insights they have shared into its plans, and is committed to an ongoing, positive relationship that will support successful implementation of the BEAD Program in Michigan.

2.3.2.1. As a required attachment only if the Eligible Entity encompasses federally recognized Tribes, provide evidence that a formal tribal consultation process was conducted, such as meeting agendas and participation lists.

[MIHI Tribal Consultation Invitation, Agenda, and Participation List](#)

[MI Tribal Consultation Notes\\_6.15.2023](#)





## 5 Deployment Subgrantee Selection (Requirement 8)

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

MIHI has developed a rigorous and transparent subgrantee selection process aimed at identifying the most qualified applicants for broadband infrastructure deployment. Our approach promotes accountability and fairness and ensures that all potential grant recipients have access to the information, tools, and resources needed to participate fully in this opportunity.

To promote efficiency and a streamlined 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, we are confident that this phased selection process will result in the deployment of effective broadband infrastructure across the state of Michigan to achieve universal availability. The estimated program timeline is as follows:

Program Structure/Timeline								
	Q1 2024	Q2 2024	Q3 2024	Q4 2024	Q1 2025	Q2 2025	Q3 2025	
Pre-marketing and Preregistration		8 months						
NTIA Review and Approval of Initial Proposal Volume II	8 months							
Round 1 Project Applications				6 months				
Round 2 Project Applications						4 months (If Needed)		
Negotiations					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.

Figure 1: Phases of the Deployment Subgrantee Selection Process

To make this process known to the public, MIHI will launch a comprehensive outreach and education campaign utilizing various communication channels, such as the LEO website, the Partnership Roundtable meetings and distribution list, and through informational webinars. To ensure that all related parties who may want to apply know about this process and application, MIHI will provide information through webinars, subgrant application guides and application documents, all shared and promoted on the LEO website. These resources will help potential applicants understand the application process, eligibility criteria, and requirements, and provide guidance on how to prepare a competitive application.

### 5.1 Hexbin Concept

Michigan's BEAD deployment projects will utilize hexbins to divide the state into hexagonal geographic units, each with a diameter of one and a half miles across opposing vertices. The selection of hexbins as the geographic unit has been made with the aim of streamlining network design, expediting administrative processes, and ensuring all eligible locations within the state are covered through the BEAD program.



Under this approach, all hexbins that contain at least one BEAD eligible location will be available for BEAD deployment. ISPs will be required to serve every eligible Broadband Service Location (BSL) -- that is, those that were identified by the State Challenge Process as unserved or underserved – and every eligible Community Anchor Institution (CAI) that is, those that were identified by the State Challenge Process as CAIs that lacked appropriate broadband service.<sup>3</sup> Hexbins have been chosen as the minimum geographic unit for project areas to enhance flexibility in the selection of proposed project areas, thereby facilitating efficient network design. This means that ISPs will be able to select a project area based on the location of existing infrastructure and unique characteristics of each applicant's proposed network. Hexbins were selected as the geographic unit for deployment projects over other administrative/political boundaries (townships, counties, or census blocks were considered) as these may segment areas inefficiently for network design or create areas too large for an applicant to efficiently deploy to all locations. The hexbin size was purposely selected to be granular enough to align more closely with existing service boundaries and network facility deployments while not favoring any one service area type or existing deployment over another. Additionally, the use of hexbins provides flexibility in project design as compared to political subdivision boundaries that are often not conducive to efficient network deployment models. Finally, hexbins do not split road center lines as is common with census-based geographic units. Neighboring deployments that abut along a road center line results in duplicative infrastructure to locations located along the road where adjacent projects meet.

Hexbins simplify the BEAD program by enabling BSL locations to be grouped, reducing administrative burden, and facilitating efficient provision of services. Applicants will be assessed based on their capacity to serve the BEAD-eligible BSLs and CAIs within their project area, which will be treated as groups to streamline negotiations, deconfliction, scoring, and administrative activities. This will help ensure that all eligible locations within the state are served through the BEAD program and will streamline the selection and deployment process for ISPs.

Applicants may choose the number of hexbins needed to form a project area, subject to the following criteria:

- Hexbins in a single project must be contiguous. If it is not possible for all hexbins in a proposed project to be contiguous, hexbins must be reasonably adjacent.
- The selection of hexbins from a single project cannot create an "island" of one or more hexbins that are no longer contiguous with any other available hexbins.
- Some hexbins may be grouped by MIHI into larger, predefined project areas based on a clustering analysis, remoteness, financial viability, number of BSLs, proximity to adjacent cluster/grouping, and deduplication of existing federal, state, and local commitments. Applicants will be required to propose a project for the entire hexbin grouping in these instances.
- Applicants are encouraged to identify partners as needed to ensure that all eligible locations, (i.e., homes, businesses, multi dwelling units (MDUs), and CAIs) within their project areas can be served. For example, every unit of an MDU needs to have the proposed service available to it and an applicant might need to partner with a managed service provider to do so. Hexbins will be available to view in a publicly facing interactive mapping tool, which will show the number of BSLs in a heat map. The geospatial file for hexbins will also be made available. An example of this mapping tool is included below in Figure 2.

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<sup>3</sup> All eligible CAIs will be included as BEAD eligible locations pending confirmation sufficient funding is available to serve all unserved and underserved locations.

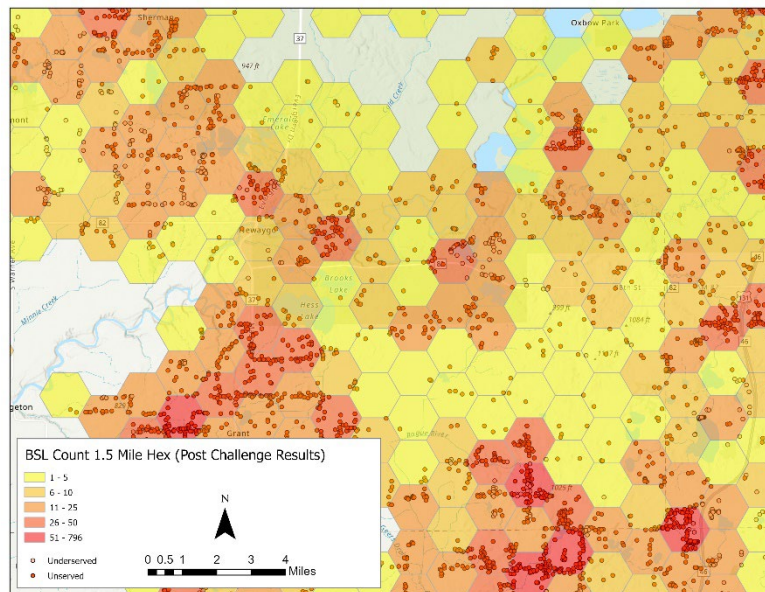


Figure 2: Example of hexbins with number of BSL locations heat mapped in interactive online tool

## 5.2 Pre-marketing and Preregistration Phase

The pre-marketing and preregistration phase is intended to expedite the application process for BEAD deployment projects.

### 5.2.1 Market Sounding

To ensure that the BEAD grant program is designed effectively and meets the needs of communities across Michigan, MIHI gathered feedback from potential applicants and other market participants in advance of submitting the Initial Proposal to NTIA. MIHI conducted Market Sounding involving listening sessions and feedback through a survey to gather the input and feedback from potential applicants. The feedback prior to Initial Proposal submission was targeted at the main program elements, such as the hexbin concept and overall application process. This activity involved open communication between MIHI and potential applicants, in the aim to gain a better understanding of how-to best address connectivity needs and ensure a competitive grant process.

### 5.2.2 Applicant Preregistration

The BEAD subgrantee selection process began during NTIA’s review of Michigan’s Initial Proposal Volume II for approval, when MIHI invited prospective BEAD applicants to provide preregistration information. This preregistration is strongly encouraged ahead of the first application window opening for each round of funding, but is not required to be submitted prior to first application window opening. Guidelines for the preregistration process were shared by MIHI, along with informational webinars and Q&As to support applicants. Pending NTIA’s approval of the Initial Proposal, MIHI reserves the right to request additional information from applicants as part of the application 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 potential applicants meet the program's minimum and mandatory requirements.

Information that will be requested as part of preregistration includes, but is 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 2.4.16 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 below)
- Environmental and National 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 Michigan

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

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

In addition to applicants being requested to preregister their organization for the BEAD program, applicants will be provided with additional information in a hexbin online mapping tool to assist with project application development and submission. The hexbin map will allow applicants to select a group of hexbins, creating a custom project area, and the tool will provide the applicant with additional information that will be used in scoring based on the selected project area. For example, the match requirements will be scored against a variable scale based on the estimated profitability (net present value (NPV)) of the project based on the selected hexbins/locations. The following additional information will be provided based on selected project areas in the online interactive mapping tool:

- The number of and expected cost to deploy infrastructure to all unserved, underserved, and CAI locations within the selected project area, based on a cost estimate;
- Applicable match scoring scale based on selected project area; and
- Any other cost estimates that will be used in scoring.

The public map will also allow for potential applicants to submit project areas they intend to propose for their applications in Round 1. This will provide MIHI with valuable information on hexbins/locations likely to receive multiple applications/competition and those likely to not receive any applications. This will also improve transparency and assist with automating the deconfliction process. The project areas submitted prior to formal project application submissions



will not be binding in any way and will only be used as information by MIHI 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, potential applicants will also have the opportunity to submit a Letter of Interest (LOI). The LOI process provides an opportunity for market participants to communicate their needs and challenges to MIHI, which will help tailor grant processes accordingly.

### 5.3 Round 1 Project Applications

Round 1 for BEAD deployment projects will serve as the primary application and initial negotiation phase. Applicants will be requested to submit applications using information provided in the interactive online mapping tool as part of their application in the grant portal. The results of Round 1 will be tentative project allocations and initial negotiations. **It is MIHI's expectation that Round 1 is for "Priority Projects", or those that provide end-to-end fiber to BSLs and CAIs.** If an "Other Last-Mile Project" is received as part of Round 1 it will be assessed as part of Round 2.

#### 5.3.1 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 for "Priority Projects". This information will include:

- A defined project area based on selected hexbins.
- Any "Outlier" locations (see below paragraph for more information)

**MIHI will use locations identified as "Outliers" to aid in determining the extremely high-cost per location threshold.** MIHI will evaluate "Outlier" locations as part of proposed project areas and consider either to:

- Retain the Outlier locations
- Serve the Outlier locations using an alternative technology
- Remove the Outlier locations (or the entire hexbin in which they are located) from the project area to be served by another provider
- Remove the Outlier locations (or the entire hexbin in which they are located) from the project area to be served by a separate project as part of Round 2

MIHI has a strong preference towards end-to-end fiber solutions, otherwise known as "Priority Projects" and expects all projects submitted for BEAD funding in Round 1 to be end-to-end fiber projects. MIHI is aware that for some locations it may be unreasonable to deploy fiber infrastructure due to the cost and alternative technologies may need to be considered. If the cost to serve using an end-to-end fiber solution for one or more locations within a hex included in a project is unreasonable to serve with the solution proposed for the rest of the BSLs in the selected project area, the applicants shall note these locations as "Outliers" in the application and provide a cost to serve each location. MIHI anticipates "Outliers" to be extremely rare occurrences. The identification of "Outliers" should only occur based on the extreme impracticability and unreasonableness of end-to-end fiber deployment because of geography, topography, or excessive cost.

This approach is intended to ensure all locations within the State are served and universal connectivity is achieved. In the event that MIHI determines alternative technologies best serve an "Outlier" location, the corresponding project will then be deemed as an "Other Last-Mile Project" as opposed to a "Priority Project" and will be evaluated using that scoring criteria. See Section 5.5 and 5.6 for more information on scoring projects.



Additional information that will be requested of applicants that is required for scoring also includes:

- Total project area cost and deployment schedule
- Broadband technology of planned network
- Match funding percentage proposed for the project area
- Cost of service plans guaranteed to customers served by BEAD funded networks
- Evidence of local support and community engagement conducted per township/region
- Technical support and customer service provided by ISPs to their customers
- Planned utilization of MBE/WBE/SBE/GDBE firms on the project
- Plans to provide open access to last-mile broadband service providers for the life of the subsidized networks
- Enforceable commitments with respect to advancing equitable workforce development and job quality objectives.

These requirements will ensure that the BEAD deployment projects can be fairly and transparently evaluated. MIHI will provide guidance and resources to assist applicants in completing the above requirements as part of the application process.

### 5.3.2 Information Provided to the Applicant

Applicants will have access to a public facing online mapping tool. The mapping tool will provide the following information based on the applicants selected project area:

- Number of unserved and underserved BSLs, including “high-cost” BSLs as defined by the NTIA
- Number of CAls
- The scoring rubric that will be used to evaluate “Grant to Project Cost” evaluation criteria, also known as the scoring used to evaluate the proposed match percentage. Note that the scoring rubric will factor in that no match is required for “high-cost” locations per designation by the NTIA, and
- Infrastructure deployment cost estimates based on a cost model which will be used for scoring “Total Project Cost” (this information will be used by MIHI to score project applications).

### 5.3.3 Post Application Assessment

Following the submission of the application, MIHI will conduct a thorough post application assessment. This process will include a comprehensive review of all submitted materials, including an evaluation of project feasibility, compliance with program requirements, and alignment with strategic priorities. MIHI 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. 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. A reminder that Round 1 will be for the review and assessment of “Priority Projects”.

**Step 1 Application Initial Screening and Threshold Scoring:** Applications will be screened to ensure they meet minimum criteria outlined in Section 5.2.2 and are submitted in the correct format. Information reviewed during the preregistration phase will be confirmed complete and up to date. In addition to review of the minimum criteria, each application will be scored as outlined in Section 5.5 – Michigan BEAD Deployment Project Scoring - Priority Project



and Section 5.6 - Michigan BEAD Deployment Project Scoring – Other Last Mile Projects. Any application that does not meet the minimum criteria or exceed the minimum passing score will be rejected and will not proceed to Step 2.

**Step 2 Scoring and Deconfliction:** Applications will next be reviewed based on the proposed project area locations and identifying if the proposed “Priority Project” area overlaps with another proposed “Priority Project”. These projects will be assessed differently based on the steps below if they do or do not overlap with another proposed “Priority Project” area. Using this approach, MIHI 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.

**Step 2.1 Applications That Have No Overlap:** If a project has no overlapping project area with any other application and is a “Priority Project”, it will be assessed against cost estimates based on the selected hexbins that make up 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 cost model plus a percentage contingency<sup>4</sup>, or the subsidy request is less than the estimated Net Present Value (NPV) (when negative) plus a percentage contingency, the application will move forward in the selection process. This approach prevents excessive BEAD outlay for proposed projects without a competitor.

**Step 2.1.1.1 “Outlier” Locations:** If a project contains “Outlier” locations MIHI will determine whether these locations will be stripped out from the application to explore different approaches to serve those locations such as negotiation with alternative/adjacent providers, reduction in proposed match, or consideration of alternative technologies that may be accepted for these locations (see Section 5.3.1). Adjacent providers are those that are currently providing service adjacent to the location (the next nearest service provider by distance).

**Step 2.1.2 Project Cost Above Estimated Cap:** If the proposed project cost or subsidy ask exceeds the estimate values with 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 “Priority Project” area overlaps with another proposed “Priority Project” area, the following approach will be followed for reviewing and deconflicting applications.

**Step 2.2.1 Assess Project Cost:** If the proposed cost to serve the project area included in the application requires less than the estimated cost to build plus a percentage contingency, or the subsidy ask 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 ask exceeds the estimate values with additional contingency, the application will be considered a “Deferred Application” and will be reserved for future consideration and will not be scored or considered for deconfliction at this time.

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<sup>4</sup> Percentage contingency is the additional increase to the cost estimate to determine the estimated cap. For example, if the cost estimate is \$100 and the percentage contingency is 20%, \$120 is the cost cap. The percentage contingency value is not expected to change based on the selected location



**Step 2.2.2 Deconflicting Overlapping Hexbins:** If the proposed “Priority Project” areas contain overlapping hexbins, scoring will be used to deconflict the overlapping hexbins and award the overlapping hexbins to the highest scoring project.

**Step 2.2.2.1 Comparing Scores for Project Areas:** Scores assessed as part of Step 1 for applications with overlapping project areas will be compared.

**Step 2.2.2.2 Deconflicting Project Areas:** The highest scoring project will receive the overlapping hexbins. MIHI will then consult with the project applicant who will not be awarded the overlapping hexbin(s) and confirm if their application can continue with the overlapping hexbins removed.

**Step 2.2.2.3 “Outlier” Locations:** MIHI 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, MIHI will assess remaining BSLs and CAIs which did not receive an application and confirm the remaining funds will be adequate to serve the remaining locations.

**Step 3.1 Cost Estimate for Remaining BSLs and CAIs:** All unserved/underserved BSLs that have not been included in any proposed project area will be identified. MIHI will then calculate the cost to serve these locations, taking into account successful applications received as part of Round 1 plus an additional percentage contingency to allow for unforeseen circumstances. This will determine the total funding required to serve the remaining areas.

**Step 3.2 Cost to Remaining Funding Assessment:** MIHI will compare the amount of remaining funding available with the total subsidy required to serve the remaining unserved/underserved BSLs. This analysis will help MIHI determine if remaining funding is sufficient to serve all remaining locations.

**Step 3.3 Tentative Project Awards:** Based on this assessment, MIHI will make tentative awards to applications for Round 1. Awards will be contingent on NTIA approval in MIHI’s Final Proposal.

**Step 4 Assessment of “Deferred Applications”:** Following the assessment of remaining funds, MIHI will assess and score the applications deemed “Deferred Applications”, or those that were above the threshold cost or NPV subsidy cost estimate values with added contingency. MIHI 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 awards, if a second round of applications is necessary.

#### 5.3.4 Post-Round 1 Negotiations

After Round 1 tentative project awards, MIHI will identify hexbins that were not included in a proposed project. These hexbins will be termed as “Stranded”. If the “Stranded” hexbin is adjacent or nearly adjacent to the project area of a successful Round 1 application, MIHI will negotiate with applicants to determine a cost to append them to the applicant’s tentative Round 1 project area.

If the “Stranded” hexbin is adjacent or nearly adjacent to existing infrastructure/network of a non-applicant internet service provider, MIHI will also negotiate with the non-applicant provider to obtain sole source or negotiated proposals for the “Stranded” hexbins. These proposals will be evaluated for conditional award, and any hexbins or project areas that are not tentatively awarded will move to Round 2 for further evaluation.





As part of these negotiations, MIHI will also consider “Outlier” locations and determine if these can be included in an existing project or can be negotiated as a separate project.

## 5.4 Round 2 Project Applications

Following Round 1 negotiations, MIHI will determine whether Round 2 is required. It is the goal of MIHI to have every hexbin awarded as part of Round 1 or Post-Round 1 Negotiations and that Round 2 should only be implemented 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, MIHI will define the project areas based on evaluation criteria and available funding.

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 MIHI will work 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.

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

To ensure that BEAD deployment projects are evaluated with utmost credibility, MIHI's scoring rubric follows NTIA's mandated scoring criteria. The NTIA scoring system primarily emphasizes three critical criteria, accounting for 75% of the total score, along with secondary criteria that can include both NTIA's prescribed metrics and additional Michigan 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 set mandates. There are two different scoring rubrics provided below. One will be used for “Priority Projects” and the other for “Other Last-Mile Projects”. The details of each scoring category, subcategories, and relative weighting of each are described below in more detail.

## 5.5 Michigan BEAD Deployment Project Scoring - Priority Project

The term “Priority Project” means a project that will provision service via end-to-end fiber-optic facilities to each end-user premises. The following criteria will apply to all “Priority Projects”. The criteria and weighting marked with an asterisk is mandated by the NTIA. A detailed scoring rubric can be found in attachment “2.4.2.1-BEAD-Initial-Proposal\_Volume II\_Subgrantee-Selection-Scoring Rubric”.

Minimum Passing Score: Each application irrespective of any overlap of proposed project areas with any other application/s will be scored for the following minimum thresholds:

- Cumulative Passing Score: 50% of total allocable points in both the Primary and Secondary Scoring Criteria, (i.e. minimum 37.5 points for cumulative Primary Criteria and 12.5 points for Secondary Criteria for a minimum 50 cumulative points).
- Fair Labor Practice: 8 points
- Technical Support: 1 point

The applications that do not meet above thresholds will be rejected for the respective round.



## Primary Scoring Criteria – 75%\* (Total 75 points)

### Minimal BEAD Program Outlay\* - 35 total points

#### Grant to Project Cost – 14 points

This category scores the ratio of the requested grant fund 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%, (except where projects include “high-cost” locations per designation by the NTIA). This scoring criteria will be a sliding scale of match percentage ranges. The ranges will be 5%. The scale used to score each project will be varied by Region to account for differences in estimated profitability of locations in each Region (Note: Region referenced here refers to the 10 Prosperity Regions of the State of Michigan). For example, no points will be awarded if an applicant requests the maximum allowable project funding (between 70 - 75% of the project cost) and they will receive the maximum points (14) if they request funding for 40% or less of the total project.

Example scoring criteria for one of the 10 prosperity regions:

Scoring value	Points
> 70% to ≤ 75% of Total Project Cost	0
> 65% to ≤ 70% of Total Project Cost	2
> 60% to ≤ 65% of Total Project Cost	4
> 55% to ≤ 60% of Total Project Cost	6
> 50% to ≤ 55% of Total Project Cost	8
> 45% to ≤ 50% of Total Project Cost	10
> 40% to ≤ 45% of Total Project Cost	12
≤ 40% of Total Project Cost	14

#### Total Project Cost– 14 points

This category scores the total projected cost that will be required to complete the project, awarding more points to proposed projects that have a lower overall BEAD outlay. The scoring assesses the overall project cost against an estimate developed from a cost model. The reference cost for each hexbin will be shared with applicants as part of the application materials. The hexbins estimates will be combined to determine the cost model estimate of the entire selected project area. Points will be awarded on a sliding scale for projects aligned to or below the



cost estimate. For example, an applicant will receive no points if their funding request is 25% more than the cost model estimate to serve that project area and they will receive the maximum points (14) if their funding request is 15% or less than the cost model estimate.

Example scoring criteria for one of the 10 prosperity regions:

Scoring value	Points
> 25% of cost model estimate	0
≤ 25% to > 15% of cost model estimate	2
≤ 15% to > 5% of cost model estimate	4
≤ 5% to > 0% of cost model estimate	6
≤ 0% to > -5% of cost model estimate	8
≤ -5% to > -10% of cost model estimate	10
≤ -10% to > -15% of cost model estimate	12
≤ -15% of cost model estimate	14

**Scalability and Resiliency– 7 points**

This category scores whether the proposed network design is more scalable or resilient than what may be considered to be industry standard. This criteria will consider resiliency (such as the use of alternative power sources), retrofitting or hardening existing assets, the use of buried cables, and deployment of mobile coverage to locations identified by MIHI as not having 4G coverage, and other criteria as part of the evaluation criteria. Scoring for this criteria will be cumulative, in that each one of the resiliency criteria met will be awarded points. For example, if an applicant plans to install 75% or more buried fiber lines, they will receive 2 points. If they plan to also provide an alternative power source, they will receive 1 point. This amounts to a total of 3 points out of the 7 possible points in this category.



Scoring value	Points
Applicant demonstrates network or power source redundancies. This includes: - Use, inclusion, or plans to provide an alternative power source.  and/or - 50% or more locations served have multiple, geographically diverse cable routes provide service to the same client site.	1
Applicant demonstrates scalability in the design by incorporating either XGS-PON technology or 10 Gbps bandwidth.	2
Applicant commits to retrofitting and/or hardening its existing broadband infrastructure assets and provides a timeline of expected start and completion of the process.	1
Applicant plans to deploy mobile coverage to locations currently identified as not having 4G coverage.	1
Applicant commits to burying at least 75% of fiber cables.	2

**Affordability\* - 25 total points**

**Affordability of 1 Gbps/1 Gbps service – 25 points**

Applicants are encouraged but not required to provide service at an affordable cost. This category scores prospective subgrantee’s commitment to providing the most affordable total price to the customer for 1 Gbps/1 Gbps service in the project area for five years following project completion. This scoring criteria will be a sliding scale of service cost ranges based on 80% of the FCC urban benchmark rate. The FCC 2024 urban benchmark rate for 1 Gbps/1 Gbps unlimited service is \$134.35 and 80% of that is \$107.48 (Source: <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources>). A price of more than \$107.48 will be awarded no points, where as a price of less than \$67.18 will be awarded a full 25 points. This is the monthly cost of service that will be used for the purposes of evaluating applications for Michigan’s BEAD program:

Scoring value	Points
>\$107.48	0
\$107.48 - \$94.06	5
\$94.05 - \$80.62	10
\$80.61 - \$67.18	15
< \$67.18	25



**Fair Labor Practices\* - 15 points**

**Fair Labor Practices Compliance and Commitment – 15 points**

This category scores a prospective subgrantee’s demonstrated record of and plans to comply with Federal labor and employment laws. An applicant will receive cumulative points based on (1) their record of compliance with Federal labor and employment laws and (2) their commitment to fair labor practices described in Section 8 (Requirement 11).

- 1) Record of Compliance. Applicants will be required to provide:
  - 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.
  - b) 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.
  - c) **Only applicable to new entrants without a record of Federal labor and employment law compliance:** Written confirmation that applicant is a new entrant without a record of past compliance and that the prospective subgrantee has provided specific, forward-looking commitments to compliance with Federal labor and employment laws with respect to BEAD-funded projects.

If an applicant is unable to provide this documentation, they will be deducted 1 point in this criteria.

- 2) Commitment to Fair Labor Practices. Applicants will be requested to provide:
  - 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
  - b) Plan for 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
  - c) Commitment to any of the following labor standards and protections for the project workforce:
    - i. Using a directly employed workforce, as opposed to a subcontracted workforce;
    - ii. Paying prevailing wages and benefits to workers, including compliance with Michigan wage law requirements, where applicable, and collecting the required certified payrolls;
    - iii. 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);
    - iv. Use of local hire provisions;



- v. Commitments to union neutrality;
- vi. Use of labor peace agreements;
- vii. 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);
- viii. Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure);
- ix. Taking steps to prevent the misclassification of workers

Local hire provisions will be scored on a sliding scale based on the % of total work hours filled by Michigan residents. Less than 40% will receive no points and over 60% will received the full 3 points. For example, if an applicant commits to including local hire provisions for 50%, they will receive 2 points for that commitment. Additionally, if they commit to the use of a directly employed workforce, they will receive an additional 2 points for a total of 4 points out of 15.

The detailed scoring criteria is included on the next page:



Criteria	Points
<p style="text-align: center;">Applicant has not provided:</p> <p>(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/or</p> <p>(b) 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.</p> <p><b>(c) Only applicable to new entrants without a record of Federal labor and employment law compliance:</b> Written confirmation that applicant is a new entrant without a record of past compliance and that the prospective subgrantee has provided specific, forward-looking commitments to compliance with Federal labor and employment laws with respect to BEAD-funded projects.</p>	-1
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	1
Plan for 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.	1
Using a directly employed workforce, as opposed to a subcontracted workforce;	2
Paying prevailing wages and benefits to workers, including compliance with Michigan wage laws, where applicable, and collecting the required certified payrolls;	1
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);	1
Use of local hire provisions; Less than 40%	0
Use of local hire provisions; 40-60%	2
Use of local hire provisions; More than 60%	3
Commitments to union neutrality;	1
Use of labor peace agreements;	1
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);	1
Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure);	2
Taking steps to prevent the misclassification of workers	1
<b>Total</b>	<b>15</b>



## Secondary Scoring Criteria – 25%\* (Total 25 points)

### Speed To Deployment\* - 3 points

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 subgrant. This category scores prospective subgrantee’s binding commitment to provide service by an earlier date. Scoring will be on a sliding scale based on number of months to complete the proposed project in the project schedule. An example of the scoring criteria is included below. 48 months or 4 years is the maximum amount of time to deploy BEAD projects and therefore receives no points. If an applicant proposes to complete the project in 30 months they will receive a score of 2.25 out of a possible 3 points.

Scoring value	Points
>48 months	0
42-47 months	0.75
36-41 months	1.5
24-35 months	2.25
< 24 months	3





**Technical Support and Customer Service – 2 points**

This criteria will score an applicant’s planned commitment to provide quality and responsive technical support to customers. Technical support should be available in all languages that are appropriate to the demographics of the community and based on different technical capabilities of customers. MIHI will prioritize technical support that is offered in real-time to customers, that provides in-the-moment solutions rather than requiring consumers to make additional phone calls or visit additional websites, and that offers both in-person and remote support options to accommodate different circumstances and preferences. The scoring for this criteria will be cumulative based on the type and quality of technical assistance and customer support services offered. Types of technical support and customer service are grouped and points will be awarded based on each group the applicant is able to provide evidence they provide those services and/or support.

Criteria	Points
<p><b>Group 1 Real-time Technical Support:</b></p> <ul style="list-style-type: none"> <li>• Availability of 24/7 technical support through various channels (phone, chat, email, etc.)</li> <li>• Proven track record of resolving customer issues within a short timeframe</li> <li>• Ability to offer in-person and remote support options to accommodate different circumstances and preferences</li> <li>• Integration of live chat or instant messaging for real-time technical assistance</li> </ul>	.667
<p><b>Group 2 Multiple Language Support:</b></p> <ul style="list-style-type: none"> <li>• Provision of technical support in multiple languages relevant to the customer base</li> <li>• Availability of language resources such as translated FAQs and troubleshooting guides</li> <li>• Training and deployment of multilingual support representatives</li> <li>• Implementation of language-specific assistance tools (e.g., language selection options on websites or phone systems)</li> </ul>	.667
<p><b>Group 3 Remote Support Options:</b></p> <ul style="list-style-type: none"> <li>• Availability of self-service resources, such as online troubleshooting guides and FAQs</li> <li>• Integration of remote support technologies (e.g., screen sharing, remote desktop assistance)</li> <li>• Provision of user-friendly mobile applications for convenient remote support</li> <li>• Implementation of proactive communication methods (e.g., email notifications, text alerts) to address customer issues remotely</li> </ul>	.667
<b>Total</b>	<b>2</b>



**Local Support and Community Engagement – 8 points**

This criteria assesses a prospective subgrantee’s support from local units of government and/or Tribal Nations that intersect the proposed project area. If an applicant receives letters of support from all elected bodies that intersect the project area (e.g. cities, villages, townships, and counties) (or letters of consent from all Tribal nations that intersect the project area), ten or more letters of support from other entities (e.g. Non-Profit Advocacy Organizations and CAIs) within the project area, and a letter of support, resolution, or other official document received from the elected body of the county(ies) intersecting the project area the applicant will receive the full 8 points allocation. If an applicant has no letters of support, they will be deducted a point resulting in a negative score for this category.

If an applicant receives letters of support/consent from all elected bodies that intersect the project area (cities, townships, counties) and ten or more letters of support from other entities within the project area, and a letter of support, resolution, or other official document received from the elected body of the county(ies) intersecting the project area, the applicant will receive the full 8 points allocation. If an applicant has no letters of support they will be deducted a point resulting in a negative score for this category.

Criteria	Points
No letters of support are provided	-1
Letters of support received from all the elected bodies of each township, Tribal entity, city, county, and village intersecting the project area.	4
Letters of support received from some of the elected bodies of each township, Tribal entity, city, and village intersecting the project area.	2
Letter of support, resolution, or other official document received from the elected body of the county(ies) intersecting the project area	2
Ten or more letters of support received from other entities within project area	2
Fewer than ten letters of support received from other entities within project area	0.5
Total	8

**Michigan Business – 4 points**

The State of Michigan places a strong emphasis on supporting suppliers that create and maintain well-paying jobs within the state. This preference is reflected in Executive Directive 2019-15 and Section 261 of the Management and Budget Act, 1984 PA 431, as amended, MCL 18.1261 (the "Act"). The Act mandates that State Departments give priority to Michigan-based job providers in their procurement decisions. The Act predates the Infrastructure Investment and Jobs Act (IIJA) which was enacted in November 2021.



Furthermore, MIHI has taken into account feedback from previous broadband grant programs, such as that funded by the Capital Project Funds (CPF). It has been observed that national, non-Michigan based providers secured a significant awards, while local, Michigan-based providers who are based in the communities they operate were not as successful. In response, MIHI has recognized the need to implement additional scoring criteria that will create a fair, open, and competitive subgrantee selection process for applicants of all types.

This scoring criteria assesses if an applicant or teaming partner is primarily a Michigan-based business. Points are also awarded for Michigan-based small businesses enterprises in this category. Points will be cumulative and awarded based on the criteria the applicant is able to meet. For example, if an applicant or teaming partner has filed a tax return in Michigan in the last 12 months, has at least 10 employees permanently located in Michigan, and has been operating in Michigan for 5 or more years as an ISP, they will receive 3 out of the total 4 points for this category.

It should be noted that any applicant may team with a Michigan-based business to be awarded points in this scoring criteria.

Criteria	Points
In the last 12 months the applicant has: <ol style="list-style-type: none"> <li>1. Filed a Michigan single business tax return</li> <li>2. Filed a Michigan income tax return proving income generated in Michigan or</li> <li>3. Withheld Michigan income tax from compensation paid to the bidder’s owners and remitted the tax to the Department of Treasury</li> </ol>	1
Number of employees permanently located in Michigan is ≥ 10	1
More than 50% of the company works in Michigan	.5
≥ 5 years operating as an ISP in Michigan	1
Headquarters are located in Michigan	.5
Total	4

**MBE/WBE/GDBE – 3 points**

This scoring criteria assesses the proposed utilization percentage of minority business enterprises (MBEs), women-owned business enterprises (WBEs), and geographically disadvantaged enterprises (GDBEs), as part of the project team. An applicant will be requested to provide a target for allocating the proposed project value to a disadvantaged business. Actual utilization of MBE/WBE/GDBE firms on BEAD funded projects will be monitored by the Michigan Department of Labor and Economic Opportunity. If a subgrantee is not meeting their target commitments, similar to other requirements and commitments of the program they will be required to submit a corrective action plan to demonstrate a



good faith effort towards meeting the target commitments. For example, an applicant will receive no points if they set a target of zero disadvantaged business participation in the project, where as they would receive the full 3 points is they set a target of 20% or more allocation the proposed project value to a disadvantaged business.

Criteria	Points
Applicant establishes a target for allocating 0-5% of the proposed project value to MBEs, WBEs, GDBEs	0
Applicant establishes a target for allocating 5-10% of the proposed project value to MBEs, WBEs, GDBEs	0.75
Applicant establishes a target for allocating 10-15% of the proposed project value to MBEs, WBEs, GDBEs	1.5
Applicant establishes a target for allocating 15-20% of the proposed project value to MBEs, WBEs, GDBEs	2.25
Applicant establishes a target for allocating 20%+ of the proposed project value to MBEs, WBEs, GDBEs	3

**Open Access – 3 points**

This criteria scores a subgrantee’s provision of open access wholesale last-mile broadband service for the life of the subsidized networks, on fair, equal, and neutral terms to all potential retail providers. Scoring will be on a cumulative basis, allocating points for each criteria the applicant is able to meet. For example, if an applicant is able to demonstrate they have an open access policy expressing willingness to enable third party access to fiber and/or conduit infrastructure along with a plan for ongoing maintenance, includes how many strands or conduits will be identified as available for third party access, details where the infrastructure can be accessed by a third party, and provides property owners ownership of internal wiring within MDUs, the applicant will be awarded full points.

Criteria	Points
Open access policy expressing willingness to enable third party access to fiber and/or conduit infrastructure along with a plan for ongoing maintenance.	0.75
Open access policy includes how many strands or conduits will be identified as available for third party access.	0.75
Open access policy details where the infrastructure can be accessed by a third party	0.75
Property owners are provided with ownership of internal wiring within MDUs	0.75
Total	3



**Equitable Workforce Development and Job Quality- 2 points**

This criteria scores a subgrantee’s enforceable commitments with respect to advancing equitable workforce development and job quality objectives. Scoring will be on a cumulative basis, allocating points for each criteria the applicant is able to meet based on the encouraged strategies and plans described in Section 9 (Requirement 12). Applications must demonstrate a commitment to making appropriate investments to develop a skilled, diverse workforce to fill the necessary jobs to meet the infrastructure buildout timelines submitted in the application. MIHI will assess and score narrative responses under this category of applicants plans and commitments. Applications will receive points based on the information submitted for each element described below. For example, if an applicant has established a training partnership and has leveraged the LEO employer led collaborative, they will receive points for both efforts.

Criteria	Points
Applicant supports the development of an appropriately skilled workforce, as demonstrated by providing and/or supporting employees attainment of occupational training, certification, and licensure.	0.5
Applicant has developed training partnerships with local providers to establish in-house training programs to provide their employees with industry-specific knowledge and skills.	0.5
Applicant creates equitable on-ramps to broadband-related jobs, as demonstrated by partnership with workforce boards, training partners, labor and community organizations, or participation in LEO employer led collaboratives.	0.5
Applicant provides diverse job opportunities, as demonstrated by participation in diversity job fairs, offering internships to students from diverse background, and/or publicly reporting workforce demographic data.	0.5
Total	2

**Low-Cost Service: Overall Point Deduction - Maximum -15 points**

Subgrantees that request a waiver to deliver a low-cost service for more than the defined low-cost plan threshold, will have points deducted from their overall score commensurate to the increase in the approved low-cost plan above that threshold.

Applicants will lose at least 2 points for costs above the \$28 (for applicants that do not participate in Lifeline) or \$37.25 (for applicants that participate in Lifeline) per month standard low-cost plan, measured in increments of \$5. For example, if the approved low-cost plan, for an applicant that does not participate in lifeline is \$31, the applicant’s total score would be reduced by 2 points, while an approved low-cost plan for an applicant that participates in Lifeline of \$45, will lead to a 4 point reduction in the applicant’s total score. The maximum point deduction to overall score will be capped at 15 points and the maximum low-cost plan can be no more than \$65 per month for applicants that do not participate in Lifeline or \$74.25 for applicants that do.



Criteria	Points
Costs \$28 (non-Lifeline participant) or \$37.25 (Lifeline participant)	0
Costs \$28.01-32.99 or \$37.26-42.25 per month	-2
Costs \$33-37.99 or \$42.26-47.25 per month	-4
Costs \$38-42.99 or \$47.26-52.25 per month	-6
Costs \$43-47.99 or \$52.26-57.25 per month	-8
Costs \$48-52.99 or \$57.26-62.25 per month	-10
Costs \$53-57.99 or \$62.26-67.25 per month	-12
Costs \$58-65 or \$67.26-74.25 per month	-15
Total	-15

### 5.6 Michigan BEAD Deployment Project Scoring – Other Last-Mile Projects

The following criteria will apply to all other last mile deployment projects which are not considered priority projects. The criteria and weighting marked with an asterisk is mandated by the NTIA.

Minimum Passing Score: Each application irrespective of any overlap of proposed project areas with any other application/s will be scored for following minimum thresholds:

- Cumulative Passing Score: 50% of total allocable points in both the Primary and Secondary Scoring Criteria, (i.e. minimum 37.5 points for cumulative Primary Criteria and 12.5 points for Secondary Criteria for a minimum 50 cumulative points).
- Fair Labor Practice: 8 points
- Technical Support: 1 point

The applications that do not meet above thresholds will be rejected for the respective round.

#### Primary Scoring Criteria – 75%\*

##### Minimal BEAD Program Outlay\* - 35 total points

##### **Grant to Project Cost – 14 points**

This category scores the ratio of the requested grant fund 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%, (except where projects include “high-cost” locations per designation by the NTIA). This scoring criteria will be a sliding scale of match percentage ranges. The ranges



will be 5%. The scale used to score each project will be varied by Region to account for differences in estimated profitability of locations in each Region. (Note: Region referenced here refers to the 10 Prosperity Regions of the State of Michigan). For example, no points will be awarded if an applicant requests the maximum allowable project funding (between 70-75% of the project cost) and they will receive the maximum points (14) if they request funding for 40% or less of the total project.

For example, no points will be awarded if an applicant requests the maximum allowable project funding (75% of the project cost) and they will receive the maximum points (14) if they request funding for 40% or less of the total project. The applicant selected to request 45% of the project cost in BEAD funding which scores 12 out of 14 possible points.

Scoring value	Points
> 70% to ≤ 75% of Total Project Cost	0
> 65% to ≤ 70% of Total Project Cost	2
> 60% to ≤ 65% of Total Project Cost	4
> 55% to ≤ 60% of Total Project Cost	6
> 50% to ≤ 55% of Total Project Cost	8
> 45% to ≤ 50% of Total Project Cost	10
> 40% to ≤ 45% of Total Project Cost	12
≤ 40% of Total Project Cost	14

**Total Project Cost– 14 points**

This category scores the total projected cost that will be required to complete the project, awarding more points to proposed projects that have a lower overall BEAD outlay. The scoring assesses the overall project cost against an estimate developed from a cost model. The reference cost for each hexbin will be shared with applicants as part of the application materials. The hexbins cost estimates will be combined to determine the cost model estimate of the entire selected project area. Points will be awarded on a sliding scale for projects aligned to or below the cost estimate. For example, an applicant will receive no points if their funding request is 25% more than the cost model estimate to serve that project area and they will receive the maximum points (14) if their funding request is 15% or less than the cost model estimate.

Example scoring criteria for one of the 10 prosperity regions:



Scoring value	Points
> 25% of cost model estimate	0
≤ 25% to > 15% of cost model estimate	2
≤ 15% to > 5% of cost model estimate	4
≤ 5% to > 0% of cost model estimate	6
≤ 0% to > -5% of cost model estimate	8
≤ -5% to > -10% of cost model estimate	10
≤ -10% to > -15% of cost model estimate	12
≤ -15% of cost model estimate	14

**Scalability and Resiliency– 7 points**

This category scores if the proposed network design is more scalable or resilient than what may be considered to be industry standard. This criteria will consider resiliency (such as the use of alternative power sources), retrofitting or hardening existing assets, the use of buried cables, and deployment of mobile coverage to locations identified by MIHI that do not have 4G coverage, and other criteria as part of the evaluation criteria. Scoring for this criteria will be cumulative, in that each one of the resiliency criteria met will be awarded points. For example, if an applicant plans to install 75% or more buried fiber lines, they will receive 2 points. If they plan to also provide an alternative power source, they will receive 1 point. This amounts to a total of 3 points out of the 7 possible points in this category.

Scoring value	Points
Applicant demonstrates network or power source redundancies. This includes: - Use, inclusion, or plans to provide an alternative power source.  and/or - 50% or more locations served have multiple, geographically diverse cable routes provide service to the same client site.	1
Applicant demonstrates scalability in the design by incorporating either XGS-PON technology or 10 Gbps bandwidth.	2
Applicant commits to retrofitting and/or hardening its existing broadband infrastructure assets and provides a timeline of expected start and completion of the process.	1
Applicant plans to deploy mobile coverage to locations currently identified as not having 4G coverage.	1
Applicant commits to burying at least 75% of fiber cables.	2





**Affordability\* - 25 total points**

**Affordability of 100/20Mbps service – 25 points**

Applicants are encouraged but not required to provide service at an affordable cost. This category scores prospective subgrantee’s commitment to providing the most affordable total price to the customer for 100/20Mbps service in the project area for five years following project completion. This scoring criteria will be a sliding scale of service cost ranges. See an example below for how this criteria will be scored using the 80% of the FCC urban benchmark rate. The FCC 2024 urban benchmark rate for 100/20Mbps unlimited service is \$92.24 and 80% of that is \$73.79 (Source: <https://www.fcc.gov/economics-analytics/industry-analysis-division/urban-rate-survey-data-resources>). This is the monthly cost of service that will be used for the purposes of evaluating applications for Michigan’s BEAD program.

Scoring value	Points
>\$73.79	0
\$73.79 - \$63.30	5
\$63.29 - \$52.80	10
\$52.79 - \$42.30	15
< \$42.29	25

**Fair Labor Practices\* - 15 points**

**Fair Labor Practices Compliance and Commitment – 15 points**

This category scores a prospective subgrantee’s demonstrated record of and plans to comply with Federal labor and employment laws. An applicant will receive cumulative points based on (1) their record of compliance with Federal labor and employment laws and (2) their commitment to fair labor practices described in Section 8 (Requirement 11).

- 1) Record of Compliance. Applicants will be required to provide:
  - 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.
  - b) 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.
  - c) **Only applicable to new entrants without a record of Federal labor and employment law compliance:** Written confirmation that applicant is a new entrant without a record of past



compliance and that the prospective subgrantee has provided specific, forward-looking commitments to compliance with Federal labor and employment laws with respect to BEAD-funded projects.

If an applicant is unable to provide this documentation, they will be deducted 1 point in this criteria.

- 2) Commitment to Fair Labor Practices. Applicants will be requested to provide:
  - 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
  - b) Plan for 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
  - c) Commitment to any of the following labor standards and protections for the project workforce:
    - i. Using a directly employed workforce, as opposed to a subcontracted workforce;
    - ii. Paying prevailing wages and benefits to workers, including compliance with Michigan wage laws, where applicable, and collecting the required certified payrolls;
    - iii. 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);
    - iv. Use of local hire provisions;
    - v. Commitments to union neutrality;
    - vi. Use of labor peace agreements;
    - vii. 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);
    - viii. Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure);
    - ix. Taking steps to prevent the misclassification of workers

Local hire provisions will be scored on a sliding scale based on the % of total work hours filled by Michigan residents. Less than 40% will receive no points and over 60% will receive the full 3 points. For example, if an applicant commits to including local hire provisions for 50%, they will receive 2 points for that commitment. Additionally, if they commit to the use of a directly employed workforce, they will receive an additional 2 points for a total of 4 points out of 15.



Criteria	Points
<p style="text-align: center;">Applicant has not provided:</p> <p>(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/or</p> <p>(b) 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.</p> <p>(c) <b>Only applicable to new entrants without a record of Federal labor and employment law compliance:</b> Written confirmation that applicant is a new entrant without a record of past compliance and that the prospective subgrantee has provided specific, forward-looking commitments to compliance with Federal labor and employment laws with respect to BEAD-funded projects</p>	- 1
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	1
Plan for 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	1
Using a directly employed workforce, as opposed to a subcontracted workforce;	2
Paying prevailing wages and benefits to workers, including compliance with Michigan wage laws, where applicable, and collecting the required certified payrolls;	1
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);	1
Use of local hire provisions; Less than 40%	0
Use of local hire provisions; 40-60%	2
Use of local hire provisions; More than 60%	3
Commitments to union neutrality;	1
Use of labor peace agreements;	1
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);	1
Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure);	2
Taking steps to prevent the misclassification of workers	1
Total	15

## Secondary Scoring Criteria – 25%\*

### Speed To Deployment\* - 1 point

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 subgrant. This category scores prospective subgrantee’s



binding commitment to provide service by an earlier date. Scoring will be on a sliding scale based on number of months to complete the proposed project in the project schedule. An example of the scoring criteria is included below.

48 months or 4 years is the maximum amount of time to deploy BEAD projects and therefore receives no points. If an applicant proposes to complete the project in 30 months they will receive a score of 0.75 out of a possible 1 points.

Scoring value	Points
>48 months	0
42-47 months	0.25
36-41 months	0.5
24-35 months	0.75
< 24 months	1

**Speed of Network and Other Technical Capacities\* - 3 points**

This scoring criteria assesses an applicant’s proposed use of technologies that exhibit greater ease of scalability with lower future investment for priority projects. This graded scale will score based on the minimal available speed and maximum latency committed by the applicant after building. For example, no points will be awarded if the maximum speed available is 100/20 Mbps, maximum latency 100ms and full points will be awarded if the maximum speed is up to 2.5 Gbps upload and 10 Gbps download, maximum latency 100ms.

Scoring Value	Points
100/20 Mbps, maximum latency 100ms	0
250/100 Mbps, maximum latency 100ms	0.2
500/500 Mbps, maximum latency 100ms	0.4
1G/1G, maximum latency 100ms	0.6
Up to 2.5 Gbps download and 1 Gbps upload, maximum latency 100ms	0.8
Up to 10 Gbps download and 2.5 Gbps upload, maximum latency 100ms	1

Network Usable Life shall be applied to the expected lifespan of the physical facility: for example, fiber will receive 1 points, hybrid fiber coax facilities will receive 0.67 points, and fixed wireless will receive 0.33 point. Copper (DSL) will receive no points.



Network Scalability shall be applied to the capacity of the infrastructure being deployed (backhaul, last mile, and equipment) to ensure the ability to scale growth that may occur in the area without additional investment. One point will be awarded to the applicant providing evidence of facilities for expanded growth based on number of fibers, placement of structures to accommodate future growth (handholds, fiber huts, interconnection points) and local sparing policies for all needed equipment. Any applicant not providing details on future capacity shall receive zero points. All other applicants shall receive 0.33 or 0.67 points based on their information provided between these two benchmarks.

**Technical Support and Customer Service – 2 points**

This criteria will score an applicant’s planned commitment to provide technical support to customers. Technical support should be available in all languages that are appropriate to the demographics of the community and based on different technical capabilities of customers. MIHI will prioritize technical support that is offered in real-time to customers, that provides in-the-moment solutions rather than requiring consumers to make additional phone calls or visit additional websites, and that offers both in-person and remote support options to accommodate different circumstances and preferences. The scoring for this criteria will be cumulative based on the type and quality of technical assistance and customer support services offered. Types of technical support and customer service are grouped, and points will be awarded based on each group the applicant is able to provide evidence they provide those services and/or support.

Criteria	Points
<p><b>Group 1 Real-time Technical Support:</b></p> <ul style="list-style-type: none"> <li>• Availability of 24/7 technical support through various channels (phone, chat, email, etc.)</li> <li>• Proven track record of resolving customer issues within a short timeframe</li> <li>• Ability to offer in-person and remote support options to accommodate different circumstances and preferences</li> <li>• Integration of live chat or instant messaging for real-time technical assistance</li> </ul>	.667
<p><b>Group 2 Multiple Language Support:</b></p> <ul style="list-style-type: none"> <li>• Provision of technical support in multiple languages relevant to the customer base</li> <li>• Availability of language resources such as translated FAQs and troubleshooting guides</li> <li>• Training and deployment of multilingual support representatives</li> <li>• Implementation of language-specific assistance tools (e.g., language selection options on websites or phone systems)</li> </ul>	.667
<p><b>Group 3 Remote Support Options:</b></p> <ul style="list-style-type: none"> <li>• Availability of self-service resources, such as online troubleshooting guides and FAQs</li> <li>• Integration of remote support technologies (e.g., screen sharing, remote desktop assistance)</li> <li>• Provision of user-friendly mobile applications for convenient remote support</li> <li>• Implementation of proactive communication methods (e.g., email notifications, text alerts) to address customer issues remotely</li> </ul>	.667
<b>Total</b>	2



**Local Support and Community Engagement – 6 points**

This criteria assesses a prospective subgrantee’s support from local units of government and/or Tribal Nations that intersect the proposed project area. If an applicant receives letters of support from all elected bodies that intersect the project area (e.g., villages, cities, townships, and counties) (or letters of consent from all Tribal nations that intersect the project area), ten or more letters of support from other entities (e.g. Non-Profit Advocacy Organizations and CAIs) within the project area, and a letter of support, resolution, or other official document received from the elected body of the county(ies) intersecting the project area the applicant will receive the full 6 points allocation. If an applicant has no letters of support they will be deducted a point resulting in a negative score for this category.

Criteria	Points
No letters of support are provided	-1
Letters of support received from all the elected bodies of each township, tribal entity, city, counties, and village intersecting the project area.	4
Letters of support received from some of the elected bodies of each township, tribal entity, city, and village intersecting the project area.	2
Letter of support, resolution, or other official document received from the elected body of the county(ies) intersecting the project area	1
Ten or more letters of support received from other entities within project area	1
Fewer than ten letters of support received from other entities within project area	0.5

**Michigan Business – 4 points**

The State of Michigan places a strong emphasis on supporting suppliers that create and maintain well-paying jobs within the state. This preference is reflected in Executive Directive 2019-15 and Section 261 of the Management and Budget Act, 1984 PA 431, as amended, MCL 18.1261 (the "Act"). The Act mandates that State Departments give priority to Michigan-based job providers in their procurement decisions. The Act predates the Infrastructure Investment and Jobs Act (IIJA) which was enacted in November 2021.

Furthermore, MIHI has taken into account feedback from previous broadband grant programs, such as that funded by the Capital Project Funds (CPF). It has been observed that national, non-Michigan based providers secured a significant award, while local, Michigan-based providers who are based in the communities they operate were not as successful. In response, MIHI has recognized the need to implement additional scoring criteria that will create a fair, open, and competitive subgrantee selection process for applicants of all types.

This scoring criteria assesses if an applicant or teaming partner is primarily a Michigan-based business and provides preference to those ISPs which are Michigan based. Points are also awarded for Michigan-based small businesses in this category. Points will be cumulative and awarded based on the criteria the applicant is able to meet. For example, if an applicant or teaming partner has filed a tax return in Michigan in the last 12 months, has at least 10 employees permanently located in Michigan, and has been operating in Michigan for 5 or more years as an ISP, they will receive



3 out of the total 4 points for this category. It should be noted that any applicant may team with a Michigan-based business to be awarded points in this scoring criteria.

Criteria	Points
In the last 12 months the applicant has: 1. Filed a Michigan single business tax return 2. Filed a Michigan income tax return proving income generated in Michigan or 3. Withheld Michigan income tax from compensation paid to the bidder’s owners and remitted the tax to the Department of Treasury	1
Number of employees permanently located in Michigan is $\geq 10$	1
More than 50% of the company works in Michigan	0.5
$\geq 5$ years operating as an ISP in Michigan	1
Property owners are provided with ownership of internal wiring within MDUs	0.75
Headquarters are located in Michigan	0.5
Total	4

**MBE/WBE/ GDBE – 3 points**

This scoring criteria assesses the proposed utilization percentage of minority business enterprises (MBEs), women-owned business enterprises (WBEs), and geographically disadvantaged enterprises (GDBEs), as part of the project team. An applicant will be requested to provide a target for allocating the proposed project value to a disadvantaged business. Actual utilization of MBE/WBE/GDBE firms on BEAD funded projects will be monitored by the Michigan Department of Labor and Economic Opportunity. If a subgrantee is not meeting their target commitments, similar to other requirements and commitments of the program they will be required to submit a corrective action plan to demonstrate a good faith effort towards meeting the target commitments. For example, an applicant will receive no points if they set a target of zero disadvantaged business participation in the project, whereas they would receive the full 3 points if they set a target of 20% or more allocation the proposed project value to a disadvantaged business.



Criteria	Points
Applicant establishes a target for allocating 0-5% of the proposed project value to MBEs, WBEs, GDBEs	0
Applicant establishes a target for allocating 5-10% of the proposed project value to MBEs, WBEs, GDBEs	0.75
Applicant establishes a target for allocating 10-15% of the proposed project value to MBEs, WBEs, GDBEs	1.5
Applicant establishes a target for allocating 15-20% of the proposed project value to MBEs, WBEs, GDBEs	2.25
Applicant establishes a target for allocating 20%+ of the proposed project value to MBEs, WBEs, GDBEs	3

**Open Access – 3 points**

This criteria scores a subgrantee’s provision of open access wholesale last-mile broadband service for the life of the subsidized networks, on fair, equal, and neutral terms to all potential retail providers. Scoring will be on a cumulative basis, allocating points for each criteria the applicant is able to meet. For example, if an applicant is able to demonstrate they have an open access policy expressing willingness to enable third party access to fiber and/or conduit infrastructure along with a plan for ongoing maintenance, includes how many strands or conduits will be identified as available for third party access, details where the infrastructure can be accessed by a third party, and provides property owners ownership of internal wiring within MDUs, the applicant will be awarded full points.

Criteria	Points
Open access policy expressing willingness to enable third party access to fiber and/or conduit infrastructure along with a plan for ongoing maintenance	0.75
Open access policy includes how many strands or conduits will be identified as available for third party access	0.75
Open access policy details where the infrastructure can be accessed by a third party	0.75
Property owners are provided with ownership of internal wiring within MDUs - No	0.75
Total	3





**Equitable Workforce Development and Job Quality- 3 points**

This criteria scores a subgrantee’s enforceable commitments with respect to advancing equitable workforce development and job quality objectives. Scoring will be on a cumulative basis, allocating points for each criteria the applicant is able to meet based on the encouraged strategies and plans described in Section 9 (Requirement 12). Applications must demonstrate a commitment to making appropriate investments to develop a skilled, diverse workforce to fill the necessary jobs to meet the infrastructure buildout timelines submitted in the application. MIHI will assess and score narrative responses under this category of applicants plans and commitments. Applications will receive points based on the information submitted for each element described below. For example, if an applicant has established a training partnership and has leveraged the LEO employer led collaborative, they will receive points for both efforts.

Criteria	Points
Applicant supports the development of an appropriately skilled workforce, as demonstrated by providing and/or supporting employees attainment of occupational training, certification, and licensure.	0.75
Applicant has developed training partnerships with local providers to establish in-house training programs to provide their employees with industry-specific knowledge and skills.	0.75
Applicant creates equitable on-ramps to broadband-related jobs, as demonstrated by partnership with workforce boards, training partners, labor and community organizations, or participation in LEO employer led collaboratives.	0.75
Applicant provides diverse job opportunities, as demonstrated by participation in diversity job fairs, offering internships to students from diverse background, and/or publicly reporting workforce demographic data.	0.75
Total	3

**Low-Cost Service Overall Point Deduction - Maximum -15 points**

Subgrantees that request a waiver to deliver a low-cost service for more than the defined low-cost plan threshold, will have points deducted from their overall score commensurate to the increase in the approved low-cost plan above that threshold.

Applicants will lose at least 2 points for costs above the \$28 (for applicants that do not participate in Lifeline) or \$37.25 (for applicants that participate in Lifeline) per month standard low-cost plan, measured in increments of \$5. For example, if the approved low-cost plan for an applicant that does not participate in Lifeline is \$31, the applicant's total score would be reduced by 2 points, while an approved low-cost plan for an applicant that participates in Lifeline of \$45, will lead to a 4 point reduction in the applicant's total score. The maximum point deduction to the overall score will be capped at 15 points and the maximum low-cost plan can be no more than \$65 per month for applicants that do not participate in Lifeline or \$74.25 for applicants that do.



Criteria	Points
Costs \$28 (non-Lifeline participant) or \$37.25 (Lifeline participant)	0
Costs \$28.01-32.99 or \$37.26-42.25 per month	-2
Costs \$33-37.99 or \$42.26-47.25 per month	-4
Costs \$38-42.99 or \$47.26-52.25 per month	-6
Costs \$43-47.99 or \$52.26-57.25 per month	-8
Costs \$48-52.99 or \$57.26-62.25 per month	-10
Costs \$53-57.99 or \$62.26-67.25 per month	-12
Costs \$58-65 or \$67.26-74.25 per month	-15
Total	-15

**5.6.1 Outreach, Marketing, and Public Awareness Activities**

As required by the BEAD NOFO, subgrantees must carry out public awareness campaigns in their service areas that are designed to highlight the value and benefits of broadband service in order to increase the adoption of broadband service by consumers. Awareness campaigns must include information about low-cost service plans and any federal subsidies for low-income households such as the Lifeline Program and any successor programs to the Affordable Connectivity Program. Further, awareness campaigns must be conducted in an equitable and nondiscriminatory manner. Subgrantees must utilize a variety of communications media (e.g., online, print, radio) and provide information in languages other than English when warranted based on the demographics of the community.

Based on this mandatory requirement MIHI has not included any scoring criteria around outreach, marketing, and engagement activities as it is expected all subgrantees will be completing these activities as a minimum requirement.

2.4.2.1. As a required attachment, submit the scoring rubric to be used in the subgrantee selection process for deployment projects. Eligible Entities may use the template provided by NTIA or use their own format for the scoring rubric.

[2.4.2.1-BEAD-Initial-Proposal Volume II Subgrantee-Selection-Scoring Rubric.xlsx](#)

2.4.3. 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 total BEAD funding allocation for the State of Michigan and the cost estimate to provide fiber to the home (FTTH) to all eligible BSL locations in the state, MIHI expects there will be adequate funding available to serve all unserved and underserved locations as well as Eligible CAIs, currently without a gigabit symmetrical service.

To ensure proper assessment and allocation of funding, all proposed projects will be scored for total project cost, which is an assessment against a cost estimate for the selected project area. Those projects that are well above the cost estimate value will be assessed as part of a second round of applications ("Deferred Application") to ensure adequate funding is available to serve all unserved and underserved locations, followed by eligible CAIs. Although cost estimates may be impacted by federal funding obligations and regional geography, MIHI aims to ensure that the BEAD program's goal of connecting all unserved and underserved Michiganders with fiber will be achieved.

2.4.4. 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.

2.4.5. 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) 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.

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

MIHI will communicate these requirements through various channels, such as the program's website, training sessions, and application materials. The guidelines will outline all of the pertinent 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 preregistration process, subgrantees will be asked to provide a compliance certification stating how they plan to comply with EHP and BABA requirements.

Incorporation of 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. MIHI 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 MIHI's commitment to best practices in the management of the BEAD program.

2.4.6. 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.



As described in Section 5.1, Michigan's BEAD deployment projects will utilize hexbins to divide the state into hexagonal geographic units, each with a diameter of 1.5 miles across opposing vertices. All hexbins that contain at least one BEAD eligible location will be available for BEAD deployment. ISPs will be required to serve every eligible Broadband Service Location (BSL) and Community Anchor Institution (CAI) within the hexbins selected for their project area.

Applicants may choose the number of hexbins needed to form a project area, subject to the following criteria:

- Hexbins in a single project must be contiguous. If it is not possible for all hexbins in a proposed project to be contiguous, hexbins must be reasonably adjacent.
- The selection of hexbins from a single project cannot create an "island" of one or more hexbins that are no longer contiguous with any other available hexbins.
- Some hexbins may be grouped by MIHI into larger, predefined project areas based on a clustering analysis, remoteness, financial viability, number of BSLs, proximity to adjacent cluster/grouping, and deduplication of existing federal, state, and local commitments. Applicants will be required to propose a project for the entire hexbin grouping in these instances.
- Applicants are encouraged to identify partners as needed to ensure that all eligible locations, (i.e., homes, businesses, multi dwelling units (MDUs), and CAIs) within their project areas can be served. For example, every unit of an MDU needs to have the proposed service available to it and to do so might require a partnership with a managed service provider.

Hexbins will be available to view in a publicly facing interactive mapping tool. The geospatial file for hexbins will also be made available.

As described in Section 5.3.3, if the proposed project areas contain overlapping hexbins (i.e. one or more of the proposed project areas contain the same hexbins as another proposed project), scoring will be used to deconflict the overlapping hexbins and award the overlapping project area to the highest scoring project. Scoring will be completed on the total project area (not just the overlapping project area) and that total project score will be used to award only the overlapping hexbins to the highest scoring project. This approach ensures a like-for-like comparison and allows for equitable evaluation of locations within the overlapping hexbins.

Michigan has chosen to assess the whole project, rather than solely focusing on the overlapping hexbins, to ensure a fair comparison. This method takes into account various scoring criteria, including support for small and minority businesses and quality customer support. By evaluating the entire project, smaller providers are not unfairly disadvantaged based on factors such as match funding commitments or total project cost, allowing for a more inclusive evaluation process.

2.4.7. 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 5.3.4, after Round 1 tentative project awards, MIHI will identify hexbins that were not included in a proposed project. These hexbins will be termed as "Stranded". If the "Stranded" hexbin is adjacent or nearly adjacent to the project areas of a submitted application, MIHI will negotiate with applicants to determine a cost to append them to the applicant's tentative Round 1 project area.



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

As part of these negotiations, MIHI will also consider “Outlier” locations and determine if these can be included in an existing project or can be negotiated as a separate project.

As described in Section 5.4, following Round 1 negotiations, MIHI will determine whether Round 2 is required. It is the goal of MIHI to have every hexbin 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, MIHI 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.

MIHI does not plan to offer any inducements (matching funds or in-kind match) for hexbins that did not receive any project applications. Instead, negotiations with adjacent providers and grant applicants will be completed to include missing hexbins in an adjacent project or a new project with an adjacent provider.

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

As described in the scoring criteria (Section 5.4 and 5.5) applicants will be required to provide a letter of support from local units of government intersecting the proposed project area. Additionally, a letter of consent will be required from any Tribal nations intersecting the proposed project area. The letter of consent will provide confirmation of Tribal Governments’ consent to the deployment of planned projects on Tribal Lands where required.

2.4.9. 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 all priority and non-priority deployment bids have been received, as it will be used to ensure that funds are used efficiently and that the State’s service goals are met. The EHCPLT will be based on an analysis of the funding requirements for actual subgrant proposals received in the state of Michigan. The process 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. Michigan will determine the EHCPLT after all Round 1 applications are received and initially reviewed for tentative awards. The EHCPLT will be based on the funding requirements for actual subgrant proposals received, and the process will seek to optimize for 100% coverage of unserved and underserved locations in the most cost-effective manner possible.

Michigan 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, Michigan will provide documentation to NTIA in the Final Proposal.



Michigan will take into account 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. The state 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.

The EHCPLT process will be used to select certain non-FTTH applications instead of FTTH if the overall result is to expand the number of eligible locations receiving access to reliable broadband service. The state will always prefer a priority FTTH project unless the decision not to select a given FTTH project results in significantly more eligible locations receiving service from the best available technology given the total pool of subgrant proposals.

2.4.10. 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 an Other Last-Mile Project. The end-to-end fiber projects will be assessed alongside Other Last-Mile 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 Michigan.

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

The EHCPLT will be set after all priority and non-priority Round 1 proposals are received and assessed. MIHI will determine whether the available BEAD funding is sufficient to expand high-speed internet to all unserved and underserved locations in the state of Michigan at a reasonable cost. By assessing the proposals first, it allows the use of outliers to assist in the defining of 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. MIHI 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

MIHI intends to prioritize projects and technologies that meet the definition of Reliable Broadband. However, MIHI recognizes 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, MIHI will consider technologies that does 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 and latency less than or equal to 100 milliseconds at a lower cost. MIHI will consider technologies, such as satellite or unlicensed fixed wireless 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 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 preregistration, 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. To certify and guarantee the subgrantee's financial capability, the applicant must provide a certification from an Authorized Official; that is, an Officer/Director-level employee statement signed by an executive with the authority to bind the company. 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 Eligible Entity 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. MIHI 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 MIHI will evaluate the financial feasibility of proposed financing. Applicants in Michigan 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 preregistration 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**

MIHI will utilize guidance from NTIA on the letter of credit (LOC) requirements and will model the LOC for BEAD based on the Rural Digital Opportunity Fund (RDOF) LOC model. In accordance with the BEAD NOFO, MIHI 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% of the subaward amount. Additionally, subgrantees must provide MIHI 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, MIHI will permit subgrantees to use performance bonds. As such, the LOC requirement is waived where:

- 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<sup>5</sup>. The letter shall at a minimum provide the dollar amount of the performance bond.
- Prior to entering into any subgrantee agreement, each prospective subgrantee obtains a performance bond, acceptable in all respects to the MIHI 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% 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 MIHI and applicable to all subgrantees subject to the LOC Requirement. MIHI 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% 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% of the subaward amount, where:

- The MIHI issues funding on a reimbursable basis consistent with Section IV.C.1.b of the NOFO;

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<sup>5</sup> See <https://www.fiscal.treasury.gov/surety-bonds/list-certified-companies.html>





- Reimbursement is for periods of no more than six months; and
- The subgrantee commits to maintain a letter of credit or performance bond in the amount of 10% of the subaward until it has demonstrated to satisfaction of MIHI 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<sup>6</sup>.

c. 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 in the state of Michigan 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.

d. 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 MIHI 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 Michigan will span a period of ten years, consisting of three years of historical data and seven years of projected financial data. This ten-year span will allow the MIHI to evaluate the financial health of a proposed project. MIHI 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 Optional Attachment: As an optional attachment, submit application materials related to the BEAD subgrantee selection process, such as drafts of the Requests for Proposals for deployment projects, and narrative to crosswalk against requirements in the Deployment Subgrantee Qualifications section.

2.4.12 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 preregistration in Michigan, potential 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

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<sup>6</sup> For the sake of clarity, the option to reduce the amount of the performance bond by a commensurate amount as subgrantees meet the same service milestones described in section 2.3 may not be applied to a letter of credit or performance bond obtained under this section 2.4



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 MIHI 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 preregistration, potential 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.

The potential 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, potential applicants will be required to provide a narrative about their organizational readiness to manage the proposed project.

2.4.13. 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 preregistration, potential 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 preregistration and Round 1 and Round 2, potential 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, potential applicants must certify that all contracted resources will possess the necessary skills and qualifications.

Potential 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. MIHI 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 that includes a network design, a diagram, a detailed project cost breakdown, and a project timeline complete with milestones for 25%, 50%, 75%, and 100% 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.

Additionally, a professional engineer sign-off is required at the completion of the project to confirm the deployed network was constructed and is operating as designed.

MIHI 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 Michigan.

2.4.14 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.

Potential applicants will be requested to submit as part of their preregistration 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 Michigan 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 Michigan 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. MIHI may provide a model policy for subgrantees to adopt to fulfill this requirement.

To ensure compliance with applicable laws and regulations, MIHI 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, MIHI will review and collect documentation from qualified personnel and hire additional staff or contractors, if necessary. MIHI will communicate these requirements through the grant application instructions and grant agreement terms and conditions.



2.4.15 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, potential applicants will be required to demonstrate their financial, organizational, and technical capabilities to complete a successful broadband project in Michigan. This includes qualifications for key personnel and evidence of past experience completing similar projects. In addition to those requirements, MIHI will request as part of the preregistration that potential 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.

Potential applicants 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 Michigan 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 preregistration, 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. MIHI will collect and review all documents related to operational capability requirements.

To keep potential applicants informed of the requirements, MIHI will communicate these operational capability 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. This comprehensive approach ensures that all applicants meet the requisite operational capability to deploy broadband infrastructure in Michigan 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 required Broadband DATA Act submissions, as applicable and required to comply with the Commission's rules and regulations. This certification will be done as part of preregistration. Entities that are not required to submit FCC Form 477s and the Broadband DATA Act submission will not be penalized.



To verify these claims, MIHI will cross-check with public records to confirm the dates of submission. This ensures that potential applicants have complied with FCC regulations before being considered eligible for broadband infrastructure deployment subgrant funding in Michigan.

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 preregistration, potential applicants must submit audited financial statements from the past three years. If audited financial statements are not available, the potential applicant should submit unaudited financial statements from the previous year accompanied by an explanatory narrative for why audited statements were not available. Additionally, potential applicants should also provide unaudited interim financial statements for the current year to date.

MIHI will conduct a ratio analysis on the financial statements to evaluate the organization's financial capacity and sustainability. It's important to note that this requirement applies to all potential applicants, 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 sustainable subgrantees receive funding for the deployment of broadband infrastructure in Michigan.

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.

Potential applicants 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.

MIHI will communicate these requirements through conducting outreach efforts to relevant stakeholders and including the requirements in preregistration guidance, grant agreement terms, conditions, and monitoring program requirements.

2.4.16 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 preregistration, potential applicants will be requested to submit the relevant ownership information as required by 47 C.F.R. § 1.2112(a)(1)-(7). A summary of the information required is included below:



(a) Each application to participate in competitive bidding (i.e., short-form application (see 47 CFR 1.2105), or for a license, authorization, assignment, or transfer of control shall fully disclose the following:

(1) List the real party or parties in interest in the applicant or application, including a complete disclosure of the identity and relationship of those persons or entities directly or indirectly owning or controlling (or both) the applicant;

(2) List the name, address, and citizenship of any party holding 10 percent or more of stock in the applicant, whether voting or nonvoting, common or preferred, including the specific amount of the interest or percentage held;

(3) List, in the case of a limited partnership, the name, address and citizenship of each limited partner whose interest in the applicant is 10 percent or greater (as calculated according to the percentage of equity paid in or the percentage of distribution of profits and losses);

(4) List, in the case of a general partnership, the name, address and citizenship of each partner, and the share or interest participation in the partnership;

(5) List, in the case of a limited liability company, the name, address, and citizenship of each of its members whose interest in the applicant is 10 percent or greater;

(6) List all parties holding indirect ownership interests in the applicant as determined by successive multiplication of the ownership percentages for each link in the vertical ownership chain, that equals 10 percent or more of the applicant, except that if the ownership percentage for an interest in any link in the chain exceeds 50 percent or represents actual control, it shall be treated and reported as if it were a 100 percent interest; and

(7) List any FCC-regulated entity or applicant for an FCC license, in which the applicant or any of the parties identified in paragraphs (a)(1) through (a)(5) of this section, owns 10 percent or more of stock, whether voting or nonvoting, common or preferred. This list must include a description of each such entity's principal business and a description of each such entity's relationship to the applicant (e.g., Company A owns 10 percent of Company B (the applicant) and 10 percent of Company C, then Companies A and C must be listed on Company B's application, where C is an FCC licensee and/or license applicant).

2.4.17 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.

Potential applicants 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 preregistration materials.

During the prequalification phase, MIHI 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), MIHI 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 Michigan 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, or the relevant percentage if the commitment is to serve a percentage of locations within the specified geographic area.
- 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 MIHI for the viability and impact of the proposed broadband infrastructure deployment projects and ensure that they meet the requirements of the broadband program.



## 6 Non-deployment Subgrantee Selection (Requirement 8)

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2.5.1. 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.

At the time of this Initial Proposal, the Michigan High-Speed Internet Office is uncertain of how much funding may remain available for non-deployment activities after deployment to all unserved locations, underserved locations, and BEAD-eligible Community Anchor Institutions is funded. We will fully detail our plans for non-deployment activities in the Final Proposal.

2.5.2. 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;
- 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.

At the time of this Initial Proposal, the Michigan High-Speed Internet Office is uncertain of how much funding may remain available for non-deployment activities after deployment to all unserved locations, underserved locations, and BEAD-eligible CAIs is funded. We will fully detail our plans for non-deployment activities in the Final Proposal.

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

MIHI's priority for its BEAD funding allocation is to expand high-speed broadband availability to the unserved and underserved locations and CAIs of the state of Michigan. MIHI also strongly believes the deployment of broadband across unserved and underserved areas must be coupled with non-deployment activities to ensure that the internet can be utilized in a meaningful, productive, and impactful manner. It is evident that engaging in non-deployment activities is crucial to bridge the gap between populations that have historically been underserved by internet services. In particular, the Michigan Digital Equity Plan, developed under the State Digital Equity Planning Grant Program, outlines objectives and goals that can be helpful in achieving this aim. Should BEAD funding remain available after deployment to all unserved locations, underserved locations, and BEAD-eligible CAIs is funded, we will fully detail our plans for non-deployment activities in the Final Proposal.

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

Should BEAD funding remain available after deployment to all unserved locations, underserved locations, and BEAD-eligible CAIs is funded, we will ensure that prospective non-deployment subgrantees:





- Can carry out activities funded by the subgrant in a competent manner in compliance with all applicable federal, state, and local laws;
- Have the financial and managerial capacity to meet the commitments of the subgrantee under the subgrant, the requirements of the Program and such other requirements as have been prescribed by the Assistant Secretary or MIHI; and
- Have the technical and operational capability to provide the services promised in the subgrant in the manner contemplated by the subgrant award.



## 7 Eligible Entity Implementation Activities (Requirement 10)

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

### 7.1 Programmatic Support Activities

MIHI anticipates using a portion of the state's BEAD allocation to support permitting and deployment coordination; compliance, validation, and award monitoring; technical assistance to communities and potential subgrantees; and, if funding is available, other non-deployment planned activities as identified in the BEAD Five-Year Action Plan that support the successful programmatic outcomes of the BEAD program. Some of those activities are described below in more detail.

#### 7.1.1 Technical Assistance Program

As one of the Programmatic Support Activities, MIHI is proposing to implement a technical assistance program to facilitate broadband deployment across the state. The technical assistance program will directly assist local and county governments, tribal governments, and regional entities who require assistance in planning, applying for, or participating in BEAD deployment and non-deployment activities. MIHI anticipates partnering with the Michigan Infrastructure Office and the Michigan Economic Development Corporation to identify and contract with a consultant who will serve as the technical support for these entities.

The technical assistance program may include providing assistance and guidance on a wide range of activities such as project planning, community engagement, mapping, data collection and reporting, partnership development, financing and funding options, project management, monitoring and compliance, permitting capacity, and relevant local policy development, among others. Community engagement activities will promote broadband adoption and usage in Michigan by gathering input on broadband needs, identifying barriers to adoption, and developing strategies to overcome those barriers. The program may also assist with the collection of data to support the tracking of digital equity key performance indicators (KPIs) to measure progress in closing the digital divide.

Overall, MIHI's technical assistance program will play a critical role in complementing subgrants and reducing barriers to participation in the BEAD program for local and county governments, tribal governments, and regional entities. Through direct engagement with these organizations, MIHI will provide tailored support and resources to help overcome challenges in deploying broadband infrastructure and digital equity activities. This approach is anticipated to be more efficacious than relying solely on subgrants, as it will enable a broader range of applicants for both deployment and non-deployment projects. Ultimately, this approach will help to increase the inclusivity of the program, promote broadband adoption and usage in Michigan, and close the digital divide for all Michiganders.

#### 7.1.2 Permitting and Deployment Coordination

Coordination between deployment and permitting is key to ensuring BEAD funded deployment projects are completed on time and on budget. This requires permitting and deployment coordination and best practice implementation across overlapping jurisdictions and agencies. MIHI plans two activities to support permitting and deployment coordination; 1) identification of a permitting and deployment coordinator for the office; 2) local and



county support for implementing permitting best practices; and 3) increase capacity for utility marking with the state's Utility Notification Center.

MIHI will on-board staff or identify a contractor to provide permitting and deployment coordination to ensure BEAD-funded projects do not experience unnecessary roadblocks to completion. Tasks would include convening grantees to identify specific geographies or types of permits that are delaying deployment, coordination with federal and state agencies on processes for complicated permit approvals, and working with local governments to build awareness for permitting best practices, among others.

Additionally, and in conjunction with the local technical assistance program described previously, MIHI will provide support to local units of government, counties, Tribal Nations, and other similar entities to implement local permitting best practices. These best practices will be based on well-established practices to ensure local goals and objectives implemented via permitting are maintained while ensuring BEAD-funded projects do not experience undue delays.

More details on efforts to reduce barriers and streamline processes can be found in Section 11 of this proposal.

### 7.1.3 Application Intake, Review, Compliance, Validation, and Award Monitoring

MIHI will be responsible for ensuring both the State of Michigan and all subgrantees are compliant with all applicable state and BEAD Program requirements. As part of this effort MIHI will be performing monitoring, risk assessments, and validation activities throughout the life of the BEAD program. MIHI will also engage outside support for following activities:

- BEAD application intake and review to ensure compliance with each element of the subgrant process.
- Workforce development plan to assess the workforce development needs related to BEAD deployment projects and identify opportunities to ensure subgrantees have access to the skilled workforce needed to successfully complete proposed projects.
- Supply Chain Support to provide an analysis of the BEAD-relevant supply chains and develop a strategy for preventing and alleviating supply chain pressures that may delay BEAD deployment projects or substantially increase their cost.
- Long-Range Consumer Connectivity and Economic Impact Assessment to provide a long-range analysis and study of consumer connectivity (among those connected with BEAD funds) and the overall economic impact of the program.

In combination with the funding allocation for administrative activities (capped at 2%) MIHI may use funding to ensure all requirements of the program are strictly adhered to and ensure compliance. See Section 16 of this proposal for more information on compliance with the BEAD program requirements.

## 7.2 Eligible Entity Activities

MIHI plans to partner with other state agencies and offices that administer programs that align with the permitted BEAD non-deployment uses and provide funding for the continuation or expansion of those programs. Partner agencies may include, but are not limited to, Michigan Department of Education, Library of Michigan, Michigan Department of Health and Human Services, Michigan Office of Rural Development, Michigan State Housing Development Authority, and Labor and Economic Opportunity Workforce Development.



### **7.2.1 Funding Existing Digital Equity-Related Programs in the State**

MIHI proposes utilizing BEAD funding, should any remain following deployment to all unserved locations, underserved locations, and BEAD-eligible CAIs, to allocate funds for other Michigan state agencies to fund and expand previous or existing programs that advance the goals of BEAD and digital equity.



## 8 Labor Standards and Protections (Requirement 11)

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2.7.1. 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:

To align subgrantees with MIHI's strategic objectives and core values, maintaining labor standards and protecting workers is of utmost importance. Therefore, the selection process for potential subgrantees entails a structured and detailed application process that ensures the State partners with entities committed to quality, transparency, and labor compliance. The subgrantee evaluation process that follows will exceed NOFO requirements whilst maintaining the highest level of adherence to federal and state labor and employment laws throughout the life cycle of Michigan's BEAD projects.

Compliance with the necessary state, federal, and local laws is a top priority for MIHI. Subgrantee applicants will need to present documented and signed evidence of the applicant's compliance with federal and state labor and employment laws for the past three years by an Officer of the entity. The same compliance documentation will be required for applicant's contractors or subcontractors. Lastly, applicants must disclose any non-compliance with federal and state labor and employment laws for themselves and their contractors and subcontractors over the past three years. This record should also describe the corrective steps taken to avoid similar incidents, ensuring future compliance.

MIHI prioritizes adherence to relevant state, federal, and local laws, and strives to partner with subgrantees who demonstrate a commitment to the highest standards of labor rights and practices.

The fair labor practices scoring criteria for deployment projects (both priority projects and other last-mile projects) is weighted 15 points out of a total of 100 points. As part of the selection process, applicants will receive cumulative points based on their record of compliance with Federal labor and employment laws and their commitment to fair labor practices. More specifically, applicants will be scored according to the following criteria:

1. Record of Compliance: Applicants will be required to provide:
  - 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
  - b) 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.
  - c) Only applicable to new entrants without a record of Federal labor and employment law compliance: Written confirmation that the applicant is a new entrant without a record of past compliance and that the applicant has provided specific, forward-looking commitments to compliance with Federal labor and employment laws with respect to BEAD-funded projects.

If an applicant is unable to provide this documentation, they will be deducted 1 point in this criteria.



2. Commitment to Fair Labor Practices: Applicants will be requested to provide a written plan that addresses the following:
  - 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.
  - b) Plan for 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.
  - c) Commitment to any of the following labor standards and protections for the project workforce:
    - Use of directly employed workforce, as opposed to subcontracted workforce.
    - Paying prevailing wages and benefits to workers, including compliance with Michigan wage law requirements, where applicable, and collecting the required certified payrolls.
    - Use of 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).
    - Use of local hire provisions.
    - Commitments to union neutrality.
    - Use of labor peace agreements.
    - 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).
    - Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure).
    - Taking steps to prevent the misclassification of workers.

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;

Our review process will be rigorous and center on the past three years of a potential partner's performance. By doing so, we aim to select partners who comply with the latest requirements and best practices in the sector.

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

In addition to past performance, the credibility and accountability of the information provided are critical. An attestation from an Officer/Director-level employee from the prospective subgrantee's organization will be necessary to guarantee this. The attestation serves two purposes: validating the information's accuracy and



completeness while also holding senior management accountable and strengthening the subgrantee's commitment to upholding federal labor and employment laws.

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.

Prospective subgrantees should report any past violations to MIHI, including written confirmation of any infractions of regulations covered under the Occupational Safety and Health Act, the Fair Labor Standards Act, National Labor Relations Act, laws covered by the Equal Employment Opportunity Commission, or similar state laws, or any other pertinent labor and employment law within the last three years. This confirmation encourages subgrantees to be open about their past discrepancies, allowing us to evaluate their track record and dedication to fair compensation and a safe work environment.

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

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:

1. 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

Prospective subgrantees, along with their contractors and subcontractors, will be required to provide a plan that outlines how they intend to monitor and guarantee compliance with labor and employment laws.

MIHI will require subgrantees to provide comprehensive details about the projected wage and fringe benefit structures of employees who will work directly on BEAD network's physical construction. MIHI will also require prospective subgrantees to submit information on their labor and employment practices regarding wage, fringe benefits, and overtime payments, as well as ongoing verification for the duration of the projects.

2. 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.

MIHI will encourage subgrantees to establish robust workplace safety plans, which includes creating workplace safety committees to address health and safety concerns in the workplace and worksites. In addition, a description of the governance structure of the workplace safety committee should be provided, outlining the authority to report safety concerns and halt work in hazardous conditions. This description should also include their safety concern reporting process, outlining the process for employees to report concerns. Moreover, MIHI will strongly encourage all subgrantees to prioritize safety implementation by including engaging with MIOSHA's cooperative or partnership agreements with the consultation program, measures such as regular safety training and informative toolbox talks. These initiatives aim to instill a culture where safety is a top priority, ensuring all workers operate in an environment that puts their well-being first.

2.7.2. 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:



MIHI's application process has been designed to identify subgrantees who comply with federal labor and employment laws and align with the BEAD NOFO guidelines. Although some requirements will be obligatory, others may not be legally binding. In either case, labor standards will serve as selection criteria during the application process. To ensure subgrantees' adherence to strong labor standards and protections for project workers, we will encourage the submission of compliance details from each applicant.

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

MIHI stresses the significance of utilizing a directly employed workforce to ensure that the advantages of BEAD projects support local communities in Michigan. We are incentivizing subgrantees to adopt this approach through scoring, as it will engage local talent and reduce reliance on out-of-state subcontractors and workers. MIHI aims to bolster local economic growth and ensure project benefits deeply impact the local community.

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;

Michigan acknowledges that the BEAD NOFO directs subgrantees to elect one of three options: comply with the Davis-Bacon Act, comply with state prevailing wage, or provide a local impact report. Potential applicants will be incentivized through scoring to comply with paying prevailing wages and benefits, and MIHI will expect applicants to provide a comprehensive plan detailing their strategies to do so in order to earn the points available. The plan should outline how the applicant intends to maintain compliance with their labor practices and those of their contractors and subcontractors.

Construction mechanics shall be employed and paid in compliance with the traditional trade jurisdiction. Allowable classifications include Electrician, or registered apprentice, Sound & Communication Tech/Journeyman where existing, or registered apprentice, and certain equipment operators. The applicant shall provide a listing of anticipated trade classifications and a description of the work to be performed by classifications other than those listed.

Should the potential applicant intend to provide a local impact report, MIHI will expect a similarly comprehensive description of the applicant's reporting plan. Project employment and local impact reports must include details regarding:

- The number of contractors and sub-contractors working on the project;
- The number of workers on the project hired directly and hired through a third party;
- The wages and benefits of workers on the project by classification, and (iv) Whether those wages are at rates less than those prevailing.

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);

Prospective subgrantees will be incentivized to include a detailed and transparent plan that outlines their dedication to employing project labor agreements. A scoring system will be used to evaluate the level of commitment displayed by subgrantees in engaging in project labor agreements with unions and other organizations related to the workforce.

d. Use of local hire provisions;





MIHI will encourage prospective applicants to include local hire provision criteria in their applications, complying with the guidelines included in the BEAD NOFO. The commitment of subgrantees towards local hire provisions will be evaluated through a scoring system, with an emphasis on ensuring that at least 60% of the total work hours are filled by Michigan residents.

e. Commitments to union neutrality;

MIHI recognizes the value of the labor standards specified in the BEAD NOFO. Applicants will be incentivized through scoring to develop a written policy regarding union neutrality and confirmation that they do not engage in tactics such as intimidation, retaliation, or coercion against employees who wish to form or join a union. Any perceived deviations or unfair labor practices, especially those that undermine the principle of union neutrality, will not be tolerated. If we identify any instance of such behavior, MIHI will take necessary corrective action. Our stance aims to foster a balanced ecosystem that benefits subgrantees, workers, and unions. Additionally, MIHI will emphasize the importance of subgrantees educating their workers about their rights and responsibilities related to union neutrality. We believe in fostering a transparent and just work environment where every worker has the same rights and can freely exercise them.

f. Use of labor peace agreements;

MIHI recognizes that a labor peace or neutrality agreement is crucial in maintaining continuous project momentum, ensuring timely completion and quality. The scoring rubric incentivizes applicants that commit to the use of labor peace agreements to ensure BEAD deployment project schedule remains on-track.

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);

MIHI will require subgrantees include in their applications, their plans to prioritize the use of a skilled workforce employed through training programs such as joint labor-management initiatives or Registered Apprenticeships, with a particular focus on groups that have historically been underrepresented. MIHI emphasizes developing strategies that provide training opportunities and uplift communities that have been marginalized or historically underrepresented within the field. Some examples might include, but are not limited to:

- Enhance and promote diversity within training programs.
- Initiatives or collaborations that specifically target groups such as individuals with disabilities, LGBTQ+ individuals, women, or ethnic and racial minorities.
- Partnerships with community colleges and vocational training institutes.
- Collaborations with established labor unions.
- Providing supportive services such as job readiness training, mentorship, and skills coaching to trainees during training programs.
- Developing Post-Training Supportive Services for helping trainees after completing the program.

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



As per BEAD NOFO guidelines, MIHI encourages potential subgrantees to emphasize the significance of a qualified workforce in their submissions. Applicants should outline their plans for verifying educational and professional credentials, ensuring that the BEAD workforce possesses the necessary skills. To illustrate, some examples may include:

- **Credential Verification Process:** Describe the method for verifying qualifications, certifications, and licenses.
- **Credential Passport System:** Implement a system that details each worker's skills, qualifications, and experience.
- **Recognition of Prior Learning:** Acknowledge and incorporate skills and experience gained outside of formal education.

i. Taking steps to prevent the misclassification of workers.

To guarantee that the rights of employees and the obligations of employers are maintained during the project lifecycle and the application process, MIHI will introduce a broad-ranging framework to prevent the misclassification of workers as detailed by the BEAD NOFO. MIHI will carry out the following measures to oversee and ensure this:

- **Detailed Application Review:** Applicants must supply detailed information about their workforce classification approaches during the application process. MIHI will evaluate these methodologies to verify that they comply with federal and state guidelines.
- **Contractual Agreements:** Following an applicant's successful application, contractual agreements between MIHI and subgrantees will incorporate clauses and penalties relating to worker misclassification. These clauses will successfully communicate MIHI's emphasis on the correct worker classification to subgrantees and contractors.
- **Ongoing Monitoring and Audits:** MIHI will carry out periodic reviews of subgrantee employment practices, as well as audits that highlight high-risk sectors notorious for worker misclassification.

By incorporating these standards and protective measures into the application process and the project lifecycle, MIHI can maintain its commitment to ensuring that subgrantees and their contractors make worker classification a priority, ensuring that all parties' rights and obligations are respected.

MIHI acknowledges the labor standards and worker protection regulations outlined in the BEAD NOFO. MIHI encourages potential subgrantees to include all standards and regulations in their applications for promoting a skilled workforce and fostering fairness to all parties involved. These standards will serve as criteria during the selection process, with clear instructions provided on how to address each item and how it impacts the scoring and selection process. MIHI will employ the following measures to ensure understanding:

- **Detailed Guidance:** MIHI will provide step-by-step instructions outlining how potential subgrantees should integrate and expand on each item within their applications.
- **Scoring Clarification:** MIHI will clarify how subgrantees descriptions of their adherence to the NOFO standards will affect their application's score, ensuring an equitable and accurate evaluation process.
- **Document Inclusion:** MIHI's grant applications and instructional materials will emphasize the NOFO standards throughout. Subgrantees will repeatedly be exposed to the criteria, underscoring the standards' significance.



Moreover, the terms and conditions of grant agreements and subrecipient grant monitoring requirements will reflect these standards.

Through these measures, MIHI hopes to ensure that potential subgrantees are well-prepared and possess the tools to align with the desired standards and promote a skilled workforce.



## 9 Workforce Readiness (Requirement 12)

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2.8.1. 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:

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;

MIHI and LEO's Workforce Development Division are collaborating closely to drive workforce efforts in Michigan. LEO has a well-established workforce strategy that is people-centered and integrates data and evidence-based elements to address workforce disparities. They partner with various entities such as service providers, education and training organizations, economic development entities, and local workforce development boards to design training programs and execute successful placement and retention plans. MIHI is integrating its initiatives with LEO's strategy to deliver a comprehensive approach to workforce development in Michigan. MIHI is committed to forming additional partnerships with industry and higher education programs, as needed, to ensure the successful implementation of BEAD. Along with the potential partnership described in the upcoming narrative, MIHI will continue to identify and collaborate with key stakeholders to maximize the impact of its workforce development initiatives.

MIHI understands the significance of having a workforce that is highly skilled, secure, and efficient. Therefore, we are devoted to making sure that our subgrantees also share this outlook and devotion. To accomplish this objective, we have formulated a comprehensive approach that involves several components.

### **Rigorous Subgrantee Selection:**

MIHI will implement rigorous subgrantee selection to ensure that our subgrantees are aligned with our vision. Our selection process will be thorough, encompassing a comprehensive evaluation of each subgrantee's commitment to workforce development and safety. This review will involve an examination of their previous records, safety procedures and protocols, employee training programs, and their commitment to continuous training and skill enhancement. Refer to the following attachment for the detailed scoring rubric, which includes workforce development criteria that scores a subgrantee's enforceable commitments with respect to advancing equitable workforce development and job quality objectives: "2.4.2.1-BEAD-Initial-Proposal\_Volume II\_Subgrantee-Selection-Scoring Rubric."

### **Training and Skills Development:**

MIHI is committed to enhancing the skills of the workforce, and therefore, encourages subgrantees to prioritize investing in the professional development and upskilling of their workforce. MIHI will score subgrantees based on their efforts to prioritize investing in the professional development of their workforce. One of the scoring elements that will be considered is the establishment of training partnerships. MIHI urges subgrantees to establish in-house training programs and locate local training providers or educational institutions to provide their employees with industry-specific knowledge and skills. Moreover, MIHI recommends that subgrantees work collaboratively with educational entities to ensure targeted training is available and accessible. MIHI believes that education and training programs should begin with short-term, customized work-based learning and then progress towards long-term approaches, prioritizing the subgrantee's talent needs. These programs may include Short-Term Customized



Training, Pre-Apprenticeship, Registered Apprenticeship, Postsecondary Education and Training, and Workplace Literacy. There are already existing programs geared towards training and skills development, such as those offered through LEO's MI Small Business Initiative. One of the initiatives is focused on apprenticeship expansion, which is an effective way to provide on-the-job learning focused on new industry sectors while increasing the diversity of participants by recruiting groups historically underrepresented in the broadband sector. The availability of federal grants will help Michigan create over 6,000 new apprenticeships over the next few years, which will benefit both employers and career seekers.

### **Reskilling and Upskilling Incumbent Workers:**

MIHI recommends that subgrantees leverage resources provided by LEO and/or the agency's service providers to tap into pools of talent in Michigan. These programs and services aim to attract individuals ready to make a difference in the workforce or help in retaining existing talent.

- [Barrier Removal Employment Success \(BRES\)](#) – supports at-risk individuals and the removal of barriers to employment for low-income, poor and working poor citizens of Michigan. BRES provides supportive services to job seekers to address and remove barriers preventing them from finding or maintaining employment. Some support services may include transportation, housing/rental assistance, legal services, work tools and equipment and tests/permits.
- [Fidelity Bonding](#) – protects employers from any loss of money or property incurred because of dishonesty by high-risk workers. The program was created to assist high-risk, but qualified, job seekers such as justice-involved individuals who have bona fide offers of employment.
- [Pure Michigan Talent Connect](#) – online tool serves as Michigan's labor exchange system, a centralized location to connect job seekers and employers.
- [Talent Acquisition Portal](#) – online tool includes both a national talent pool of candidates and a job posting system for businesses looking to hire individuals with disabilities
- [Veterans' Employment Services](#) – individualized career and training-related services to veterans to benefit employers looking to fill their workforce needs with job-seeking veterans.
- Vocational Rehabilitation – recruit individuals with disabilities for direct positions, internships, on-the-job training and registered apprenticeship. Examples include the [Bureau of Services for Blind Persons](#) and [Michigan Rehabilitation Services](#).

### **Employer-Led Collaboratives:**

MIHI will encourage subgrantees to leverage the LEO Workforce Development Division's network of statewide Employer-Led Collaboratives (ELCs). ELCs consist of groups of businesses working together to solve shared workforce problems and fill talent gaps in high-demand occupations. Working in partnership with an extensive, diverse network of stakeholders supports Michigan employers' ability to hire new and upskill current employees and creates a diverse, inclusive talent pipeline of skilled workers including underserved and disadvantaged individuals. The success and sustainability of ELCs is crucial to the development and expansion of highly qualified and skilled workforce talent pipelines. If an ELC is not currently in existence, MIHI will work closely with LEO's Workforce Development Division to help facilitate the creation of a new ELC, one that is relevant and applicable to the needs of the region.

**Health and Safety Standards:**

We suggest that all subgrantees adhere to stringent health and safety standards and policies in line with state and federal regulations. This will include providing necessary safety equipment, enforcing safe work practices, and training workers in safety protocols.

**Ongoing Oversight and Evaluation:**

MIHI is committed to regularly monitoring its subgrantees to ensure their adherence to safety and workforce development protocols. MIHI will conduct site visits, assess safety records, and establish feedback channels to obtain worker input, guaranteeing a stable and effective working atmosphere. We will leverage reporting that is available from other state and federal agencies when appropriate, but may perform our own monitoring when needed.

**Worker Empowerment and Advocacy:**

To ensure that worker feedback is taken into account when making decisions concerning safety and workforce development, we will prompt subgrantees to establish avenues for worker participation. For instance, they could create safety committees, launch suggestion schemes or hold worker-management meetings. These avenues will serve to give workers a voice in important decisions, ensuring that their opinions are valued and utilized.

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;

MIHI understands the significance of building a skilled and adaptable workforce that can meet the changing demands of the broadband sector. As such, we aim to establish sector-based partnerships among education and training providers, employers, unions, community- and worker-based organizations, and the public workforce system. Our strategy is to provide extensive and relevant training opportunities along with supportive services to enable workers to attain necessary skills and contribute to the local economy. Details of our plan include:

**Developing Sector-Based Partnerships:** MIHI will create a collaborative platform involving key stakeholders, including education and training providers, employers, unions, and the public workforce system. Through regular meetings and networking events, this group will promote knowledge-sharing, mutual understanding, and collective action. MIHI incorporates Talent Pipeline Management® principles and best practices to build more effective partnerships with employers, when possible.

**Promoting Relevant Training:** MIHI is committed to quality education and training as a means of developing a competent workforce. We will focus our efforts on:

- **Strengthening Education and Training Providers:** Our approach will involve partnering with educational institutions, vocational training centers, and online learning platforms to develop and deliver industry-specific curriculum and ensure targeted training is available and accessible.



- **Leveraging Registered Apprenticeships and Pre-Apprenticeships:** MIHI will work with partners to promote and develop registered apprenticeships and pre-apprenticeship programs, combining work-based learning and mentoring to provide workers with essential on-the-job experience. MIHI may partner with the State Apprenticeship Expansion (SAE) office, which currently supports and promotes the use of Registered Apprenticeships to support the state's workers and employers. Training should be prioritized based on the demonstrated talent needs and may also include short-term customized training, postsecondary education and training, and workplace literacy.
- **Engaging Employers and Unions:** Partnering with employers and unions will help tailor the training to meet industry needs and ensure that workers learn the essential skills employers seek.

**Providing Wrap-Around Services:** MIHI is aware of the potential challenges that workers may face in accessing and completing training programs; hence, we aim to partner with community-based organizations and worker organizations to provide supportive services, which include:

- **Child Care and Transportation Services:** We will explore options to offer logistical support, which could include childcare and transportation services to help overcome barriers faced by workers. For example, MIHI may collaborate with MI Tri-Share, a bipartisan program introduced by Governor Gretchen Whitmer, which addresses the issue of the cost of childcare. The program coordinates a three-way split of childcare costs between the employer, employee, and State of Michigan and ensures regional coordination through MI Tri-Share facilitator hubs to ensure that parents can return to work assured that their children are being taken care of.
- **Mentorship Programs:** Our plan involves establishing mentorship programs that will provide guidance and support to workers throughout their training and early career stages. MIHI may partner with SAE's Registered Apprenticeship program to provide mentorship programs. SAE's employee training program combines on-the-job training and classroom instruction under the supervision of an experienced industry professional who serves as a mentor.
- **Supportive Services:** In partnership with community organizations, we will offer a range of additional supportive services, such as counseling, financial guidance, job placement assistance, and more. Partners may include the Michigan Civil Service Commission, which has conducted over 100 free virtual job fairs, connecting more than 2,600 employers with over 9,900 job seekers, to ensure that employers have access to traditional job search tools. Another partner may be Michigan Reconnect, which helps eligible adults pay the costs of tuition or training to obtain an associate degree or skills certificate at their in-district community college.
- **Business Resource Network:** In coordination with the Michigan Works! Agencies (MWA), located in all regions of the state, the Business Resource Network is a tool which provides resources to local companies aiming to reduce employee turnover by pairing employees with a Success Coach. Success Coaches assist employees with managing life's challenges, including barrier removal. Eligible employees for Success Coach services include returning citizens, those experiencing homelessness, and those receiving state or public assistance.

By implementing a comprehensive approach like this, MIHI is confident that we can attract, train, and retain a skilled and diverse workforce. This, in turn, will help meet local workforce needs, promote economic development, and increase the availability of high-quality job opportunities in the broadband sector.

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

MIHI recognizes the importance of equity in establishing pathways to broadband-related careers. Our plan involves strategic partnerships, a commitment to job quality, and ongoing engagement with key community and labor organizations.

### **Engaging with Key Stakeholders:**

MIHI aims to collaborate with various stakeholders, including state, territorial, and local workforce boards, training partners, labor, and community organizations. We will leverage their expertise and resources to create effective and inclusive pathways into broadband careers.

- **State, Territorial, and Local Workforce Boards:** Our collaboration with these entities will involve closely aligning our workforce development initiatives with local and regional needs and priorities. We will collaborate with partners to inform their design of training programs that meet industry standards, identify high-demand occupations and align our recruitment efforts with local workforce trends.
- **Training Partners:** We plan to collaborate with Michigan Works! Agencies, Michigan community colleges, vocational schools, industry-focused training centers, and the Michigan Department of Health and Human Services to provide hands-on, industry-relevant training. Our partnerships will also involve creating and promoting apprenticeship and internship opportunities to provide aspiring professionals with practical experience.
- **Labor and Community Organizations:** We recognize the crucial role of labor and community organizations in expanding our outreach to underrepresented communities. We will work closely with these organizations to facilitate outreach, recruitment, and support for these communities. Our efforts will focus on ensuring that underrepresented groups receive the support they need to pursue and thrive in broadband careers.

### **Maintaining Job Quality:**

Maintaining job quality is essential for cultivating a skilled and resilient broadband workforce. MIHI is committed to ensuring that our workforce is paid fairly, works in safe and healthy environments, and has access to professional development opportunities.

- **Competitive Pay:** MIHI will work with industry partners and labor organizations to establish pay scales that reflect our workforce's skills, qualifications, and contributions.
- **Safe Work Environments:** MIHI is committed to implementing strict health and safety standards per OSHA guidelines. We will also encourage our partners and subgrantees to adopt these measures to ensure safe working conditions.
- **Professional Development:** MIHI recognizes the importance of ongoing learning and development to equip our workforce with the skills and competencies necessary to succeed in the broadband sector. We will provide regular skill-enhancement workshops, on-the-job training, mentorship programs, and upskilling opportunities to help our workforce thrive. Current programs include Governor Whitmer's \$30M investment in Michigan Reconnect, which enables over 4.1 million Michiganders who are 25 or older to earn a tuition-free associate degree or skills certificate, and over 100,000 individuals have already applied. Additionally, the Futures for





Frontliners program, with a \$24M investment, has launched a new, first-in-the-nation scholarship program offering tuition-free paths for essential frontline workers.

### **Engagement with Labor Organizations and Community-Based Organizations:**

MIHI understands that successful workforce planning and implementation requires input from workers and community members. Therefore, we will engage with labor and community-based organizations throughout the planning and implementation process to ensure that worker rights and interests are protected, and initiatives are inclusive and promote social equity.

- Collaborate with Labor Organizations: Regular consultations and meetings with labor organizations will ensure that worker rights and interests are protected, and our strategies align with their needs and expectations. MIHI can collaborate with various organizations, such as the Bureau of Employment Relations, Wage and Hour Division, Michigan Occupational Safety and Health Administration, Workers' Disability Compensation Agency, and Michigan Department of Civil Rights, to ensure that the rights and interests of the workforce are protected. *Engage with Community-Based Organizations:* Ongoing engagement with community-based organizations will help ensure that our programs and initiatives are responsive to community needs and promote social inclusion and equity.

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.

MIHI is committed to building a diverse and inclusive workforce for BEAD deployment. We believe that broadening job opportunities to a range of individuals is crucial to addressing the underrepresentation of certain groups, such as women and people of color, in broadband and information technology roles. To achieve this goal, we have developed a comprehensive plan that includes the following strategies:

- Targeted Outreach: MIHI will carry out targeted outreach programs to connect with underrepresented groups. This will involve establishing partnerships with organizations like [Michigan Works! Network](#) that specialize in accessing diverse talent pools among other workforce services to help businesses find skilled workers.
- Collaboration with Subgrantees: MIHI will select subgrantees with effective plans for reaching and hiring individuals from underrepresented groups. This includes attending diversity job fairs, offering internships to students from diverse backgrounds, or creating training programs to prepare these individuals for roles in the broadband industry.
- Workforce Demographic Reporting: We will require each subgrantee to provide demographic data on their BEAD-funded project workforce. This data, which will exclude personally identifiable information, will help us monitor the effectiveness of our diversity initiatives. We will prioritize transparency, and the aggregate workforce data will be made available to the public.
- Equal Employment Opportunity Practices: MIHI will require all subgrantees to adhere to Equal Employment Opportunity (EEO) practices to promote a fair and inclusive hiring process. In compliance with Executive Directive ED 2019-09, which strengthens non-discrimination protections in state government employment, contracting, and services, subgrantees must treat all applicants fairly, regardless of race, color, religion, sex, or national origin. Michigan, as one of only five states extending these protections, serves as a model for Equal



Employment Opportunity (EEO) Practices and is dedicated to building a welcoming and inclusive state that benefits all.

2.8.3. 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:

As part of the competitive subgrantee selection process, the Michigan High-Speed Internet Office will require the prospective subgrantee to provide the following details in their application to demonstrate a plan for ensuring that the project workforce will be an appropriately skilled and credentialed workforce.

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;

As part of the application process, prospective subgrantees will need to submit a written plan that outlines how they plan to attract an appropriately skilled workforce. This plan should also detail their participation in any registered apprenticeship or joint labor management training programs.

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;

MIHI has instituted a policy requiring all certifications, licenses, and other relevant credentials to be submitted for members identified in the staffing plan as part of the prospective subgrantee's application. Additionally, prior to any employment changes or additions to the BEAD project, MIHI will ensure that the stated requirements are followed, and the appropriate credentials are submitted before allowing subgrantees to participate in related activities.

c. Whether the workforce is unionized;

The prospective subgrantee shall indicate via checkbox whether their workforce, or their contractor or subcontractor's workforce is unionized.

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

MIHI will require that prospective subgrantees provide a narrative response indicating the nature of their workforce arrangement. Specifically, we ask for a detailed description of whether the workforce will consist of directly employed individuals, subcontracted personnel, or a combination of both.

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

Proposed subgrantees must provide a narrative response detailing the entities they plan to contract and subcontract with in the course of the proposed work. In addition, we suggest that other relevant information such as their technical capability, and relevant past performance be included as part of the application. This information will be valuable in assessing the feasibility of the proposed work, the extent to which the entities are qualified to execute the work, and the likelihood of successful execution.

f. 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:



g. 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;

Proposed subgrantees will be required to submit a comprehensive list detailing the size of their workforce, the job titles of workers, and the entity that will employ each portion of the workforce. This list should include full time employee (FTE) positions for contractors and subcontractors.

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

a. 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

MIHI will require subgrantees to provide detailed information on any on-the-job training programs that they offer or require for each position related to the proposed work. This information should also include any relevant certification or licensure requirements, such as OSHA 10, OSHA 30, confined space, traffic control, or other applicable training. Additionally, subgrantees must outline their plans to ensure that all workers obtain the necessary certifications for their specific positions.

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

MIHI will require proposed subgrantees to provide a detailed description of the professional certifications in place and in-house training programs offered or required to guarantee the project deployment is completed at a high standard. We also urge applicants to articulate any in-house training programs they plan to offer. This requirement will aid in determining the eligibility and quality of the workforce, along with evaluating the adequacy of the training programs provided.



## 10 Minority Business Enterprises (MBEs)/ Women's Business Enterprises (WBEs)/ Labor Surplus Firms Inclusion (Requirement 13)

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2.9.1. 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.

MIHI recognizes the importance of creating opportunities for Minority Business Enterprises (MBEs), Women's Business Enterprises (WBEs), and Labor Surplus Firms (LSF) to participate in BEAD program projects for deployment and non-deployment. When implementing the BEAD program, MIHI will implement the strategies, processes, and data tracking methods described below to ensure MBEs, WBEs, and LSF are recruited, used, and retained when possible. A MBE is defined as "a business enterprise of which more than 50% of the voting shares or interest in the business is owned, controlled, and operated by individuals who are members of a minority and with respect to which more than 50% of the net profit or loss attributable to the business accrues to shareholders who are members of a minority" by Michigan law MCL 450.771(f)<sup>7</sup>. A WBE is defined as "a business of which more than 50% of the voting shares or interest in the business is owned, controlled, and operated by women and with respect to which more than 50% of the net profit or loss attributable to the business accrues to the women shareholders" by Michigan law MCL 450.771. If subgrant applicants need certification, there are multiple ways to obtain certification for MBEs and WBEs in Michigan. One avenue potential subgrantees may use to seek certification for their MBE is by applying to become a certified MBE through the Michigan Minority Supplier Development Council's parent organization the National Minority Supplier Development Council. The steps for certification may be found here: [Michigan MSDC](#). Applicants should note that certification may take up to 90 days. One avenue potential subgrantees may take to become a certified WBE is by applying through one of the four certifying agencies, this includes the Women's Business Enterprise National Council. The process for certification may be found here: [Certification Process - WBENC](#).

### 10.1 Strategy

MIHI's strategy to ensure MBEs, WBEs, and LSF are aware of the opportunities provided through the BEAD program includes:

- Partnering with other state agencies to help structure MIHI's procurement plan
- Raising public awareness of state contracting opportunities through communications and advertisement on state contracting sites
- Conduct public outreach to promote contract opportunities,
- Providing technical assistance to businesses and applicants about state procurement processes and requirements, and
- Provide technical assistance to potential applicants.

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<sup>7</sup> Michigan Legislature – Section 450.771

[https://www.legislature.mi.gov/\(S\(b3snh3a0ukq5xtnci4mrv02v\)\)/mileg.aspx?page=getObject&objectName=mcl-450-771](https://www.legislature.mi.gov/(S(b3snh3a0ukq5xtnci4mrv02v))/mileg.aspx?page=getObject&objectName=mcl-450-771)



- Utilize existing MBE, WBE, and LSF solicitation lists

MIHI plans to coordinate with existing Michigan programs and organizations such as:

- The **Michigan Economic Development Corporation (MEDC)**. The Pure Michigan Business Connect program is a program dedicated to matching traditionally underserved business enterprises to public opportunities.
- The **Michigan Minority Supplier Development Council (MMSDC)**. This council is a non-profit organization committed to driving economic growth in minority communities.
- The **Michigan Civil Rights Commission**. This commission was created by the Michigan Constitution to safeguard constitutional and legal guarantees against discrimination. This extends to advocating for the inclusion and support of minority owned and women owned businesses and oversees the execution of Michigan contract compliance regarding discrimination.
- The **Department of Technology Management and Budget (DTMB)**. The Executive Directive 2023-1 for Inclusive State Contracting includes provisions requiring DTMB to aid agencies in developing plans for conducting public outreach, providing technical assistance to inform businesses about state procurement opportunities, and provide technical assistance to potential applicants.

Collaboration with these partners will support MIHI's efforts to spread awareness about the opportunities allotted through the BEAD program. Additionally, collaboration with the MMSDC will allow MIHI to reach the Michigan Minority Business Development Agency (MBDA) Business Center that is operated through MMSDC in order to support the participation of Michigan minority-owned firms seeking to expand into broadband and telecom. In addition to these efforts, MIHI will adhere to the procurement standards of Geographically Disadvantaged Business Enterprises (GDBE) as ordered by the Michigan Governor Whitmer on Feb 3, 2023. GDBE are businesses that are either registered in a designated HUBZone or that has a principal place of business located within a Qualified Opportunity Zone within Michigan. Michigan's Procurement Policy Manual requires the state to exhibit preference of selecting GDBE during the procurement selection process in support of meeting the fiscal year 2023- 2024 goal of 20% of total expenditures by the state made to GDBEs. If for any reason MIHI is unable to reach this goal, MIHI will provide a written explanation detailing prior efforts and plans to meet the goal.

## 10.2 Process

In addition to MIHI's plan to collaborate and gain support from the Michigan organizations and programs listed above, MIHI will require subrecipients to adhere with the affirmative steps for contracting with MBE, WBE, and LSF provided in 2 CFR 200 Part 321, which include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists.
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources.
3. 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.
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises.



5. 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.
6. Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors. MIHI will request subgrantees provide the following documentation as part of their application:
  - A statement of commitment to following the six affirmative steps from the Officer/Director of the subgrantee’s organization.
  - Evidence of planned or completed outreach efforts to MBEs, WBEs and LSF. These may include targeted solicitation advertisements, evidence of MBE’s and WBE’s placed on subgrantee solicitation lists/communications, and evidence of any communication and/or use of services provided by MBE, WBE, and LSF.
  - Procurement and retention methods for MBEs, WBEs and LSF in the subgrantee’s workforce plan. Certification of MBE/WBE/SBE partners, if known, participating in the BEAD funding project.

### 10.3 Data Tracking

MIHI will leverage existing systems maintained by the Department of Labor and Economic Opportunity to track key metrics on the inclusion of underrepresented enterprises on BEAD funded projects.

Additionally, MEDC’s Pure Michigan Business Connect tracks similar metrics on Michigan businesses<sup>8</sup>, this may include number of underrepresented enterprises contracted, number of target enterprises reached during outreach efforts, percentage utilization on contracts and retainment. MIHI may leverage the information collected and data tracking systems maintained by the Pure Michigan Business Connect to track MBE, WBE, and LSF inclusion and utilization on BEAD funded projects.

During the monitoring phase of the program, subgrantees will be required to provide information on MBEs, WBEs, and LSFs participating in projects. Additionally, if a subgrantee is unable to partner with MBEs, WBEs, and LSFs, they will be required to provide a written explanation detailing exhaustive efforts they have undertaken to attract and partner with these organizations.

2.9.2. 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 those outlined on pages 88 – 89 of the BEAD NOFO.

Yes

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<sup>8</sup> A Michigan based business will be defined as defined in MCL Section 18.1668. Michigan Legislature - Section 18.1268 [http://www.legislature.mi.gov/\(S\(hsxintatubvjrdjecvpqjjo3\)\)/mileg.aspx?page=GetObject&objectname=mcl-18-1268](http://www.legislature.mi.gov/(S(hsxintatubvjrdjecvpqjjo3))/mileg.aspx?page=GetObject&objectname=mcl-18-1268)



## 11 Cost and Barrier Reduction (Requirement 14)

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2.10.1. Identify steps that the Eligible Entity will take to reduce costs and barriers to deployment. Responses may include but not be limited to the following:

- a. Promoting the use of existing infrastructure;
- b. Promoting and adopting dig-once policies;
- c. Streamlining permitting processes;
- d. Streamlining cost-effective access to poles, conduits, easements; and
- e. Streamlining rights of way, including the imposition of reasonable access requirements.

In recent years, the State of Michigan has made progress in simplifying the permitting processes for infrastructure deployment, which MIHI acknowledges as necessary in advancing broadband expansion across the state. With the unprecedented broadband construction initiatives set to emerge from the BEAD program, MIHI is preparing to work collaboratively with local entities, ensuring that Michigan is well-prepared for this transformative endeavor.

MIHI's commitment is underscored by its proactive approach to assist state agencies in managing unexpected delays that may arise during the permitting and construction phases of infrastructure projects related to BEAD. Moreover, MIHI is committed to equipping BEAD applicants with the information necessary to make decisions that align with the program's goals including the efficient use of existing infrastructure.

MIHI recognizes that the seamless cooperation and coordination of efforts across all levels of government and industry is crucial to the BEAD program's success. To support and facilitate the BEAD program's success, MIHI is taking the following steps in line with the broader vision of equitable broadband access for all Great Lakes State residents:

- **Promoting the use of existing infrastructure:**

Providing an economically efficient approach to achieve broadband access in areas lacking service requires making use of the infrastructure already in place. The State of Michigan is in a favorable position, thanks in part to its well-established middle-mile broadband network, which owes its strength to collaborative efforts involving entities like Merit, US Signal, Level 3, Michigan State Education Network, and the open-access Michigan Open Optical Network – (MOON-Light); a partnership between Michigan State University (MSU) and Merit. MIHI will encourage middle mile network operators to support last-mile ISPs looking to develop broadband projects by informing operators about upcoming BEAD projects, which in turn helps streamline the implementation process. To promote the use of existing infrastructure, MIHI has introduced within its deployment subprograms scoring criteria that incentivizes program participants to leverage pre-existing networks. Further information related to scoring criteria can be found in "Requirement 8" above.

- **Promoting and adopting dig-once policies:**

While Michigan may not have a formal dig-once policy, it is working to coordinate efforts to reduce duplication in infrastructure deployment. MIHI will actively coordinate with the Michigan Utility Notification Center (MISS DIG) to plan and forecast construction activities arising from the BEAD program in conjunction with other proposed projects. Additionally, this collaboration aims to leverage the Michigan Infrastructure Council (MIC) "Dig Once"



Project Portal that optimizes awareness of and communication among and during ROW construction efforts. By informing MISS DIG about the deployment locations and timing of future BEAD projects, MIHI contributes to expediting project timelines. Furthermore, MIHI will encourage BEAD applicants to sign up to and regularly check the Dig Once Portal for insights into planned infrastructure work, enabling alignment with their construction plans.

- **Streamlining permitting processes:**

MIHI will actively collaborate with local, state, and federal government partners to streamline the permitting process for broadband projects. MIHI is committed to supporting the implementation of Executive Directive 2022-06, which directs the Michigan Infrastructure Office to establish a streamlined permitting process. MIHI will actively encourage and incentivize local units to streamline their permitting procedures including reviewing, processing, approving, and monitoring applications.

Informing local units of the expected location of anticipated projects funded by BEAD, will allow those units to mobilize and process permits swiftly which will have a positive impact on speed to deployment. MIHI recognizes the importance of assisting local communities and providing the necessary support as described in Requirement 18's response below.

- **Streamlining cost-effective access to poles, conduits, easements:**

MIHI will collaborate with the Michigan Public Service Commission (MPSC) to expedite access to poles, conduits, and easements and ensure that applicants proposed deployment timelines are met.

In addition, some municipalities may have local ordinances or regulations that address access to conduits and easements within their jurisdictions. These local laws could stipulate guidelines for potential applicants seeking access to these pathways. MIHI will work with those municipalities to ensure regulations are easily accessible and understood by applicants looking to deploy their infrastructure.

The primary objective is to avoid unnecessary delays, particularly for standard installations that meet safety and environmental requirements. By streamlining these processes, MIHI aims to enhance the efficiency of broadband deployment across the state.

- **Streamlining rights of way, including the imposition of reasonable access requirements:**

To facilitate the right-of-way permitting process, MIHI will leverage the Michigan State Metropolitan Extension Telecommunications Rights-of-Way Oversight Act, or METRO Act where applicable.

The METRO Act regulates how telecommunication companies can access public rights-of-way to install and maintain their infrastructure. It aims to manage the use of these spaces, ensuring fair access while protecting public interests and infrastructure. The Act outlines procedures for obtaining permits, addressing safety concerns, and establishing guidelines for fees and construction standards to govern the installation of telecommunication facilities.

MIHI will collaborate with the Michigan Public Service Commission to ensure the Act is followed in applicable areas to support streamlined ROW permitting for BEAD subgrantees. For ROWs not falling within the purview of the METRO Act, (primarily county and MDOT ROW), MIHI will partner with the Michigan Infrastructure Office to provide technical assistance to local units of government to assist with the implementation of best practices to streamline ROW permitting for BEAD projects. In exchange for adopting best practices, communities will be able to access a variety of technical services to further support local BEAD projects.





Lastly MIHI may consider incentivizing applicants that utilize existing infrastructure where feasible to limit the need for seeking new permits or ROW access.

- **Partnership and Coordination with the Michigan Infrastructure Office and Michigan Infrastructure Council:**

The Michigan Infrastructure Office (MIO: <https://www.michigan.gov/whitmer/issues/michigan-infrastructure-office>), intentionally housed within the Governor's Executive Office to underscore the state's commitment to investing in its infrastructure, is responsible for organizing and executing the governor's vision for infrastructure, coordinating across state government, marshalling resources, and partnering with local official, federal partners, and outside stakeholders. MIO provides technical assistance to potential grant applicants, permitting coordination, and several other key initiatives to support development and deployment across all infrastructure classes.

The Michigan Infrastructure Council (MIC) is comprised of nine appointed voting members who are representative of one or more of the following: (1) asset management experts from the public and private sectors with knowledge of and expertise in the areas of planning, design, construction, management, operations and maintenance for drinking water, wastewater, storm water, transportation, energy, and communications, (2) financial and procurement experts from the public or private sector, and (3) experts in regional asset management planning across jurisdictions and infrastructure sectors. The MIC's mission is to define a vision for Michigan's infrastructure that provides the foundation for public and environmental health, economic prosperity, and quality of life through the goals of collaboration, coordination, education, investment, and prioritization. The MIC provides asset management support, maintains the state's 30-year integrated infrastructure strategy, and implements the state's dig-once project portal.

MIHI will partner and coordinate with both MIO and MIC to ensure broad cooperation and support for BEAD-funded project deployment.

MIHI's multifaceted approach underscores its commitment to reducing costs and barriers to broadband deployment in Michigan, ensuring that the state's residents have access to high-speed internet connectivity.



## 12 Climate Assessment (Requirement 15)

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2.11.1. Describe the Eligible Entity's assessment of climate threats and proposed mitigation. 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 the BEAD NOFO:

- 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;
- 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;

Michigan's distinctive geography, consisting of two peninsulas surrounded by four of the Great Lakes, presents unique climate risks and environmental vulnerabilities. To assess current and projected future climate conditions in Michigan, this proposal draws from the state's plans and analyses, as well as resources recommended by the NTIA. In order to identify areas that may be subject to initial hazard screening and examine potential hazards that may impede broadband infrastructure deployment MIHI has utilized the [Michigan Hazard Analysis \(2019\)](#) (Pages 10-12, 38-45, 56-74, 75-121, 145-150), the [Michigan Hazard Mitigation Plan \(2019\)](#), Federal Emergency Management Agency (FEMA) National Risk Index, and the National Oceanic and Atmospheric Administration (NOAA) 2022 State Climate Summary for Michigan. In addition, this section references [Michigan's 2022 Healthy Climate Plan \(Pages 10-11\)](#), which outlines the state's commitment to mitigating the impacts of climate change.

There are two existing sources which provide initial screening of climate hazards in the State of Michigan to identify the most vulnerable geographic areas. The first is the FEMA National Risk Index, and the second is Michigan's Hazard Analysis completed in 2019.

FEMA's National Risk Index provides a comprehensive look at various hazards at the county level within each state.<sup>9</sup>The Risk Index score is a measure of the potential for negative impacts due to a natural hazard and is calculated using three factors: a natural hazards component (Expected Annual Loss), a consequence enhancing component (Social Vulnerability), and a consequence reduction component (Community Resilience). Each community has a composite Risk Index which measures the relative risk of a community based on 18 natural hazards included in the Index by comparing its composite Risk Index value with other communities. By analyzing the Risk Index, MIHI has identified 17 counties in Michigan (Table 1) that have a risk score that falls within the eightieth percentile within the state and about the seventieth percentile when compared to the rest of the United States.

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<sup>9</sup> FEMA National Risk Index <https://hazards.fema.gov/nri/map>



Counties for Initial Hazard Screening			
Bay	Calhoun	Genesee	Ingham
Jackson	Kalamazoo	Kent	Livingston
Macomb	Monroe	Ottawa	Oakland
Saginaw	Shiawassee	St. Clair	Washtenaw
Wayne			

Table 1: Counties for Initial Hazard Screening

In 2019, Emergency Management and Homeland Security Division of the Michigan Department of State Police developed a hazard analysis for the State of Michigan which examined a wide range of natural, technological, and human-related hazards. Based on the assessments ranking of top risks for physical damage, the top climate related hazards are flooding, severe winds, tornadoes, hail, and ice/sleet storms. Below are the details on the top hazards, some of their potential impact on infrastructure, and the top five counties affected by each.

**Flooding:** Flooding is the top ranked hazard based on the analysis and receives this rank due to the number of occurrences in Michigan and its impact on urban, riverine, and coastal areas of the state. During the time frame of January 1, 1996, to April 30, 2017, floods caused an average of \$105,618,570 in total property damage per year. The top five Michigan counties most impacted, as determined by property damage, by floods are: Wayne, Oakland, Macomb, Ottawa, and Gogebic.

**Severe Winds:** Severe wind events are characterized by wind velocities of fifty-eight miles per hour or greater, with gusts sometimes exceeding seventy-four miles per hour, excluding tornadoes. In addition to property damage to buildings from high winds, there is a risk of infrastructure damage from downed power lines and other above ground infrastructure due to falling limbs and trees. The top five counties most impacted, as determined by property damage from January 1, 1996, to April 30, 2017, by severe winds are: Wayne, Kent, Oakland, Macomb, and Ottawa.

**Tornadoes:** Tornadoes are most common in the spring and early summer and are connected to severe thunderstorms, additionally Michigan lies at the northeastern edge of the nation's primary tornado belt. Tornadoes can cause widespread power outages, general damage to all infrastructure, and may cause fires and chemical damage. The top five counties impacted by tornadoes as determined by property damage from January 1, 1996, to April 30, 2017, are: Wayne, Monroe, Eaton, Ingham, and Macomb.

**Hail:** Most Michigan counties see an average of two hail events per year, and statewide, there is usually at least one intense hailstorm per year that causes significant damages. Severe hail damage patterns bear some similarity to tornadoes as they rarely damage a specific location but can cause widespread damage when they do occur. The top five counties or areas most impacted, as determined by property damage from January 1, 1996, to April 30, 2017, by hail are: Kalamazoo, Marquette, Van Buren, Ogemaw, and Oakland.

**Ice storms:** Ice storms are the result of cold rain that freezes on contact with a surface, coating the ground, trees, buildings, overhead wires and other exposed objects with ice, sometimes causing extensive damage as the accumulated weight causes tree branches and cables to break and power systems to fail. Power may be lost for several days, resulting in significant economic losses and the disruption of essential services in affected communities. Damages and expensive utility failures from downed tree limbs and utility lines make ice storms a serious hazard, particularly for broadband infrastructure. The top five counties or areas most impacted, as determined by property



damage from January 1, 1996, to April 30, 2017, by ice and sleet storms are: Oakland, Macomb, St. Clair, Ingham, and Eaton.

As illustrated in Table 2, Michigan has faced nineteen weather and climate disasters in the last five years that had a minimum of one billion dollars in overall damages/costs.

Weather and Climate Billion-Dollar Disasters to affect Michigan from 2018-2023		
Disaster	Total	Losses (in Millions of Dollars)
Severe Storm	16	\$43,613 million
Flooding	2	\$15,124 million
Winter Storm	1	\$3,473 million

Table 2: Weather and Climate Billion-Dollar Disasters that affected Michigan from 2018-2023

Weather Hazard Expected Cost as Identified by Michigan Hazard Mitigation Plan	
Weather Hazard	Expected Annual Losses (as of 2019)
Flooding	>\$100 million
Severe Winds	\$25.4 million
Tornadoes	\$19.6 million
Hail	\$16.6 million
Ice/Sleet	\$11.0 million
Drought	\$8.4 million
Wildfires	\$1.1 million
Geomagnetic Storms	\$1.0 million
Lightning	\$966,000
Extreme Cold	\$300,000

Table 3: Weather Hazard Expected Cost as Identified by the Michigan Hazard Mitigation Plan



Severe storms and flooding have been not only some of the most expensive natural disasters for Michigan (as shown in Table 2 and Table 3) and its residents in the last five years; they also continue to be some of the most common natural disasters in Michigan. NOAA 2022 State Climate Summary for Michigan predicts that the frequency and intensity of these disasters are likely to increase in the coming years as Michigan continues to experience rising temperatures. The following section elaborates on the most significant projected climate hazards in Michigan, including flooding and severe storms:

- **Flooding:** Increases in precipitation are projected for Michigan, most likely during the winter and spring as predicted by the NOAA State Climate Summary of 2022. (Figure 3). The frequency and intensity of extreme precipitation is also projected to increase, potentially increasing the frequency and intensity of floods.
- **Frequent and intense storms:** Michigan is experiencing historic levels of rain and intense storms. A continuation of extreme rain will lead to more property loss and infrastructure failures. The state has also seen extreme changes in Great Lakes water levels.
- **Rapid temperature changes:** Without mitigation, Michigan can expect continued rapid changes in temperature ranging from uncharacteristic cold spells to extreme heat. According to the NOAA State Climate Summaries of 2022, Michigan temperatures are predicted to continue climbing at exponential rates if emissions remain high. Temperatures at high emissions are predicted to increase by 10 degrees Fahrenheit between 2025 and 2100. Figure 4 summarizes past observed temperatures and predictions of future temperature increase over approximately the next eighty years. Additionally, there have been three irregular polar vortexes that have

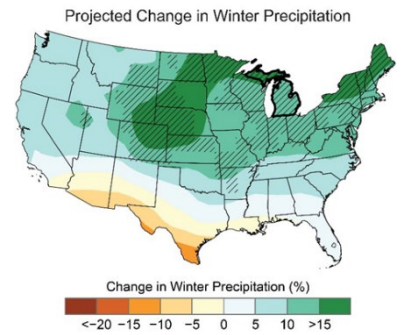


Figure 3: Projected Change in Winter Precipitation (NOAA State Climate Summary 2022)

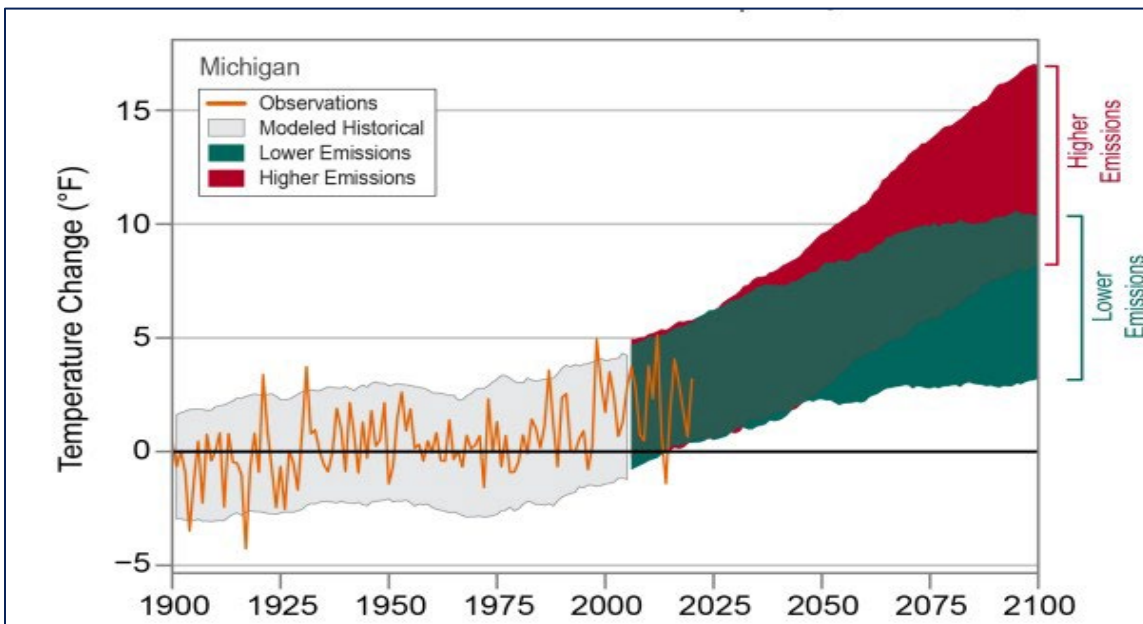


Figure 4: Observed and Projected Temperature Change (NOAA State Climate Summaries 2022)



occurred in only the last ten years<sup>10</sup>. In conjunction with Michigan’s projected increase in precipitation during winter months, there is higher potential for deep freezes. Temperatures in Michigan have risen almost three degrees Fahrenheit since the beginning of the 20th century . Michigan summers are becoming hotter and drier.<sup>11</sup>As with intense rains, high heat can damage infrastructure and personal property.

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

Based on past weather and climate events that have caused significant property damage in the State of Michigan and the projected increased risks due to climate change, the following hazards could pose a risk to new infrastructure deployed using BEAD funds:

- **Precipitation:** The NOAA State Climate Summary of 2022 predicts an approximate ten percent (10%) increase in winter (December-February) precipitation in Michigan in the 21st century. Increased storms and precipitation leading to more serious flooding could impact deployed infrastructure, particularly causing damage to low-lying or underground infrastructure.
  - Increased risk of flooding of low-lying infrastructure, access-holes and underground facilities<sup>12</sup>
  - 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<sup>13</sup>
  - Increasing difficulty to repair faults and restore service with increasing volume of adverse weather-related problems.
- **Storms, wind, and extreme events:** Increased storms and severe weather events pose a risk to newly deployed broadband infrastructure.
  - Increases in storm frequency or intensity increase the risk of damage to above-ground transmission infrastructure (masts, switch boxes, aerials, overhead wires, and cables), which are often final access connections to homes and businesses and may negatively impact telecommunications service delivery<sup>14</sup>
  - An increase in storm frequency could lead to more lightning strikes, which can damage transmitters and overhead cables, causing power outages<sup>15</sup>

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<sup>10</sup> Michigan – State Climate Summaries 2022 <https://statesummaries.ncics.org/chapter/mi/>

<sup>11</sup> Michigan State Climate Summary <https://statesummaries.ncics.org/downloads/Michigan-StateClimateSummary2022.pdf>

<sup>12</sup> Adapting the ICT Sector to the Impacts of Climate Change

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183486/infrastructure-aea-full.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/183486/infrastructure-aea-full.pdf)

<sup>13</sup> Adapting the ICT Sector to the Impacts of Climate Change

[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183486/infrastructure-aea-full.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/183486/infrastructure-aea-full.pdf)

<sup>14</sup> Adapting the ICT Sector to the Impacts of Climate Change

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<sup>15</sup> Adapting the ICT Sector to the Impacts of Climate Change

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- Severe winds may knock off branches from trees or displace unfastened infrastructure causing outages and general damage.
- Ice and sleet storms can cause power outages, impact telecommunication lines, and cause other infrastructure failures<sup>16</sup>
- **Temperatures:** Both extreme heat and cold pose risk to broadband infrastructure.
  - 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<sup>17</sup>
  - Increases in mean temperature may increase the operating temperature of network equipment, leading to malfunction or premature failure if it surpasses design limits.
  - Increases in temperature can stress telecommunications equipment and infrastructure, reducing life span<sup>18</sup>
  - Freezing temperatures cause ice buildup on cables and power lines. This can cause damage and breakage of cables and can cut power to residents and businesses for prolonged periods of time<sup>19</sup>

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

Governor Whitmer ordered the development of Michigan’s MI Healthy Climate Plan through Executive Directive 2020-10. The plan was published by the Michigan Department of Environment, Great Lakes, and Energy (EGLE) in April 2022. The plan establishes goals and strategies for the mitigation of climate threats and greenhouse gas (GHG) emissions that are contributing to climate change in Michigan. As stated in Michigan’s BEAD Five-Year Action Plan, the goals and strategies stated in the MI Healthy Climate Plan are supported by the efforts of MIHI and vice versa. Many of the innovative solutions to mitigate climate change rely on advancements in technology, which is heavily dependent on high-speed connectivity. Although MI Healthy Climate Plan may not contain an immediate connection to broadband, its implementation will help reduce climate threats to broadband and promote a more sustainable environment for broadband infrastructure and deployment. Additionally, MIHI prioritized in its Five-Year Action Plan investing in resilient and sustainable broadband infrastructure. MIHI plans to support the physical efforts of broadband infrastructure resiliency and sustainability by promoting and incentivizing the deployment of more resilient infrastructure and the upgrade of outdated infrastructure.

The MI Healthy Climate Plan details mitigation efforts to target carbon emissions. These efforts will mitigate the current and future impact of climate change effects on Michigan’s broadband infrastructure. Efforts detailed in the plan that relate to broadband infrastructure include:

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<sup>16</sup> Michigan Hazard Analysis: [https://www.michigan.gov/-/media/Project/Websites/msp/EMHSD/Publications/MHA\\_2019\\_full\\_update\\_natural\\_hazards-2.pdf?rev=cb84c644c67b4ad792649abcabd5f6da](https://www.michigan.gov/-/media/Project/Websites/msp/EMHSD/Publications/MHA_2019_full_update_natural_hazards-2.pdf?rev=cb84c644c67b4ad792649abcabd5f6da)

<sup>17</sup> Adapting the ICT Sector to the Impacts of Climate Change  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183486/infrastructure-aea-full.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/183486/infrastructure-aea-full.pdf)

<sup>18</sup> Adapting the ICT Sector to the Impacts of Climate Change  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183486/infrastructure-aea-full.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/183486/infrastructure-aea-full.pdf)

<sup>19</sup> Adapting the ICT Sector to the Impacts of Climate Change  
[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/183486/infrastructure-aea-full.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/183486/infrastructure-aea-full.pdf)



- **Efforts to Clean the Electric Grid:** The MI Healthy Climate plan aims to generate sixty percent (60%) of the state's electricity from renewable resources and phase out remaining coal-fired power plants by 2030. This would limit energy use from powering and heating homes and cut down on Michigan's reliance on coal for energy production (page 28).
- **Protection of Michigan's Land and Water:** By protecting thirty percent (30%) of Michigan's land and water by 2030, Michigan will be able to naturally capture GHG emissions, maintain and improve land and water opportunities, protect biodiversity, and support climate-smart agriculture. The established land protection efforts should be considered by all broadband program deployment subgrantees as planned projects maybe adjacent to these protected areas (page 47).
- **Repair and Decarbonize Homes and Businesses:** MI Healthy Climate plan has set the goal to diminish home and business heating related emissions by seventeen percent (17%) by 2030. This plan increases investments in repairing and improving buildings to reduce costs (page 41).
- **Drive Clean Innovation in Industry:** Encourage private enterprise hubs where businesses may collaborate, deploy new clean manufacturing technologies, and conduct research to decarbonize industries (page 44).

Additional mitigation efforts have been interpreted from the Michigan Hazard Mitigation Plan of 2019, the Michigan Hazard Analysis of 2019, and the MIHI Five-Year Action Plan and are summarized below.

**Mitigation Measures for BEAD Program Infrastructure:** MIHI will encourage subgrantees to propose hardened and resilient designs that will withstand damage and deterioration from climate threats. 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, some of the mitigation measures described below will be strongly encouraged for subgrantees to include, while others will be required through scoring.

**Resilient Design:** In counties 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 (page 48)<sup>19</sup>. 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, MIHI will incentivize its subgrantees to plan 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, MIHI will encourage all subgrantee applicants to apply the following infrastructure resiliency and climate readiness measures:

- **Use of established plans and processes to deal with extreme weather-related risks:** MIHI will encourage its subgrantees to utilize the established climate hazard identifications and processes detailed in the Michigan Hazard Mitigation Plan (2019)<sup>20</sup> to prepare for and actively deal with extreme weather-related events during

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<sup>20</sup> <https://www.michigan.gov/msp/-/media/Project/Websites/msp/EMHSD/Publications/MHMP.pdf?rev=413bebf626fe450ca7a14aff78be314b&hash=A71441E58D19DA5DEAFA0FC4755FFB4>





deployment. MIHI 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.

- **The speed of restoration of service in the case of an outage:** Subgrantee applicants should also 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.
  - **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 including generators and battery backups for vital operations and should be able to accommodate the full extremes of weather, temperatures, and other climate hazards (page 48)<sup>21</sup> Subgrantees should also plan for including additional in-home or onsite back-up power resources.
  - **Retrofitting and Hardening:** MIHI is committed to advocating for broadband infrastructure that is resilient and sustainable, especially given Michigan's susceptibility to a number of intense and damaging weather and extreme weather events. As such, MIHI 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.
  - **Choosing the appropriate technology platform:** Given the large amount of expected precipitation and other extreme weather events that 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 (including ice), severe winds, and the wearing and damaging impact of extreme heat and cold. 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.

Other subgrant considerations include Michigan's incentive for climate consciousness. Michigan procurement standards require agencies to give preference to products manufactured and services offered by facilities designated as clean corporate citizens (Part 14 of the National Resources and Environmental Protection Act). Further, MIHI will uphold the BEAD NOFO requirement for all subgrantees to determine whether a proposed project will occur in a floodplain.

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<sup>21</sup> <https://www.michigan.gov/msp/-/media/Project/Websites/msp/EMHSD/Publications/MHMP.pdf?rev=413bebf626fe450ca7a14aff78be314b&hash=A71441E58D19DA5DEAFA0FC4755FFB4>



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.

MIHI aims to ensure that any evolving risks are fully understood, accurately characterized, and effectively addressed with the most up-to-date tools and information resources available. As part of MIHI's commitment to effective climate threat management, MIHI will work with state agencies such as EGLE to determine the planned frequency of climate risk assessment and align the BEAD climate assessment to these efforts. MIHI expects a new iteration of Michigan's Hazard Mitigation Plan every 5 years with the next iteration is expected in 2024. At such time MIHI review the latest Hazard Mitigation Plan.



## 13 Low-Cost Broadband Service Option (Requirement 16)

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2.12.1. 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

It is critical to ensure the affordability of internet service is integrated with expansion efforts. In Michigan, over 730,000 households face barriers related to broadband affordability, adoption, device access, digital literacy, or a combination thereof, indicating it is essential to ensure there is a low-cost broadband service option that addresses the needs of Michiganders with affordability challenges to ensure the expansion of high-speed broadband is accessible to as many populations as possible. As part of the BEAD NOFO, subgrantees utilizing funds to deploy broadband infrastructure are required to provide low-cost broadband service options for the useful life of the network assets.

Currently, there are three private-sector low-cost programs that exist across the state of Michigan: Access from AT&T<sup>22</sup>, Comcast Internet Essentials<sup>23</sup>, and Spectrum Internet Assist<sup>24</sup>. It is worth noting, however, that many of these low-cost options do not meet the speed requirements as outlined in the BEAD program. Prior to the end of the Affordable Connectivity Program (ACP) in May 2024, these private-sector programs could often be combined with the ACP, effectively making the cost of internet service \$0 for many subscribers. The ACP also effectively eliminated or meaningfully reduced the cost of internet-service for a tremendous number of other Michigan households.

Prior to the end of the ACP, MIHI had intended to align the low-cost service option with the value of this benefit, permitting low-cost plans to be priced at \$30 per month or less, inclusive of all taxes, fees, and charges for subscribers in most areas of the state and \$75 per month or less for subscribers that live in areas that meet the definition of high-cost areas as defined by the NTIA and Tribal Lands, with no additional non-recurring costs or fees to the consumer. Subgrantees that participate in Lifeline would have been allowed to price their low-cost service option at \$39.25 in most areas and \$84.25 in high-cost areas and Tribal Lands, and would have been required to allow the Lifeline subsidy to be applied to the cost of service as well as the ACP.

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<sup>22</sup> <https://www.att.com/internet/access>

<sup>23</sup> <https://www.xfinity.com/learn/internet-service/internet-essentials>

<sup>24</sup> <https://www.spectrum.net/support/account-and-billing/spectrum-internet-assist>



Due to the end of the ACP, MIHI will now define the low-cost service option to be a service plan that which that meets, at a minimum, the following criteria:

- Is made available to all those who meet the eligibility criteria that were in place for the ACP as of May 1, 2024. Subgrantees will not be permitted to impose additional eligibility restrictions. Subgrantees that participate in Lifeline must permit the Lifeline subsidy to be utilized for the same service.
- Is calculated as 30% of the FCC Urban Benchmark Rate, rounded up to the nearest whole dollar amount. 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. For example, the 2024 FCC Urban Benchmark rate for broadband services is \$92.26 <sup>25</sup>. A 30% rate would price the low-cost option at \$28 per month in 2024. This is the monthly cost of service that will be considered the standard low-cost service option price for the purposes of evaluating applications for Michigan's BEAD program. To assist subgrantees in determining the maximum monthly cost of the low-cost service option, MIHI will maintain and publish on its website modifications to the low-cost service option annually. Subgrantees that participate in Lifeline may increase the cost of their low-cost option by \$9.25, to \$37.25.
- Informs prospective consumers of the existence of the low-cost service option and, if the subgrantee participates, the Lifeline benefit; eligibility qualifications; and how to enroll in and make use of the service and benefit.
- Consistently and reliably provides download speeds of at least 100 Mbps and upload speeds of at least 20 Mbps.
- Provides typical latency measurements of no more than 100 milliseconds.
- Is 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.
- In the event the provider later offers a low-cost plan with higher speeds downstream and/or upstream, permits eligible subscribers that are subscribed to the low-cost broadband service option to upgrade to the new low-cost offering at no cost.
- Provides broadband consumer labels aligned to the FCC requirements outlining the introductory rates, speeds, data allowances, and other critical broadband service information in an understandable format to allow consumers to comparison shop for broadband services.

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<sup>25</sup> <https://www.fcc.gov/document/announcement-results-2024-urban-rate-survey>).



- Complies with Michigan’s Consumer Protection Act (Public Act 331 of 1976) and all other applicable state and federal laws.

In designing its low-cost broadband service option, MIHI aims to strike a balance between affordability for the state’s low-income residents and financial viability for ISPs which may be unable to alter their pricing structure on a larger scale. In an effort to ensure that the obligations for low-costs services remain manageable, subgrantees may increase the monthly cost of their low-cost plan by the annual rate of inflation provided in the Consumer Price Index for Urban Consumers (CPI-U) as published by the U.S. Bureau of Labor Statistics (CPI Home: U.S. Bureau of Labor Statistics (bls.gov)), beginning 5 years after project completion. The duration of 5 years after project completion was determined based on a conservative view of the reduced operational and maintenance costs of newly-constructed network infrastructure and equipment. This approach prioritizes economic sustainability while addressing the complexities of ISP proposals and service delivery costs in remote regions.

The low-cost service option should remain available for the useful life of the network assets<sup>26</sup>.

Participation in the low-cost service plan is mandatory; however, in rare circumstances prospective subgrantees may request for exceptions to be applied in specific locations and have their low-cost broadband service option monthly rate higher than the thresholds set above, but never more than \$65 per month (this maximum value is 70% of the 2024 Urban Rate Survey, rounded up to the nearest whole dollar amount) for applicants that do not participate in Lifeline and \$74.25 for applicants that do. This exception should demonstrate the reasonable necessity for the higher cost and the efforts undertaken to meet the defined rate plan over the BEAD-funded network prior to presenting a higher-cost plan. MIHI, for example, would expect a showing that unusual or unique geography, terrain, rurality, or excessive cost to serve the proposed project area demands a higher monthly fee because of the exceptionally high cost of deployment.

Applicants requesting an exception should include in their request detailed information about how the need to exceed the standard low-cost service option was identified, including information used to calculate the average revenue per user needs of their network, anticipated subscription rates for the general population in the project area, and other relevant information. Approval of such requests will be at MIHI’s discretion only.

Applicants whose request for exception is approved will have points deducted from their Low-Cost Service Option score based on the increased cost of the approved low-cost plan above the standard low-cost plan, at a rate of 1 point lost per increment of \$3. For example, if a low-cost exception for a low-cost program of \$31 is requested and approved for an applicant that does not participate in Lifeline, the applicant's Affordability score would be reduced by 1 point, while if a low-cost exception for a low-cost program of \$45 is requested and approved for an applicant that does not participate in Lifeline, the applicant's Affordability score would be reduced by 6 points.

It is important to MIHI that all customers are informed of the low-cost service option and do not face an undue burden in selecting it. Subgrantees will be required to submit their process for marketing their low-cost service option to MIHI for review and feedback and may provide guidelines or requirements to subgrantees to facilitate this process. Subgrantees’ customer service staff must be trained in how to assist prospective customers with enrolling in the low-cost service option.

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<sup>26</sup> The useful life of network assets and access equipment is 10 years according to the "Broadband Infrastructure Program: Infrastructure Assets Useful Life Schedule" Fact Sheet released by the NTIA in September 2023 found here:

[https://broadbandusa.ntia.doc.gov/sites/default/files/2023-09/BIP\\_Fact\\_Sheet\\_Useful\\_Life\\_Schedule.pdf](https://broadbandusa.ntia.doc.gov/sites/default/files/2023-09/BIP_Fact_Sheet_Useful_Life_Schedule.pdf)



MIHI also strongly encourages that the low-cost service option to be made available to all qualifying existing and prospective customers across the subgrantee's service territory. It is, however, required that the low-cost service option must be available to locations within the awarded project areas under the BEAD program.

In the event that a successor or subsequent broadband subsidy program similar to the Affordable Connectivity Program (as designated by MIHI) is enacted, subgrantees will be required to participate in that successor program and to price their low-cost service plan to result in a net zero cost to the consumer after the subsidy (and, if applicable, the Lifeline benefit) is applied. For instance, if the ACP successor 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 customer will still be \$0. If the successor program provides a benefit of \$40 and the subgrantee participates in Lifeline, the low-cost service plan may be priced at \$49.25 since the net cost to the customer will be zero. Subgrantees would be required to inform existing subscribers and prospective customers of their participation in the ACP successor program, as well as how to enroll for and make use of the subsidy.

2.12.2. Certify that all subgrantees will be required to participate in the Affordable Connectivity Program or any successor program.

Yes



## 14 Middle Class Affordability (Requirement 20)

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2.13.1. 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.

As mentioned earlier, over 730,000 households in Michigan face barriers related to broadband affordability, adoption, device access, digital literacy, or a combination thereof. While a portion of those with affordability challenges may be eligible for the BEAD low-cost broadband service option, it is likely that a sizable portion of the remaining Michiganders are not eligible for the low-cost service option. This creates a predicament where individuals have incomes above the maximum qualification for the low-cost plan but are still unable to afford broadband service.

MIHI aims to bridge this gap by focusing on making high-speed broadband more affordable to those that are ineligible for subsidies yet facing affordability hurdles. The plan targets not just low-income but also middle-class households by emphasizing affordability in BEAD-funded broadband services across Michigan. MIHI's strategic approach revolves around the competitive deployment subgrant program and assigning significant weight to affordability and open access in the scoring criteria for selecting BEAD subgrantees.

Evaluation of applications for BEAD subprograms will depend on the proposed strategies to leverage existing infrastructure to achieve competitive pricing. MIHI plans to encourage the efficient use of existing infrastructure, promoting lower and competitive pricing among applicants. Collaborating with other state agencies, MIHI also aims to reduce barriers for entry in the broadband space, leading to greater competition for service provision.

In the proposed scoring rubric for deployment projects, MIHI has placed significant weight on the affordability and open access criteria. This adjustment aims to incentivize applicants to prioritize affordable services, which means that proposals emphasizing lower prices are rewarded with higher scores.

Subgrantees should include the cost of "non-standard" customer installation in their grant application request and not pass the cost to the customer as a one-time installation fee. Non-standard customer installation is defined as the broadband infrastructure service (aerial or conduit) running from a backbone or lateral fiber optic cable to an unserved or underserved BSL that is farther than the applicant's standard installation distance.

To ensure subgrantees are fulfilling their legal and contractual responsibilities, MIHI will establish a regime of continued monitoring and public reporting of broadband pricing to ensure high-speed internet connections are affordable across Michigan. The tracking of the low-cost option and middle-class affordability will be done concurrently to promote transparency across both programs. MIHI also intends to publish and promote consumer pricing benchmarks to provide all Michiganders with objective criterion to determine whether the rates of broadband service are reasonable and to encourage the adoption of affordable pricing among providers.

As indicated in the grants agreement, in the event the subgrantee is not able or willing to provide a low-cost service option, MIHI will pursue action to claw back funds and initiate efforts to reinstate the low-cost offering across the BEAD-funded project areas. In an effort to promote better adoption of service from the newly built networks, MIHI may impose pricing caps on broadband line-item fees, as they may otherwise be cost-prohibitive for certain households, thus ensuring that every household has the opportunity to reap the benefits of the newly built networks.



## 15 Use of Percent Funds (Requirement 17)

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2.14.1. 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 for Initial Proposal funds, it must indicate no funding requested and provide the rationale for not requesting funds.
- 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 / underserved locations.
- c. If the Eligible Entity is requesting more than 20% (up to 100%) 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 / underserved locations and provide rationale for requesting funds greater than 20% of the funding allocation.

The Michigan High-Speed Internet Office (MIHI) is requesting that 100% of the BEAD funding allocation minus the BEAD Initial Planning funds for the State of Michigan, which is \$1,554,362,479.29, be made available for obligations as part of the Initial Proposal submission. MIHI and partners from state government, local governments, industry, non-profits, and community groups are prepared to deploy BEAD funding and provide high-speed reliable broadband service to every unserved, underserved, and BEAD-eligible CAI within the state. MIHI requests that the Assistant Secretary obligate these funds at the Initial Proposal stage of the BEAD Program to promote a robust, fair, and competitive Subgrantee Selection Process by giving industry confidence in the full allocation and availability of funds. The Michigan High-Speed Internet Office understands that while 100% of the Michigan BEAD allocation may be obligated at approval of the Initial Proposal, access to 100% of the allocation will not be available prior to submission of the Final Proposal.

As all applicants will be able to apply to serve all locations at once, it is necessary for MIHI to have the full amount of funding as soon as possible to acquire the necessary staff, develop plans, fund the challenge process, and effectively manage the subgrantee selection process. MIHI requests the entirety of project costs at Initial Proposal approval, however, the funds associated with last mile deployment uses and non-deployment uses will not be awarded or spent prior to the approval of the Final Proposal.

MIHI has estimated usage of these BEAD funds for the entire period of performance of the BEAD program (until expected grant close out in 2030). MIHI has completed the Initial Proposal Budget form and Initial Proposal Budget Narrative to cover the following activities:

### 1. Funds to be used, directly or indirectly, for the administration of the grant (and thus subject to the statutory two percent cap):

As required by the Initial Proposal Budget Form, MIHI has categorized its direct and indirect costs for the administration of the grant into seven categories. It should be noted that MIHI is not expecting to incurring construction costs and therefore these values are not summarized below:

- **Personnel:** Funds will be utilized to support the salary and fringe benefits of existing staff of the Michigan High-Speed Internet Office for the remaining period of performance (i.e., until 2030). Staff are housed in the Michigan High-Speed Internet Office. 10 full time equivalent staff support the administration of the BEAD grant





(17 different roles with varying percentages of time allocations to the BEAD program) with activities such as mapping coordination, data collection, data analysis and geospatial data collection; coordinate, develop, maintain, and implement program scoring rubrics, applications, and work plans and budgets for applications processes, review processes, challenge processes, and awards processes to ensure compliance with federal law; and engaging with a variety of external stakeholders to provide education, capacity building, support, and coordinate technical assistance on the topics of high-speed internet infrastructure, broadband deployment, network development, and other issues related to the availability of high-speed internet.

- **Equipment:** The Michigan High-Speed Internet Office plans to purchase equipment required for staff to be able to perform administration of the BEAD grant duties. Equipment is defined as a single item of tangible, personal property having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000. The Michigan High-Speed Internet Office will require a printer, shredder, and projector, which would all be considered equipment as part of this budget request. These costs will be used for the administration of the grant.
- **Supplies:** Funds are requested to operate the Michigan High-Speed Internet Office and carry out activities necessary for the administration of the BEAD Program. These include printer cartridges, an office setup, laptop computers, monitors, keyboards, a portable speaker and microphone, mail and postage, and general office supplies required to administer the grant over the period of performance (48 months). These costs will be used for the administration of the grant.
- **Indirect Costs:** Funds that are attributable to the indirect costs “related to the administration of the grant” are calculated by using our negotiated indirect cost rate and base as per the Negotiated Indirect Cost Rate Agreement (NICRA) (9/23/2023) as modified to include only those costs “related to the administration of the grant.” The indirect cost rate of 4.12% is applied to personnel costs comprised of the total direct salaries and wages including vacation, holiday, sick pay, other paid absences, and all applicable fringe benefits.

## 2. Funds to be used for administrative purposes, other than the administration of the grant:

MIHI does not anticipate using funds for administrative purposes other than the administration of the grant.

## 3. Funds to be used to implement the Challenge Process and Subgrantee Selection Process:

- **Challenge Process Support:** The Michigan High-Speed Internet Office will contract with two contractors to implement the Challenge Process outlined in the Initial Proposal. The intended outcomes of the contract are a successfully run Challenge Process that improves the accuracy of our last-mile broadband deployment projects, ensures that activities funded by the BEAD Program reach the areas that need funding the most, and improves transparency and trust in our initiatives. The work is expected to begin as soon as Volume I is approved and Volume II is submitted, and the results of the Challenge Process are expected to be provided to the Michigan High-Speed Internet Office within three (3) months of award in order for the Subgrantee Selection Process to begin. Geospatial and related support is expected to continue for the entirety of the BEAD period of performance.
- **Local Coordination:** In order to support the Subgrantee Selection Process, the Michigan High-Speed Internet Office will utilize funds through the Initial Proposal Funding Request to facilitate two (2) in-person local coordination events across the state in order to increase awareness of the Subgrantee Selection Process--in line with the proposed Subgrantee Selection Process in the Initial Proposal--in order to increase participation,



partnership, and awareness of the Subgrantee Selection Process and to ensure public buy-in for the activities funded by the BEAD Program. Funds are also requested to cover travel costs related to attending two Subgrantee Selection Process-related local coordination events across the state. These events will take place during the calendar year 2024.

- **Subgrantee Selection Support:** In order to support the Subgrantee Selection Process, the Michigan High-Speed Internet Office will contract with two contractors to develop Standard Operating Procedures, Subgrantee Selection Process guidance and policy documents, relevant communications and outreach tools, market assessment report, grant portal development, application review and scoring, applicant financial vetting, project deconfliction, and other similar Subgrantee Selection Process support activities to ensure an orderly and efficient Subgrantee Selection Process. The work is expected to begin as soon as Volume 1 is approved, and Volume 2 is submitted. Ongoing reporting and maintenance of the grant portal, and related support, is expected to continue for the entirety of the BEAD period of performance.
- **Monitoring and Compliance:** In order to support the Subgrantee Selection Process, MIHI will engage a contractor yet to be determined to develop subgrantee risk assessments, establish monitoring plans and reports, develop compliance policies and procedures and corrective action plans, and provide overall monitoring and compliance support for BEAD subgrantees. Ensuring subgrantee compliance with state and federal BEAD-relevant regulations is critical to the success of the program and ensuring BEAD-funded projects adhere to program guidelines and regulations. Knowing the monitoring and compliance requirements before the end of the subgrantee selection process will ensure potential subgrantees are aware of and can account for these requirements in their applications. The work is expected to begin as soon as Volume 1 is approved, and Volume 2 is submitted. Implementation of the subgrantee monitoring and compliance plan is expected to be implemented and continue for the entirety of the BEAD period of performance.
- **Utility Marking Capacity:** In order to support the Subgrantee Selection Process, MIHI will work with the Michigan Utility Notification Center (MISS DIG 811) to develop a strategy to expand utility marking capacity in preparation for BEAD-funded network deployment. Developing this strategy during the Subgrantee Selection Process will provide applicants with the confidence that they will be able to complete their projects, if awarded, within the grant period of performance. The work is expected to begin as soon as Volume 1 is approved, and Volume 2 is submitted. Implementation of the utility marking capacity strategy is expected to continue for the remainder of the BEAD period of performance.
- **Public Outreach and Awareness:** In order to support the Challenge Process and Subgrantee Selection Process, MIHI will engage a contractor yet to be determined to develop and implement an awareness and outreach strategy and campaign to promote the BEAD program and ensure broad stakeholder and general public awareness and understanding of the program, its goals, processes, and timeline. Developing this strategy and beginning implementation will be critical to the success of the Challenge Process and Subgrantee Selection Process by building understanding for these activities and the infrastructure deployments to come. The work is expected to begin as soon as Volume 1 is approved, and Volume 2 is submitted. Implementation of the public awareness and outreach campaign is expected to continue for the remainder of the BEAD period of performance.
- **Supply Chain Support:** In order to support the Subgrantee Selection Process and the overall success of the BEAD Program, MIHI will engage a contractor yet to be determined to provide an analysis of the BEAD-relevant supply chain and develop a strategy for preventing and alleviating supply chain pressures that may



delay BEAD deployment projects or substantially increase their cost. Developing this supply chain strategy during the Subgrantee Selection Process will provide applicants with the confidence that they will be able to complete their projects, if awarded, within the grant period of performance. The work is expected to begin as soon as Volume 1 is approved, and Volume 2 is submitted. Implementation is expected to continue for the remainder of the BEAD period of performance.

- **Permitting Coordinator:** In order to support the Subgrantee Selection Process and the overall success of the BEAD Program, MIHI will engage a contractor yet to be determined or on-board additional office staff to serve as a permitting coordinator to provide assistance to subgrantees through federal, state, and local permitting processes. Establishing the permitting coordinator role during the Subgrantee Selection Process will provide applicants with the confidence that they will be able to complete their projects, if awarded, within the grant period of performance. Additionally, MIHI will make funds available to other state agencies (EGLE, MDOT, DNR, and SHPO) to increase their capacity to approve permits. The work is expected to begin as soon as Volume 1 is approved and Volume 2 is submitted. Implementation is expected to continue for the remainder of the BEAD period of performance.
- **Travel:** Funds are requested for up to seven staff to attend all occurrences of the State Broadband Leaders Network (SBLN) for the remaining period of performance, (approximately twelve (12) meetings). Additionally, funds are requested for up to two (2) staff to attend twenty (20) national or regional BEAD-related conferences, events, and meetings. Attendance at SBLN and other similarly educational conferences, events, and meetings is important for learning about emerging telecommunications policy issues and priorities, as well as for the mutual sharing of best practices related to broadband adoption and deployment. MIHI will be required to present about the BEAD program in Michigan and is expecting to require travel for twenty-five (25) in-state presentations per year for five years (a total of one hundred and twenty-five (125) presentations). Funds are also requested to support approximately two hundred (200) state trips for the remaining period of performance to meet with stakeholders, communities, potential subgrant applicants, and subgrantees. Such outreach and engagement is critical to the success of the BEAD Program, as it will ensure that accurate and consistent messaging is delivered and feedback on program implementation and potential barriers is gathered. Additionally, travel includes the total three hundred (300) site visits MIHI plans to make to an assumed 150 deployment projects, visiting each twice throughout the BEAD period of performance. These costs are to be considered programmatic.
- **Other Direct Costs:** Other direct costs will be used to cover project management and other relevant training for all office staff so that they may better implement, administer, and manage the BEAD project activities. Included in Other Direct Costs is also the cost for venue space to host ten local coordination events (one event in each region) and costs of software licenses. These costs are to be considered programmatic. Additionally, the following technical assistance is included in Other Direct Costs:
- **MEDC Permitting Technical Assistance:** In order to support the Subgrantee Selection Process, MIHI will work with the Michigan Economic Development Corporation to provide permitting technical assistance in preparation for BEAD-funded network deployment. Providing this technical assistance during the Subgrantee Selection Process will provide applicants with the support needed to apply and receive approvals of permits in a timely manner and support the completion of projects during the period of performance. This is an interagency agreement.



- **Long-Range Consumer Connectivity and Economic Impact:** In order to support the Subgrantee Selection Process and the overall success of the BEAD Program, MIHI will engage a contractor yet to be determined to provide a long-range analysis and study of consumer connectivity (among those connected with BEAD funds) and the overall economic impact of the program. Developing the parameters of this longitudinal study during the subgrantee selection process will provide applicants with further guidance on the scope through which their deployment projects may be measured and evaluated leading to further confidence in the overall program. The work is expected to begin as soon as Volume 1 is approved, and Volume 2 is submitted. Implementation is expected to continue for the remainder of the BEAD period of performance.
- 4. Eligible non-deployment uses, subject to the requirement of demonstrating a plan to ensure deployment to all unserved and underserved areas as outlined in the NOFO, Section IV.B.7:**

Any remaining funds will be allocated to non-deployment uses following the approval of the Final Proposal.

**5. Funds to be used upon approval of the Final Proposal:**

As noted above, the Michigan High-Speed Internet Office requests that the Assistant Secretary make the total allocation of funds to be obligated at the Initial Proposal stage of the BEAD Program to promote a robust, fair, and competitive Subgrantee Selection Process by giving industry confidence in the full allocation and availability of funds. The Michigan High-Speed Internet Office proposes that the use of these funds would be contingent upon Final Proposal approval. These funds will cover eligible last-mile broadband deployment projects identified in the BEAD NOFO, Section IV.B.7.a.ii, eligible non-deployment uses identified in the BEAD NOFO, Section IV.B.7.a.iii, programmatic support activities, and the remaining funds available for the administration of the grant. While MIHI's Initial Proposal Funding Request requests the entirety of project costs, the funds associated with last mile deployment uses and non-deployment uses will not be awarded or spent prior to the approval of the Final Proposal.

MIHI is not currently able to determine the availability of funds for non-deployment activities and will defer determination on non-deployment activities until the Final Proposal and after NTIA has released additional guidance. At the time of Final Proposal preparation, if remaining funds for non-deployment activities and guidance for non-deployment activities are available, MIHI will at that time fully detail the non-deployment subgrantee selection process.

MIHI is considering utilizing BEAD funds to conduct the following non-deployment activities:

- User training with respect to cybersecurity, privacy, and other digital safety matters.
- Remote learning or telehealth services/facilities.
- Digital literacy/upskilling (from beginner-level to advanced).
- Computer science, coding, and cybersecurity education programs.
- Implementation of the state digital equity plan (to supplement, but not to duplicate or supplant, Planning Grant funds received by Michigan in connection with the Digital Equity Act of 2021).
- Broadband sign-up assistance and programs that provide technology support.
- Multi-lingual outreach to support adoption and digital literacy.
- Prisoner education to promote pre-release digital literacy, job skills, online job acquisition skills, etc.



- Digital navigators.
- Costs associated with stakeholder engagement, including travel, capacity- building, or contract support.
- Other allowable costs necessary to conducting programmatic activities of an award, not to include ineligible costs described in Section V.H.2 of the NOFO.
- Activities related to the incorporation of “smart” technologies and capabilities into farming.

2.14.2. Initial Proposal Funding Request Enter the amount of the Initial Proposal Funding Request. If not requesting Initial Proposal funds, enter ‘\$0.00.’

\$1,554,362,479,.29

2.14.3. 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 Proposal Funding Request, note “Not applicable.”

Yes



## 16 Eligible Entity Regulatory Approach (Requirement 18)

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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. 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. 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.

Not Applicable.

Michigan law does not prohibit the public sector from participating in the deployment of broadband; in fact, there have been several successful examples of public sector entities implementing broadband-related projects. In Section 609(3) of Michigan Public Act 5 of 2023, the Michigan Legislature affirmed that all entities that can meet the qualifications of the BEAD program will be considered. MIHI is committed to providing support to the public sector by implementing a range of activities that will help them make the most of the BEAD program, such as:

- **Technical Support:** MIHI will work with the Michigan Infrastructure Office to provide BEAD- related technical assistance and implementation and capacity support for local permitting best practices.
- **Scoring Criteria:** MIHI will include additional scoring criteria that encourage ISPs to work with communities to develop their projects, up to and including public-private partnerships.
- **Local Community Involvement:** MIHI will request applicants to provide evidence of community support and involvement in the project during the application submission. MIHI will also develop a set of robust community engagement standards for comparing subgrantee applications.
- **Office hours:** MIHI plans to set up office hours for local communities and governments to answer questions, share best practices, and provide technical assistance to navigate the requirements of the BEAD program and the state's proposed subprogram.



## 17 Certification of Compliance with BEAD Requirements (Requirement 19)

2.16.1. Certify the Eligible Entity’s intent to comply with all applicable requirements of the BEAD Program, including the reporting requirements.

Yes

2.16.2. 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:

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);

Subgrantees must provide payment requests accompanied with evidence of the costs they have incurred, which will be subject to the acceptable forms of proof defined by MIHI. Payment requests should also be accompanied with a construction performance report detailing the accomplishments and progress of the projects subgrantees are requesting reimbursement for. Subgrantees must submit a final grant report upon project completion. Grant closeout will require certification from a Professional Engineer certified in Michigan that the project has been completed; that the design and installation conform to all applicable federal, state, and local requirements and standard engineering practice; and that the installed infrastructure will provide the broadband service stated in the application. Grantees are expected to offer service at the pricing and speed levels stated in the application for the life of the infrastructure. Payments for the project will be based on a milestone schedule, with each milestone representing a specific stage of the project's completion.

MIHI recognizes the need to ensure a fair and transparent subgrantee selection process that ensures a variety of entities can participate. Small and disadvantaged enterprises are typically discouraged from participating in large grant programs such as BEAD given their reduced access to capital and ability to float costs while they await reimbursement compared to larger enterprises.

MIHI subgrants will be made based on a fixed award amount, following all requirements of NTIA’s modifications to the Uniform Guidance as provided by final rule. An initial disbursement made

upon final grant issuance followed by milestone reimbursement payments. MIHI has established two payment disbursement schedules to account for differences in small and large business ability to provide capital and can be found in the following tables.

### Milestone Payment Disbursement Schedule

Milestone Payment Disbursement Schedule – Small or Disadvantaged Business Enterprises	
Initial Upfront Payment	35%
25% of total locations built to	15%
50% of total locations built to	15%
75% of total locations built to	15%
100% of total locations built to (engineering certification required)	20%



Milestone Payment Disbursement Schedule – Large Enterprises	
Initial Upfront Payment	15%
25% of total locations built to	20%
50% of total locations built to	20%
75% of total locations built to	20%
100% of total locations built to (engineering certification required)	25%

Table 4: Milestone Payment Disbursement Schedule

MIHI understands the significance of assisting organizations responsible for executing non-deployment activities, similar to those that are completing deployment projects. Recipients of funds for non-deployment projects shall comply with the same requirements as deployment projects including 2 CFR 200, the BEAD NOFO, NTIA, and the grant agreement.

Disadvantaged enterprises are defined by 49 CFR 46.5 as a for profit small business that is at least 51 percent owned by one or more individuals who are both socially and economically disadvantaged, or, if the business is a corporation, at least 51 percent of the stock is owned by one or more such individuals. As well as the enterprise’s management and daily business operations are controlled by one or more of the socially and economically disadvantaged individuals who own it. A small enterprise can be defined as a business incorporated or doing business in this state, including the affiliates of the business concern, which is independently owned and operated, and which employs fewer than 250 full-time employees or which has gross annual sales of less than \$6,000,000.00 according to MCL 24.207a<sup>27</sup>.

b. The inclusion of clawback provisions (i.e., provisions allowing recoupment of funds previously disbursed) in agreements between the Eligible Entity and any subgrantee;

MIHI will include the following claw-back provisions in all BEAD subgrantee agreements to recoup previously distributed funds from subgrantees in the event of outstanding circumstances, subgrantee non-compliance, nonperformance, failure to meet statutory obligations, or wasteful, fraudulent, or abusive expenditure of grant funds, as well as in an overall effort to incorporate subgrantee risk mitigation.

As encouraged by the BEAD NOFO, MIHI will enforce:

- Any subgrantee that fails to comply with any requirement under Section 60102 of the Infrastructure Act or the BEAD NOFO shall be required to return up to the entire amount of the subgrant to MIHI as per the grant agreement. MIHI will determine the final return amount based on consultation with the Assistant Secretary.

Additionally, MIHI imposes the following MIHI and Michigan State Claw-back Provisions:

<sup>27</sup> Michigan Legislature – Section 24.207a

[https://www.legislature.mi.gov/\(S\(3jpm3raict0sm4tq53ylceja\)\)/mileg.aspx?page=getobject&objectname=mcl-24-207a&query=on&highlight=small%20AND%20business](https://www.legislature.mi.gov/(S(3jpm3raict0sm4tq53ylceja))/mileg.aspx?page=getobject&objectname=mcl-24-207a&query=on&highlight=small%20AND%20business)





- Upon discovery, MIHI reserves the right to recoup or otherwise collect any funds that are declined, unspent, or otherwise misused. MIHI extends this to circumstances where the subgrantee fails to adhere to the BEAD program requirements established by MIHI, NTIA, or the BEAD NOFO.

c. Timely subgrantee reporting mandates; and

MIHI intends to uphold the subgrantee requirement to comply with reporting requirements as mandated by the NTIA in the BEAD NOFO. Subgrantees will be required to report these elements on a quarterly basis and in the format determined by MIHI. Please note, the following reporting requirements are subject to change pending NTIA additional reporting instructions in connection with the requirements set forth below:

- Include 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;
- Identify new locations served within each project area at the relevant reporting intervals, and service taken (if applicable);
- Identify whether each location is residential, commercial, or a community anchor institution;
- Describe the types and locations of facilities that have been constructed and installed;
- Describe the peak and off-peak actual speeds of the broadband service being offered;
- Describe the maximum advertised speed of the broadband service being offered;
- Describe the non-promotional prices, including any associated fees, charged for different tiers of broadband service being offered;
- List all interconnection agreements that were requested, and their current status;
- Report 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;
- Include any other data that would be required to comply with the data and mapping collection standards of the Commission under Section 1.7004 of title 47, Code of Federal Regulations, or any successor regulation, for broadband infrastructure projects;
- Include an SF-425, Federal Financial Report and meet the requirements described in the Department of Commerce Financial Assistance Standard Terms and Conditions (dated November 12, 2020), Section A.01 for Financial Reports;

Evidence of payment of prevailing wages including certified payroll records. If a subgrantee has not provided a certification that a Project either will use a unionized project workforce or includes a project labor agreement, meaning a pre-hire collective bargaining agreement consistent with section 8(f) of the National Labor Relations Act (29 U.S.C. 158(f)), then the subgrantee must provide a project workforce continuity plan, detailing:

- Steps taken and to be taken to ensure the Project has ready access to a sufficient supply of appropriately skilled and unskilled labor to ensure construction is completed in a competent manner throughout the life of the Project (as required in Section IV.C.1.e), including a description of any required professional certifications and/or in-house training, Registered Apprenticeships or labor- management partnership



training programs, and partnerships with entities like unions, community colleges, or community-based groups;

- Steps taken and to be taken to minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the Project;
- Steps taken and to be taken to ensure a safe and healthy workplace that avoids delays and costs associated with workplace illnesses, injuries, and fatalities, including descriptions of safety training, certification, and/or licensure requirements for all relevant workers (e.g., OSHA 10, OSHA 30, confined space, traffic control, or other training required of workers employed by contractors), including issues raised by workplace safety committees and their resolution;
- The name of any subcontracted entity performing work on the Project, and the total number of workers employed by each such entity, disaggregated by job title; and
- Steps taken and to be taken to ensure that workers on the Project receive wages and benefits sufficient to secure an appropriately skilled workforce in the context of the local or regional labor market.

Comply with any other reasonable reporting requirements determined by MIHI to meet the reporting requirements established by the Assistant Secretary; and certify that the information in the report is accurate. Additional reporting requirements for subgrantees include but are not limited to reporting infrastructure route data in a geospatial format.

#### d. Robust subgrantee monitoring practice

MIHI will monitor and oversee subgrantees' to ensure compliance with the applicable statutory and regulatory requirements as required by the 2 C.F.R. 200.332 and the BEAD NOFO, this includes the terms and conditions of the award. The Michigan BEAD program will likely employ a PMO-led subgrantee monitoring program, therefore the following description describes the risk assessment process for such.

Pursuant to 2 C.F.R. 200.332, each subgrantee will be given a risk assessment and receive a risk rating prior to monitoring. Individual subgrantee's will receive a rating of either "High", "Moderate", or "Low" risk. This risk level will determine the level of monitoring required for each subgrantee. MIHI intends to monitor subgrantees in the following steps:

- **Select document samples for testing:** Prior to monitoring, MIHI will preselect the document samples it will require from subgrantees to be tested.
- **Develop Checklists and Testing Procedures for Monitoring:** MIHI will develop internal checklists and testing procedures for subgrantee monitoring. Further detail of the checklists and testing procedures will be provided in MIHI's BEAD program SOP.
- **Send monitoring announcement letter:** The monitoring team will send an email and/or a formal notification letter at least one (1) week before the scheduled monitoring in order to confirm the schedule, scope, information to be review, and subgrantee staff who will be involved or contacted.
- **Hold Entrance Conference:** The monitoring team will hold an entrance conference with subgrantee leadership and appropriate financial and administrative staff immediately before monitoring and send a Preliminary Document Request List containing documents needed from subgrantees for monitoring.



- **Execute Monitoring Activities (aka testing):** Monitoring will include testing using the Monitoring Checklist. The objectives of the Monitoring Checklist are to test the reliability of the subgrantee’s financial and programmatic systems and internal controls, ensuring that subgrantees are getting a single audit when required, and confirming that sufficient recordkeeping is taking place. The Monitoring Checklist shall include at least the following areas of focus:
  - Expenditures
  - Financial Management
  - Audits
  - Record Retention & Recordkeeping
  - Internal Controls
- **Develop Monitoring Report per subgrantee:** The monitoring team will develop a complete monitoring report. This report will include identification of areas where the subgrantee has excelled, met, or needs improvement in accordance with the monitoring checklist and BEAD program requirements.
- **Review Monitoring Report with Responsible Parties:** An exit conference will be scheduled with key representatives of the subgrantee’s organization to present the tentative conclusions of the monitoring. All notes from the exit meeting will be documented.
- **Review audit reports as necessary:** This step of the monitoring process is applicable if MIHI and/or the monitoring team determines that additional review of the subgrantee’s audit most recent audit.
- **Conduct field visits at 25, 50%, 75% and 100% of total location projects completion:** Field reviews will consist of a walkthrough of each subgrantee project to obtain an understanding of project progress, project management, and the current status of non-expended funds.
- **Determine eligibility for project cost reimbursement at 25%, 50%, 75% and 100% project completion:** Subgrantees are eligible for reimbursement of project cost at 25%, 50%, 75% and 100% total project completion. Eligibility will be based on the results of field visits and the overall monitoring report.
- **Repeat Steps 1-8 periodically:** Steps 1-8 of this process will be repeated during each required monitoring and reporting period. Field visits and determination of eligibility for project cost reimbursement will occur at 25%, 50%, 75%, and 100% project completion only in conjunction with Steps 1-8.

2.16.3 Certify that the Eligible Entity will account for and satisfy authorities relating to civil rights and nondiscrimination in the selection of subgrantees.

Yes

2.16.4. 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. MIHI will require subgrantee applicants to submit their cybersecurity mitigation plans prior to allocation of funds. Additionally, if the subgrantee makes any substantive changes to the plan, a new version will be submitted to MIHI within 30 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.

Yes



## 18 Summary of changes based on Public Comments

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2.17.1 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.

As part of the Broadband Equity Access and Deployment (BEAD) program requirements, pursuant to Division F, Title I, Section 60102, Public Law 117-58, 135 Stat. 429 of the Infrastructure Investment and Jobs Act, MIHI published the draft Initial Proposal Volume II for public comment on . The 30-day public comment period ran from November 1<sup>st</sup>, 2023, through December 1<sup>st</sup>, 2023. Throughout this time, interested parties of all types (both organizations and individuals) were able to provide their comments and pose questions through the public comment form provided on the MIHI website. MIHI worked to raise awareness of the public comment opportunity by hosting a Partnership Roundtable discussion focused on the contents of draft Initial Proposal Volume 2 and how to submit comments effectively, sending emails to all available distribution lists alerting recipients to the public comment opportunity, including the public comment opportunity in the MIHI newsletter, and encouraging relevant membership organizations (e.g., the Michigan Association of Regions, Michigan Association of Counties, Michigan Townships Association, Michigan Municipal League, et al) to promote the public comment opportunity to their members.

A total of 48 public comments were received, of which 43 organizations and 5 individuals provided feedback on the draft Initial Proposal Volume II. A majority of the comments were related to broadband affordability and open access networks (OAN). Comments related to affordability were focused on funds spent towards improving availability and providing low-cost and middle-class affordability options, and the need to move away from price setting. Whereas comments regarding open access networks expressed to promote OANs.

In addition to the major comments, key themes from the public comment included individuals and organizations expressing interest in the following: streamlined application process, subdivision of project areas, misunderstanding of BEAD, adoption initiatives, monopolies and access, and covered telecommunications equipment. Our goal is to ensure that every Michigan resident has access to high-speed internet and that the broadband map accurately reflects this coverage.

MIHI would like to thank all the individuals and organizations who took out time to assess the Initial Proposal Volume II and provide their public comments. We acknowledge the feedback received and have thoroughly considered the comments and experiences before submission of the final document. Every public comment has been considered and have been incorporated into Volume II, where appropriate. For example, MIHI has reduced the size of hexbins from 3 miles to 1.5, introduced changes to the calculation of the low-cost option and the middle-class affordability plan, and updated the scoring rubric.

It is MIHI's unwavering commitment to ensure that high-speed internet access is accessible to every household, trade, and community in Michigan through the BEAD program. We value your input as we strive towards this objective.



2.17.2 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.

[Volume II Public Comment Consolidated Attachments.pdf](#)