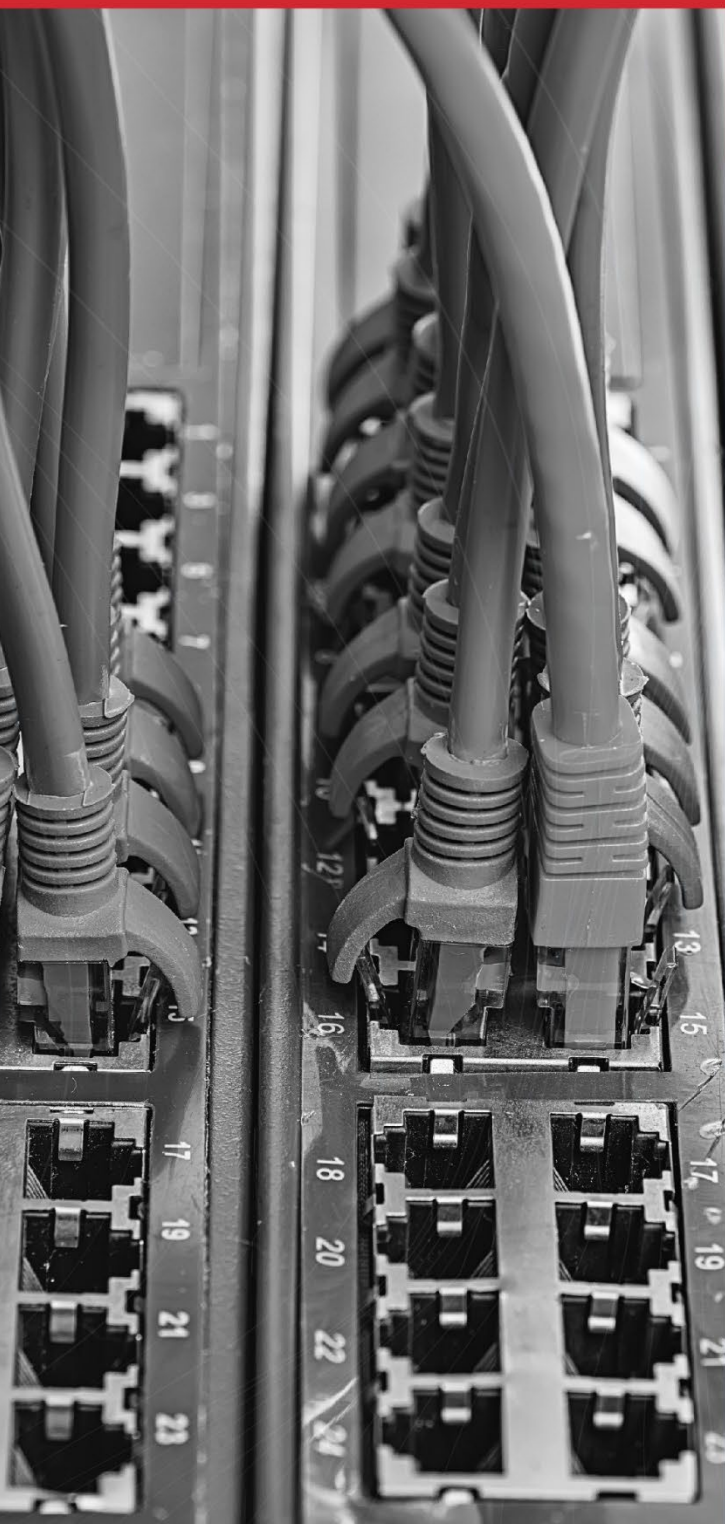


Broadband Equity, Access, and Deployment (BEAD) Application Guide



Department of
**Economic &
Community Development**

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01 | Program Description

1.1 Overview of the Grant Program

The Broadband Equity, Access, and Deployment (BEAD) Program is a federal initiative that provides \$42.45 billion to achieve reliable, affordable, and high-speed Internet coverage throughout the United States. The BEAD program is administered by the National Telecommunications and Information Administration (NTIA) and funded by the Infrastructure Investment and Jobs Act of 2021 ('Infrastructure Act'), also known as the Bipartisan Infrastructure Law.

Through the BEAD program, Tennessee has been allocated \$813,319,680 to expand high-speed internet access through infrastructure deployment and adoption programs. As a requirement of the program, TNECD conducted the BEAD Challenge Process from May through July 2024 to determine all eligible Broadband Serviceable Locations (BSL's) in the state, which are those lacking internet speeds of at least 100/20 Mbps. The Challenge Process involved four phases, including the Challenge Phase, Rebuttal Phase, and Final Determination, where ECD determined whether challenges were "sustained" or "rejected."

Tennessee will utilize BEAD funds to deploy last mile broadband service to all unserved (lacking 25/3mbps) and underserved (lacking 100/20mbps) BSLs, ensuring that every Tennessean has access to a fixed terrestrial connection at adequate speeds.

Tennessee is administering a competitive grant application for internet service providers to access funds and expand broadband. To be eligible for BEAD funding, applicants must have submitted a Letter of Intent and meet the eligibility requirements of the Qualification Application.

1.2 Key Dates

The TNECD Broadband Office opened BEAD Project Area Unit (PAU) Grant Application March 11, 2025. The public comment period for applications will take place once applications have closed. The public notice process will include the grantee name, grant request, and map of proposed service area and will be posted on our website at www.tn.gov/broadband. If any grant application areas/project areas do not receive a proposal, TNECD has devised multiple mechanisms (negotiations/inducements) to ensure all target areas receive service. Please see Section 2.4.7 of the Initial Proposal Volume II for further information on TNECD's No Proposal Strategy. Once a list of awards is finalized, Tennessee must submit its Final Proposal for funding to NTIA, which will include the results of the subgrantee selection process. Selected subgrantees will receive an Intent to Award letter outlining the award and contract. Official award announcements are contingent upon NTIA's approval of Tennessee's Final Proposal. After approval, TNECD will work with subgrantees to swiftly execute contracts. Projects must be completed by December 31, 2028 with the possibility of a one year extension. See the table below for an overview of the application timeline. These dates

are subject to change. TNECD will release further details in coming months.

Milestone	Key Dates/ Est. Target Date
Letter of Intent (required for all ISPs prior to application)	August 9, 2024 – October 23, 2024
Qualification	November 1 – January 24, 2025
Qualification Application Window opens	November 1, 2024
Qualification Application deadline (<i>if applicants want a completeness check prior to the 1/24/2025 deadline</i>)	11:59 pm CT on January 10, 2025
All Qualification Applications due	11:59 pm CT on January 24, 2025
Project Area Unit (PAU) Grant Application	March 10, 2025 – April 18, 2025
Grant Application Window opens	March 10, 2025
All Grant Applications Due	11:59pm CT on April 18, 2025
Public Comment Period	April 2025
Application Review	Spring 2025
Tentative Round 2 Applications	Spring 2025
Final Proposal Submission	August 2025

1.3 Federal Award Information

1.3.1 Funding Availability

TNECD will make up to \$793,202,495.96 available to award to priority (and non-priority) broadband projects.

1.3.2 Reimbursement

BEAD funds will be distributed to subgrantees on a reimbursable basis. The subgrantee must incur 100% of costs and provide detailed documentation to receive grant funds. As mandated by NTIA, all contracts will include provisions for recovery of funds in the event of a subgrantee's noncompliance with the BEAD program's requirements.

1.3.3 Award Amount

There is no maximum grant request for the BEAD Grant Program. Counties are divided into a maximum of three Project Area Units (PAUs) based on a list of Broadband Serviceable Locations (BSLs) in Tennessee. The awarded applicant will receive the entire allocation for the specific PAU, as applicants must commit to serving 100% of the BEAD-eligible BSLs within the project area their organization is applying for.

1.3.4 Match Requirement

The grant will reimburse up to 75% of eligible project funds, with a required minimum 25% match by the subgrantee. Subgrantees must certify that match contributions are made consistent with the framework for this program: Uniform Guidance Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth at 2 C.F.R. Part 200.

1.3.5 Period of Performance

All contracts with grantees are anticipated to be in effect by fall 2025. This is contingent upon NTIA's approval of Tennessee's Final Proposal as contracts cannot be executed until after subgrantee selection

has concluded and approval on the Final Proposal is received. Projects must be completed by December 31, 2028 with the possibility of a one year extension.

1.3.6 Federal Interest Period

As described in the [General Terms and Conditions for NTIA BEAD Program Funds](#), the Federal interest in all real property or equipment acquired or improved as part of a subgrant for which the major purpose is a broadband infrastructure project will continue for ten years after the year in which that subgrant has been closed out in accordance with 2 CFR 200.344. For example, for all BEAD subgrants closed out in 2027, regardless of the month, the Federal interest will last until December 31, 2037. The useful life of the real property or equipment acquired or improved using BEAD funds shall coincide with the Federal Interest Period. To document the Federal interest in BEAD-funded real property, preparing a "Covenant of Purpose, Use and Ownership" will be a requirement following award.

1.4 Pre-Application Steps

Applicants must obtain a SAM Unique Entity Identifier (UEI) from SAM.gov to be eligible to receive funding from the BEAD Grant Program. As a subgrantee of a federal award, applicants are only required to obtain a UEI and do not have to complete a full SAM registration. Once on SAM.gov, entities should choose the "Get a Unique Entity ID Only (No Entity Registration Required)" option. To receive a UEI, the entity must input its legal business name and physical address along with any other required information.

02 | Eligibility Requirements

2.1 Eligibility Criteria

In accordance with the BEAD Notice of Funding Opportunity (NOFO), Tennessee must ensure that prospective subgrantees can carry out BEAD-funded activities in a competent and compliant manner.

2.1.1 General Qualifications

To be eligible for BEAD funding, all prospective subgrantees must:

1. Certify ability to comply with all requirements mandated by NTIA and the State of Tennessee, as well as all applicable State, Local, and Federal Laws.
2. Have the financial and managerial capabilities to meet the commitments of the subgrant.
3. Have the technical and operational capabilities to provide promised services.

2.1.2 Specific Capabilities

In addition to general qualifications, subgrantees deploying network facilities must demonstrate the following specific capabilities. Applicants will be required to provide evidence in support of each capability in the qualification application.

Capability	Description
Financial Capability	Prospective subgrantees must be financially qualified to meet BEAD program obligations and have sufficient funds available to carry out proposed projects.
Managerial Capability	Prospective subgrantees must have the readiness to manage a broadband network of this scope.
Technical Capability	Prospective subgrantees must be technically qualified to complete and operate the project in a competent manner. This includes using an appropriately skilled and credentialed workforce.
Compliance with Laws	Prospective subgrantees must carry out funded activities in compliance with all applicable Federal, State, Territorial and local laws, as well as safety and health requirements.
Operational Capability	Prospective subgrantees must have the prior experience, financial stability, and preparation necessary to operate a BEAD-funded network.
Ownership	Prospective subgrantees must provide a comprehensive disclosure of their ownership information, including of direct

	and indirect ownership interests, adhering to the specifics laid out in 47 C.F.R. § 1.2112(a)(1)-(7).
Other Public Funding	Prospective subgrantees must disclose all applications submitted or planning to submit and every broadband deployment project funded by public sources.

2.2 Eligible Entities

The following entities are eligible to apply for the TNECD BEAD Program:

- Political subdivisions or entities of political subdivisions
- Corporations
- Limited liability companies (LLCs)
- Partnerships or other business entities
- Cooperatives organized under Tenn. Code. Ann. § 65-25-101 et seq. and § 65-29- 101 et seq.
- Any other entity authorized by state law to provide broadband services.
- Entities that have previously received government funding for the deployment of broadband services

Note: Each entity must have an FRN Number with the FCC and must deliver last mile services.

2.3 Eligible Locations, Projects & Technologies

2.3.1 Eligible Locations

The BEAD Program funds broadband deployment to broadband serviceable locations, which are businesses or residential locations in the United States at which fixed broadband internet access service is, or can be, installed. Eligible broadband serviceable locations are categorized as the following:

Unserved Locations	Underserved Locations	Eligible Community Anchor Institutions
<p>An unserved location is a broadband-serviceable location that has no access to broadband service or lacks access to Reliable Broadband Service offering a speed of less than 25 Mbps for downloads; and a speed of less than 3 Mbps for uploads; and latency less than or equal to 100 milliseconds.</p>	<p>An underserved location is a broadband-serviceable location that is not an unserved location and lacks access to Reliable Broadband Service offering a speed of less than 100 Mbps for downloads; and a speed of less than 20 Mbps for uploads; and latency less than or equal to 100 milliseconds.</p>	<p>An eligible community anchor institution is a community anchor institution lacking access to Gigabit-level symmetrical broadband service. A community anchor institution is a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization (including any public housing agency, HUD-assisted housing organization, or Tribal housing organization), or community support organization that facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals.</p>

Note: As mandated by NTIA, TNECD must first connect all unserved and underserved locations. If funds remain, TNECD will prioritize community anchor institutions that have NOT yet received access to symmetrical gigabit speeds.

2.3.2 Eligible Projects

The primary intent of BEAD funding is to connect all unserved and underserved locations. As such, the BEAD NOFO defines the following as eligible projects:

1. **Unserved Service Projects:** Projects deploying and/or upgrading broadband service for a project area where not less than 80% of **BSL's** served are unserved locations.
2. **Underserved Service Projects:** Projects deploying and/or upgrading broadband service for a project area where not less than 80% of BSL's served are underserved locations.
3. **Eligible Community Anchor Institutions:** Projects deploying and/or upgrading broadband network facilities to provide or improve broadband service for an eligible community anchor institution, which are those lacking access to symmetrical Gigabit level broadband service.

2.3.3 Eligible Technologies

Any broadband technology proposed for deployment projects must meet the BEAD Program's minimum technical requirements, outlined in Section 3. Tennessee is allowing the following technology types:

- Fiber-Optic Technology (technology code 50)
- Cable Modem/Hybrid Fiber-Coaxial (HFC) Technology (technology code 40)
- Terrestrial Fixed Wireless Technology utilizing entirely licensed spectrum (includes spectrum licensed by rule) (technology code 71)
- Terrestrial Fixed Wireless Technology using a hybrid of licensed and unlicensed spectrum (technology code 72)
- Low Earth Orbit (LEO) (technology code 61)
- Unlicensed Fixed Wireless (technology code 70)

2.3.4 Project Prioritization

To achieve the goal of deploying high-speed broadband service to all unserved and underserved locations, the BEAD NOFO establishes a clear hierarchy for awarding projects based on the technology used:

1. **Priority Broadband Projects:** Projects that provision service via end-to-end fiber-optic facilities to each end-user premises (projects that use fiber-optic technology).
2. **Other Last mile Broadband Deployment Projects:** Projects that do not meet symmetrical speeds, including non-fiber Reliable Broadband Service (RBS) technologies and alternative technologies. Alternative technologies will only be considered if no RBS technology can reasonably be deployed in a defined project area.

TNECD will utilize two rubrics for scoring of applications: Priority Broadband Projects and Other Last Mile Broadband Deployment Projects. See Section 5 for the criteria and scoring process for each rubric.

2.4 Project Areas Units

Counties are divided into a maximum of three Project Area Units (PAUs) based on the final set of eligible Broadband Serviceable Locations (BSLs) in Tennessee. Project areas encompass unserved and underserved locations. Applicants seeking to serve multiple project area units are required to

submit one application per area, even if the areas are contiguous. The project area units are published on the [Subgrantee Selection Map](#).

Tennessee's Subgrantee Selection Map and the eligible locations file have been updated to indicate BSLs that will not be served by BEAD funding.

- On the map, BSLs that will not be served by BEAD funding are colored gray.
- In the eligible locations file, these BSLs are indicated as "Yes" under the No BEAD column.
- Please note additional locations are currently undergoing review that may ultimately be added to the No BEAD List. These are currently marked as "Possible No BEAD" in the eligible locations file but are not indicated on the map at this time. This file will be updated once the review is complete and applicants will be made aware promptly.

For additional information on the No BEAD list, please visit pages 8 and 9 of the [BEAD Final Proposal Guidance](#).

2.4.1 Commitment to Serving all BSLs.

At the time of application, applicants must commit to serve 100% of eligible BSLs in an identified project area.

2.5 Use of Project Funds

2.5.1 Eligible Expenses

Subgrantees may be reimbursed for eligible expenses up to the maximum grant amount, as identified in the award. Expenses must be connected to the grant area and deployment. Eligible expenses for BEAD last mile broadband deployment projects include:

- Construction, improvement, and/or acquisition of facilities and telecommunications equipment required to provide qualifying broadband service, including infrastructure for backhaul, middle- and last mile networks, and multi-tenant buildings. This includes labor contributing to deployment.
- Long-term leases (for terms greater than one year) of facilities required to provide qualifying broadband service, including indefeasible right-of-use (IRU) agreements.
- Deployment of internet and Wi-Fi infrastructure within an eligible multi-family residential building.
- Engineering design, permitting, and work related to environmental, historical and cultural reviews.
- Service drops installations to eligible BSLs, Customer Premise Equipment (CPE) and installation of CPE.
- Network software upgrades, including, but not limited to, cybersecurity solutions related to deployment in the grant area. The percentage of the software costs requested for funding must align with the percentage of its use in BEAD-funded areas. For example, if the software will be used across the entire network and BEAD-funded areas make up 50% of the network, only 50% of the upgrade costs will be eligible for reimbursement.
- Training and certifications for cybersecurity professionals who will be working on BEAD-funded networks are eligible for reimbursement. This must be directly related to deployment in the grant area. Only the cost of the course and certifications will be covered, not the time of those involved. The percentage of the course cost reimbursed will correspond to the percentage of time the professional spends working in the BEAD-funded area.
- 3rd party grant administrative costs for contracted professional assistance, not amounting to more

than 6% of the of the grant funds requested. An example may include development districts.

Pre-award expenses must be approved by the NTIA and Grant Officer **in writing** to be considered allowable. **Do not plan for pre-award expenses. This will be handled differently than TNECD's ARPA projects due to the compliance requirements of BEAD.**

2.5.2 Ineligible Expenses

Costs that appear excessive, without justification, or ineligible will not be reimbursed. Ineligible costs may not be paid for with grant or matching funds. Ineligible expenses for the BEAD program include:

- Purchasing or supporting any covered communications equipment or service (as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. § 1608)).
- Any profit, fee, or other incremental charge above actual cost incurred by a subgrantee.
- Supporting or opposing collective bargaining, whether indirectly or directly
- Expenses relating to administration of the grant under Section 60102(d)(2)(B) of the Infrastructure Act.

2.6 Matching Funds & State Coordination

Each project area requires a match of at least 25% of total requested funds. The grant will reimburse up to 75% of eligible project expenses.

2.6.1 Match Fund Sources

Funds from other Federal programs, including the Commission's Universal Service Fund programs, generally may not be used as matching funds, except as expressly provided by the Infrastructure Act. The Infrastructure Act expressly provides that matching funds for BEAD deployment projects may come from a federal regional commission or authority, and from funds that were provided to a subgrantee for deploying Broadband service under the following acts, to the extent permitted by them:

1. Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178)
2. Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182)
3. CARES Act (Public Law 116-136; 134 Stat. 281)
4. American Rescue Plan Act of 2021 (Public Law 117-2; 135 Stat. 4)
5. Other allowable match sources include:
 - a. Loan funding issued through a federal agency, such as through the USDA ReConnect Program, may also be used as match funding.
 - b. State, Local Government, Utility Company, Cooperative, Nonprofit Organization, For-Profit Company, Regional Planning, and/or Governmental Organization.

TEBF-ARP, and CPF Last Mile, Middle Mile funds cannot be used as a match.

2.6.2 Form of Matching Funds

Matching funds may be provided in the form of cash. Subgrantees must certify that such contributions are made consistent with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards set forth at 2 C.F.R. Part 200.

2.6.3 Exceptions

Deployment projects in high-cost areas do not require a match.

High-cost areas are defined as an unserved area in which the cost of building out broadband service is higher, as compared with the average cost of building out broadband service in unserved areas in the United States (as determined by the Assistant Secretary, in consultation with the Commission), incorporating factors that include— (I) the remote location of the area; (II) the lack of population density of the area; (III) the unique topography of the area; (IV) a high rate of poverty in the area; or (V) any other factor identified by the Assistant Secretary, in consultation with the Commission, that contributes to the higher cost of deploying broadband service in the area. For purposes of defining “high-cost area,” the term “unserved area” means an area in which not less than 80 percent of broadband-serviceable locations are unserved locations. ([BEAD NOFO](#)).

2.7 Additional Match

To minimize BEAD program outlay, extra points will be given to BEAD applicants who include additional match funding in their application. Extra points will also be given to BEAD applicants who include a match from a unit of local government.

Reimbursement will be based on awarded amount to the extent actual receipts submitted total the awarded amount.

03 | Program Requirements

Subgrantees deploying network projects must meet programmatic requirements in the areas of network capabilities, deployment, service obligations, compliance with laws, and certifications regarding debarment and suspension. These requirements are summarized in this section. Applicants should refer to section IV.C.2 of the BEAD NOFO for an exhaustive list of all subgrantee requirements to ensure that proposed projects are compliant.

3.1 Network Capabilities

Pursuant to Section 60102(g)(1)(A) of the Infrastructure Act, which establishes quality-of-service standards to which each subgrantee must comply, every Funded Network must meet the following requirements:

Capability	Description
Speed and Latency	Funded Networks shall deliver Reliable Broadband Service with speeds of not less than 100 Mbps for downloads and 20 Mbps for uploads and latency not to exceed 100 milliseconds.
	Subgrantees must perform speed and latency tests from the customer premises of an active subscriber to a remote test server at an end-point consistent with the requirements for a Commission-designated IXP.
	95 percent of latency measurements during testing windows for Funded Networks must fall at or below 100 milliseconds round-trip time.
	Funded Network connections to Eligible Community Anchor Institutions shall be capable of delivering service at speeds not less than 1 Gigabit per second for downloads and 1 Gigabit per second for uploads.
Network Outages	Each Funded Network's outages should not exceed, on average, 48 hours over any 365-day period except in the case of natural disasters or other force majeure occurrence

3.2 Deployment Requirements

To ensure the timely and successful deployment of broadband service, subgrantees must meet the following requirements:

Requirement	Description
Deployment Deadlines	Subgrantees must deploy its Funded Networks and begin providing broadband service to each customer that desires broadband service by December 31, 2028 with the possibility of a one year extension.
Buildout Benchmarks & Milestones	TNECD will monitor buildout milestones to ensure that subgrantees are making reasonable progress toward 2028 completion. Find more about post-award monitoring in Section 6.7.
Conduit Access Points	Any broadband deployment project that involves laying fiber-optic cables or conduit underground or along a roadway must include interspersed conduit access points at regular and short intervals for interconnection by unaffiliated entities. Please refer to the BEAD NOFO , Section 10(C)(2)(B)(ii), page 66 for full disclosure on this subject.

3.3 Service Obligations

To ensure that deployed broadband service is accessible, subgrantees must fulfill the following obligations:

Obligation	Description
Low-Cost Broadband Service Option	<p>Subgrantees are required to provide a low-cost broadband service option to eligible subscribers for up to \$60 per month. This broadband service option includes the following:</p> <ol style="list-style-type: none"> 1. Costs \$60 per month or less, inclusive of all taxes, fees, and charges, with no additional nonrecurring costs or fees to the consumer. 2. Allows the end user to apply any successor of the Affordable Connectivity Program (ACP) subsidy to the service price. 3. Requires Internet Service Providers to offer the up-to \$60 low cost option to ACP eligible households in BEAD funded areas even if the Affordable Connectivity Program, or successor program, is not funded. 4. Applies a mechanism to adjust the price of low-cost plans to ensure that low-income households have access to broadband service.

	<ol style="list-style-type: none"> 5. If the ACP benefit for a location is more than \$60, the Internet Service Provider is allowed to charge the customer up to that benefit amount. 6. Provides the greater of (a) typical download speeds of at least 100 Mbps and typical upload speeds of at least 20 Mbps, or the fastest speeds the infrastructure is capable of if less than 100 Mbps/20 Mbps or (b) the performance benchmark for fixed terrestrial broadband service established by the Federal Communications Commission pursuant to Section 706(b) of the Communications Act of 1934, as amended. 7. Provides typical latency measurements of no more than 100 milliseconds. 8. 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 services plans offered to home subscribers by participating subgrantee must adhere. 9. In the event the provider later offers a low-cost plan with higher speeds, those end-users subscribed to a low-cost service option will upgrade to the new low-cost offering at no cost. 10. The low-cost broadband service option must be made available to eligible subscribers for the useful life of the network asset (i.e., the federal interest period, which is 10 years after the year in which the subgrant for a project has been closed out).
<p>Affordable Connectivity Program</p>	<p>Subgrantees are required to promote and offer a low-cost affordability plan and participate in any future successor program of Affordable Connectivity Program (ACP). Subscribers that are eligible for a broadband service subsidy must be permitted to apply it to the proposed service option. Under the Affordable Connectivity Program, subscribers with income below 200% of the poverty line are eligible for a \$30 Affordable Connectivity subsidy.</p>
<p>Consumer Protections</p>	<p>Subgrantees cannot impose data usage caps or impose unjust or unreasonable network management practices on any plans offered over a Funded Network.</p>

<p>Access to Service</p>	<p>Subgrantees must provide access to broadband service to each customer served by the project that desires broadband service on reasonable and non-discriminatory terms.</p>
<p>Public Notice</p>	<p>To increase broadband adoption, subgrantees are required to design and carry out public awareness campaigns in their service areas highlighting the value and benefits of broadband service. The requirements for these public awareness campaigns are as following:</p> <ol style="list-style-type: none"> 1. Awareness campaigns must include information about low-cost service plans and all federal subsidies applicable to low-income households, including the Lifeline Program, the Affordable Connectivity Program, and any successor programs. 2. Awareness campaigns must utilize a variety of communications media and provide information in languages other than English when warranted. 3. Awareness campaigns must be delivered in an equitable and nondiscriminatory manner. <p>Once a funded network has been deployed, subgrantees are required to provide public notice of the deployment to individuals residing in the locations to which broadband service has been provided. This public notice must be online and through other means. Applicants are required to explain how it intends to notify relevant populations of new broadband offerings in project areas.</p>
<p>Interconnection Requirements and Wholesale Access</p>	<p>Any subgrantee receiving funds to deploy Middle Mile Infrastructure under BEAD must allow other broadband service providers to interconnect with its funded Middle Mile Infrastructure network facilities on a reasonable and nondiscriminatory basis. Subgrantees shall allow such interconnection at any technically feasible point on the Middle Mile Infrastructure network. This duty includes:</p> <ol style="list-style-type: none"> 1. Physical interconnection of the subgrantee’s Middle Mile Infrastructure to a requesting party’s facilities for the exchange of traffic. 2. Subgrantees shall connect to the public internet directly or indirectly and provide requesting parties with an ability to connect to the internet. 3. Rates and terms for interconnection shall be reasonable and nondiscriminatory. 4. Subgrantees must negotiate in good faith with any requesting party (including public, Tribal, private, non-

	<p>profit, or other parties) making a bona fide request for interconnection.</p> <p>5. Subgrantees shall report through the subgrantee reporting process established in Section 6.5 of this guidebook any interconnection requests made to the subgrantee during that year and the status of those request.</p> <p>If a subgrantee, at any time, is no longer able to provide broadband service to the end user locations covered by the subgrant on a retail basis, remedial action must be taken to ensure continuity of service. Subgrantees must sell the network capacity at a reasonable, wholesale rate on a nondiscriminatory basis to one or more other broadband service providers or public-sector entities or sell the network in its entirety to a new provider who commits to providing services under the terms of the BEAD Program.</p>
<p>Cybersecurity and Supply Chain Risk Management</p>	<p>The Infrastructure Act establishes robust cybersecurity and supply-chain risk management practices for subgrantees deploying or upgrading broadband networks using BEAD funds. Prior to receiving BEAD funds, prospective subgrantees must attest the following regarding cybersecurity:</p> <ol style="list-style-type: none"> 1. The prospective subgrantee has a cybersecurity risk management plan (the plan) in place that is either: <ol style="list-style-type: none"> 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. 4. The plan will be submitted to TNECD prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to TNECD within 30 days.

	<p>Prior to receiving BEAD funds, prospective subgrantees must attest the following regarding supply chain risk management (SCRM):</p> <ol style="list-style-type: none"> 1. The prospective subgrantee has a SCRM plan in place that is either: <ol style="list-style-type: none"> a. Operational, if the prospective subgrantee is already providing service at the time of the grant. 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. 4. The plan will be submitted to TNECD prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to TNECD within 30 days <p>To the extent a BEAD subgrantee relies in whole or in part on network facilities owned or operated by a third party (e.g., purchases wholesale carriage on such facilities), the subgrantee must obtain the above attestations from its network provider with respect to both cybersecurity and supply chain risk management practices.</p>
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3.4 Compliance Requirements

Subgrantees are required to comply with the following federal, state, and national policy laws and regulations:

Requirement	Description
Federal Labor and Employment Laws	Subgrantees must provide a demonstrated record of and plans to comply with federal labor and employment laws. A prospective subgrantee’s plans to comply with federal labor and employment laws must address, at a minimum:

	<ul style="list-style-type: none"> • How the prospective subgrantee will ensure compliance in its own labor and employment practices, as well as that of its contractors and subcontractors, including. <ul style="list-style-type: none"> a. Information on applicable wage scales and wage and overtime payment practices for each class of employees expected to be involved directly in the physical construction of the broadband network and b. How the subgrantee will ensure the implementation of workplace safety committees that are authorized to raise health and safety concerns in connection with the delivery of deployment projects
Highly Skilled Workforce	Prospective subgrantees must have a plan for ensuring that the project workforce will be an appropriately skilled and credentialed workforce. The “project workforce” includes those employees of the subgrantee, its contractors, or subcontractors directly engaged in the physical construction of the broadband network.
Civil Rights and Nondiscrimination Law	No person in the United States may, on the ground of actual or perceived race, color, national origin, sex, gender identity, sexual orientation, age, disability, or handicap, be excluded from participation in, be denied the benefits of, or be subject to discrimination under, any program or activity receiving federal financial assistance. Prior to receiving any BEAD funding, subgrantees must agree to abide by the non-discrimination requirements set forth in the legal authorities summarized in Section 6.3 of this guidebook.
Uniform Administrative Requirements, Cost Principles and Audit Requirements	In 2 C.F.R. § 1327.101, the Department of Commerce adopted Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards at 2 C.F.R. Part 200, which apply to BEAD subgrants. Refer to http://go.usa.gov/SBYh and http://go.usa.gov/SBg4 .
Environmental and National Historical Preservation Requirements	Subgrantees must retain records, permits, and documentation necessary to evidence compliance with the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq.) and the National Historic Preservation Act (16 U.S.C. §§ 470 et seq.); As the awarding entity, TNECD must perform the proper due diligence to ensure their project complies with all applicable environmental laws. The National Environmental Policy Act and the National Historic Preservation Act are further described in Section 6.3 of this guidebook.
Property Trust Relationship and Public Notice Filings for Grant-Acquired Property	Any real property, equipment, or intangible property acquired or improved with a federal award must be held in trust by the subgrantee as trustee for the beneficiaries of the project, other eligible activity, or program under which the property was acquired or improved.

<p>Domestic Preference for Procurements (Build America, Buy America Act)</p>	<p>All funds made available through the BEAD Program for broadband infrastructure must comply with the Build America, Buy America Act (BABA). BABA requirements include:</p> <ol style="list-style-type: none"> 1. All iron and steel products utilized by the subgrantee or any contractors/subcontractors in its proposed project have undergone all manufacturing processes, from smelting to product line, in the United States unless a waiver is issued. 2. All manufactured products, including fiber optic cables used in BEAD funded projects, were (a) manufactured in the United States and that (b) the manufactured products contain U.S. components comprising greater than 55% of the total cost of all components. 3. The subgrantee and its contractors must certify that construction materials, including but not limited to, nonferrous metals; plastic and polymer-based products (including those used in fiber optic cables); glass, lumber; and drywall used by the subgrantee, and any contractors and subcontractors have undergone all manufacturing processes domestically. <p>As proposed by NTIA and the Dept. of Commerce in the BABA Waiver, contractors and subcontractors of the subgrantee may waive the 55% cost requirement for all electronics equipment used in fiber optic technologies. However, TNECD requires the subgrantee to certify that it and any contractors or subcontractors understand and will comply with the BABA 55% cost requirement for the following non-electronic equipment used in fiber optic technologies:</p> <ol style="list-style-type: none"> 1. Optical Line Terminals (OLTs) and Remote Optical Line Terminals 2. OLT Line Cards 3. Optical Connections/Pluggables 4. Optical Network Terminals and Optical Network Units <p>For additional information, BABA FAQs can be found here.</p>
<p>Contracting with Small and Minority Businesses, Women's Business Enterprises, and Labor Surplus Area Firms</p>	<p>Subgrantees are required to take affirmative steps to ensure minority businesses, women's business enterprises, and labor surplus area firms are used when possible. Applicants are required to provide these affirmative steps in the application. Subgrantees are required to report their efforts and successes of contracting with diverse businesses in each submitted annual report.</p> <p>Please explore the Governor's Office of Diversity Business Enterprise (Go-DBE) here.</p>

3.5 Certifications Regarding Debarment and Suspension

In accordance with the BEAD NOFO, a prospective subgrantee applying for funding pursuant to the BEAD program is making several certifications regarding debarment and suspension. See the full list of these certifications below:

1. By submitting this proposal and accepting federal funding, the prospective lower tier participant is providing the certification set out below and agrees to comply with the requirements of 2 C.F.R. Parts 180, 1200 and 1326. Lower Tier Participant Certifications apply to subgrantees.
2. The certification in this clause is a material representation of fact upon which reliance was placed when this transaction was entered into. If it is later determined that the prospective lower tier participant knowingly rendered an erroneous certification, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
3. The prospective lower tier participant shall provide immediate written notice to the person to which this proposal is submitted if at any time the prospective lower tier participant learns that its certification was erroneous when submitted or has become erroneous by reason of changed circumstances.
4. The terms covered transaction, civil judgment, debarment, suspension, ineligible, participant, person, principal, and voluntarily excluded, as used in this clause, are defined in 2 C.F.R. Parts 180, 1200 and 1326. You may contact the person to whom this proposal is submitted for assistance in obtaining a copy of those regulations.
5. The prospective lower tier participant agrees by submitting this proposal that, should the proposed covered transaction be entered into, it shall not knowingly enter into any lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. Part 9, Subpart 9.4, debarred, suspended, declared ineligible, or voluntarily excluded from participation in this covered transaction, unless authorized by the department or agency with which this transaction originated.
6. The prospective lower tier participant further agrees by submitting this proposal that it will include the clause titled "Instructions for Lower Tier Participant Certification" including the "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion- Lower Tier Covered Transaction," without modification, in all lower tier covered transactions and in all solicitations for lower tier covered transactions and will require lower tier participants to comply with 2 C.F.R. Parts 180 and 1200.
 - a. A participant in a covered transaction may rely upon a certification of a prospective participant in a lower tier covered transaction that it is not proposed for debarment under 48 C.F.R. Part 9, Subpart 9.4, debarred, suspended, ineligible, or voluntarily excluded from the covered transaction, unless it knows that the certification is erroneous. A participant is responsible for ensuring that its principals are not suspended, debarred, or otherwise ineligible to participate in covered transactions. To verify the eligibility of its principals, as well as the eligibility of any prospective lower tier participants, each participant may, but is not required to, check the System for Award Management Exclusions website (<https://www.sam.gov>).
 - b. Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render in good faith the certification required by this clause. The knowledge

and information of a participant is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

- c. Except for transactions authorized under paragraph 5 of these instructions, if a participant in a covered transaction knowingly enters into a lower tier covered transaction with a person who is proposed for debarment under 48 C.F.R. Part 9, Subpart 9.4, suspended, debarred, ineligible, or voluntarily excluded from participation in this transaction, in addition to other remedies available to the federal government, the department or agency with which this transaction originated may pursue available remedies, including suspension or debarment.
7. The prospective lower tier participant certifies, by submission of this proposal, that neither it nor its principals is presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participating in covered transactions by any federal department or agency.
 8. Where the prospective lower tier participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

04 | Application

4.1 Application Qualifications

Qualified applicants must demonstrate the minimum capabilities required to carry out BEAD activities in a competent and compliant manner. In the Qualification, applicants will be assessed on their financial capability, managerial capability, technical capability, compliance with laws, operational capability, ownership, and other public funding.

Applicants will be further assessed on the network capabilities of projects proposed, ability to complete the project on time, experience with broadband or strategic partnerships, and community impact. Applicants should demonstrate a thoughtful plan for adoption of broadband, including addressing relevance, skills, and affordability.

4.2 Application Content

4.2.1 General Information

Applications will be submitted via the grant management software SmartSimple. Grantees will need to register with SmartSimple at https://ecd.grants.tn.gov/s_Login.jsp in order to access the applications.

All applicants must submit a Qualification application in addition to applications for each Project Area Unit. The Qualification application only needs to be submitted once as it asks general information that would not differ per project area. A qualification overview can be found in Section 4.2.2. For project areas of interest, organizations must submit 1 application per project area unit.

The applicant should be prepared to provide identifying information including the legal entity name, Federal Employer Identification Number (FEIN), FCC Registration Number (FRN), FCC Provider ID, SAM UEI, and mailing address. Applicants should also include their contact information and the contacts for the individuals within their organization authorized to act in regard to Finance, Technical, and Contact Signatory.

Note: Some of the fields in the General Information section automatically populate from the applicant's organizational profile in SmartSimple. If these fields need to be changed or updated, follow these directions:

1. Click the 'Profile' dropdown at the top right in SmartSimple.
2. Select 'Edit Organization'.
3. Update the desired field.
4. Click 'Save'.

4.2.2 Qualification

The qualification application assesses the applicant's eligibility for BEAD funding. All applicants must submit one qualification application by January 24, 2025, at 11:59pm CT. No points are associated with Qualification, rather, this application serves as a gating mechanism to ensure subgrantees have the required capabilities to be awarded BEAD funding. Applicants who do not meet all of the minimum required capabilities (financial, managerial, technical, compliance with laws, operational, ownership, other public funding) will not receive BEAD funding. The instructions for documenting each capability are detailed below.

Financial Capability

Applicants will provide their organization's experience relevant to the grant program and the proposed project, as well as the history of their organization, including years of existence and years providing broadband service.

Compliance with Laws

Applicants must provide a narrative detailing their plan to complete the proposed project in compliance with all applicable Federal, State of Tennessee, territorial, and local laws. This should include the organization's history of compliance with all applicable laws for previous broadband projects funded by federal and state programs and evidence of current compliance policies and procedures. Applicants must also attest that their organization will allow any internal or contracted labor to form worker-led committees and meet with them upon request.

Operational Capacity

Applicants will be asked questions similar to the following:

- The number of years the organization has provided voice, broadband, and/or electric transmission or distribution service.
- Whether the organization has provided voice, broadband, and/or electric transmission or distribution service for at least two consecutive years prior to the application date. If the applicant has not, it must answer whether the organization is a wholly owned subsidiary of an entity that meets the above criteria or provide additional information around how the organization is operationally capable.
- Take rates and current number of subscribers broken down by:
 - **Household:** defined by the Census Bureau as a house, an apartment, a mobile home, a group of rooms, or a single room that is occupied (or if vacant, is intended for occupancy) as separate living quarters.
 - **Business Location:** defined as a non-residential structure on a property without residential locations that would expect to demand internet access services.
 - **Community Anchor Institution:** defined as an entity, such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals.
- The organization's staffing and management capacity (internally or contracted), including organization structure and business model. This must include whether operational support will be provided through sub-contracted labor.
- Network monitoring and restoration capabilities in the event of any natural or man-made disasters or hazards. For example, the network's resiliency during adverse weather events like

tornados, fires, etc.

- List any completed state or federally funded projects, including:
 - Funding source
 - Completion or non-completion timeframe
 - Any awards returned or clawed back to any agency.
- If the organization ever defaulted on a state or federal obligation to provide broadband infrastructure. If yes, the applicant will be asked to provide details.
- Attest that the organization has timely filed Commission Form 477s and the Broadband DATA Act submissions. If this is not the case, the applicant will be asked to provide explanations for pending, missing, or incorrectly submitted forms.
- Identify any pending or completed enforcement action, civil litigation, or other matter in which the organization failed to comply or was alleged to have failed to comply with Commission rules or regulations.

Ownership Requirements

As outlined in [47 CFR 1.2112](#), applicants must provide the following:

- 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.
- 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.
- 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).
- 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.
- 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.
- 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% or more of the applicant, except that if the ownership percentage for an interest in any link in the chain exceeds 50% or represents actual control, it shall be treated and reported as if it were a 100% interest;
- 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).
- At the time of the application, applicants will answer if their organization is claiming eligibility for small business provisions or a rural service provider bidding credit. If this applies to your organization, ECD will gather the following information **prior to contracting if awarded**:
 - List the names, addresses, and citizenship of all officers, directors, affiliates, and other controlling interests of the applicant, as described in 47 CFR § 1.2110, and, if a consortium of small businesses or consortium of very small businesses, the members of the conglomerate

organization.

- List any FCC-regulated entity or applicant for an FCC license, in which any controlling interest of the applicant owns a 10 percent or greater interest or a total of 10 percent or more of any class of stock, warrants, options or debt securities. 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.
- List all parties with which the applicant has entered into agreements or arrangements for the use of any of the spectrum capacity of any of the applicant's spectrum.
- List separately and in the aggregate the gross revenues, computed in accordance with 47 CFR § 1.2110, for each of the following: The applicant, its affiliates, its controlling interests, and the affiliates of its controlling interests; and if a consortium of small businesses, the members comprising the consortium.
- If claiming eligibility for a rural service provider bidding credit, provide all information to demonstrate that the applicant meets the criteria for such credit as set forth in 47 CFR § 1.2110(f)(4); and
- If applying as a consortium of designated entities, provide the information in paragraphs (b)(1)(i) through (v) of this section separately for each member of the consortium.

As an exhibit, applicants must:

- List the names, addresses, and citizenship of all officers, directors, and other controlling interests of the applicant, as described in 47 CFR § 1.2110.
- List any FCC-regulated entity or applicant for an FCC license, in which any controlling interest of the applicant owns a 10 percent or greater interest or a total of 10 percent or more of any class of stock, warrants, options or debt securities. 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.
- List and summarize all agreements or instruments (with appropriate references to specific provisions in the text of such agreements and instruments) that support the applicant's eligibility as a small business under the applicable designated entity provisions, including the establishment of de facto or de jure control. Such agreements and instruments include articles of incorporation and by-laws, partnership agreements, shareholder agreements, voting or other trust agreements, management agreements, franchise agreements, spectrum leasing arrangements, spectrum resale (including wholesale) arrangements, and any other relevant agreements (including letters of intent), oral or written.
- List and summarize any investor protection agreements, including rights of first refusal, supermajority clauses, options, veto rights, and rights to hire and fire employees and to appoint members to boards of directors or management committees.
- List separately and in the aggregate the gross revenues, computed in accordance with 47 CFR § 1.2110, for each of the following: the applicant, its affiliates, its controlling interests, and affiliates of its controlling interests; and if a consortium of small businesses, the members comprising the consortium.
- List and summarize, if seeking the exemption for rural telephone cooperatives pursuant to 47 CFR § 1.2110, all documentation to establish eligibility pursuant to the factors listed under 47 CFR § 1.2110(b)(4)(iii)(A).
- List and summarize any agreements in which the applicant has entered arrangements for the use of any of the spectrum capacity of the license that is the subject of the application; and
- If claiming eligibility for a rural service provider bidding credit, provide all information to demonstrate that the applicant meets the criteria for such credit as set forth in 47 CFR §

1.2110(f)(4).

Public Funding

Applicants must disclose for themselves and affiliates all applications submitted or that the organization plans to submit, and every broadband deployment project the organization is undertaking or have committed to undertake at the time of the application that uses public funds, including but not limited to funds provided under:

- the Families First Coronavirus Response Act (Public Law 116-127; 134 Stat. 178).
- the CARES Act (Public Law 116-136; 134 Stat. 281).
- the Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182).
- or the American Rescue Plan of 2021 (Public Law 117-2; 135 Stat. 4)
- any federal Universal Service Fund high-cost program (e.g., RDOF, CAF), or any Tennessee, local universal service, or broadband deployment funding programs.

Applicants must provide the following for each broadband deployment project:

- Speed and latency of the broadband service to be provided (as measured and/or reported under the applicable rules)
- Geographic area to be covered.
- 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)
- Amount of public funding to be used,
- Cost of service to the consumer; and,
- Matching commitment

Attestations

Build America Buy America

Applicants must certify that they have read and are familiar with all of TNECD's post award requirements regarding Build America Buy America (BABA) and agrees to comply and complete all post award materials should the organization receive BEAD funding. The applicant must also describe how it will comply with all applicable BABA requirements during construction and implementation.

National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA)

Applicant certifies that they have read and are familiar with the TNECD post award requirements regarding Environmental and Historic Preservation (EHP) and agrees to comply and complete all post award materials should the organization receive BEAD funding. The applicant must detail their plan for complying with all applicable requirements of the National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) and answer questions around permitting.

Cybersecurity Risk Management Plan

The applicant attests that their organization has a cybersecurity risk management plan (the plan) in place that is either:

- Operational, if the prospective subgrantee is providing service prior to the award of the grant; or
- Ready to be operationalized upon providing service, if the prospective subgrantee is not yet providing service prior to the grant award.

Additionally, the applicant attests that the cybersecurity risk management plan meets the following three requirements:

- 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.
- The plan will be reevaluated and updated on a periodic basis and as events warrant; and
- The plan will be submitted to the TNECD prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to TNECD within 30 days.

Supply Chain Risk Management Plan (SCRM)

The applicant attests that their organization has supply chain risk management plan in place that is either:

- Operational, if the prospective subgrantee is already providing service at the time of the grant; or
- Ready to be operationalized, if the prospective subgrantee is not yet providing service at the time of grant award.

Additionally, the applicant attests that the supply chain risk management plan meets the following three requirements:

- 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.
- The plan will be reevaluated and updated on a periodic basis and as events warrant; and
- The plan will be submitted to the TNECD prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to TNECD within 30 days.

4.2.3 Qualification Document Upload and Submission

Required Financial Capability Document Uploads

Certification by an authorized officer and approved by the organization's governing board that certifies the following:

- My organization is qualified to meet the obligations associated with a Project
- My organization has funds available for all project costs that exceed the amount of the grant.
- My organization will comply with BEAD Program requirements including service milestones.

Required Managerial Capability Document Uploads

Applicants will provide resumes for all key management personnel and an organizational chart detailing all parent, subsidiaries, and affiliates.

Compliance with Laws Document Uploads

Written procurement policy. This must be an approved, official policy encapsulating the procurement method and the segregation of duties and approvals.

Operational Capability Attachments

Certification and substantiating evidence that the organization is a wholly owned subsidiary of an entity as described above with an attestation to the number of years the prospective subgrantee or its parent company has been operating (if applicable).

Evidence of sufficient operational capabilities, which may include project descriptions, narratives from contractors or subcontractors, or other comparable evidence (if the organization does not meet the two-year requirement and is not a wholly owned subsidiary).

Documentation of previous violations committed by the organization (if applicable). This may include required compliance reports, reports of violations and corrective action plans, audit reports, etc.

Qualified operating or financial reports. This includes performance on other grants (including RDOF), financial reports from previous projects, ROIs. If the organization has operated only an electric transmission or distribution service, it must provide certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution.

Risk management plan.

Quality-of-service metrics and/or reports. This may include, but is not limited to, a post-construction report, economic metric report, or a Service Level Agreement.

Ownership Requirements Attachments

Optional documentation to supplement ownership requirement narrative.

Attestation Attachments

Optional attachment with additional detail on how the applicant will comply with all applicable BABA requirements during construction and implementation.

Optional attachment with additional detail on how the applicant will comply with all applicable NEPA and NHPA requirements during construction and implementation.

4.2.4 Project Area Unit Application

Applicants must complete a Project Area Unit Application for each area of interest. Sections and their corresponding questions can be found below:

Project Information

Applicants will be asked questions surrounding the miles they are proposing for both last mile and middle mile infrastructure. Applicants will be asked to provide details of any partnerships.

Project Timeline

Applicants will provide an estimated timeline for project completion, including at what point they intend to have mainline construction finalized.

Technical Capability Document Uploads

Network design or diagram (map file). File must display all proposed BSLs within each PAU.

Construction Project Timeline

Detailed project timeline that will include projected completion dates for each major activity from permitting, make-ready (should NTIA approve make-ready costs), network design, environmental reviews, construction, procurement, etc. Applicants will download, populate, and upload the excel file (Construction Timeline Estimate (Excel)) that will be located on our website.

Template signed by a professional engineer (PE), certified in the state of Tennessee.

Appropriately Skilled and Credentialed Workforce

Applicants will speak to their organization's plan regarding the use of an appropriately skilled and credentialed workforce able to complete the project during the proposed timeline and within the proposed budget. Applicants will be asked questions similar to the following:

- Please describe the ways in which the applicant 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.
- 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.
- Is the workforce unionized? This includes your organization as the applicant, the contractors, and/or the subcontractor's. If no, please provide the following information regarding your organization's workforce:
 - The job titles and size of the workforce (full time equivalent "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.
 - For each job title required to carry out the proposed work (including contractors and subcontractors), a description of:
 - safety training, certification, and/or licensure requirements (e.g., Occupational Safety and Health Administration "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
 - information on the professional certifications and/or in-house training in place to ensure that deployment is done at a high standard.
- Whether the workforce will be directly employed or whether work will be performed by a subcontracted workforce. Should you indicate, that operational support will be provided through subcontracted labor, please ensure this is reflected in your budget feasibility submission and budget narrative justification document.
- How the workforce will be sourced and how your organization will overcome any barriers or challenges in obtaining labor. Please include build out, contractors, inhouse work, accounting, reporting, etc.

- Please list and provide narrative around the entities that the applicant plans to contract and subcontract with in carrying out the proposed work.
- Please explain specific methods to establish partnerships with universities, community colleges and technical schools. Example: XYZ company partners with local community colleges and technical schools to develop customized training programs that align with (name the specific skills utilized by the firm) required for broadband infrastructure deployment. These programs provide hands-on training and certifications for individuals seeking employment in the broadband industry. (Describe the result - has the firm hired, or does it intend to hire graduates?)
- Please explain specific methods to collaborate with industry associations and Tennessee's sector-based partnership council: Example: XYZ company works with industry associations and the workforce council to identify the specific skill sets needed for broadband infrastructure projects.

Project Technology

Applicants will answer what type of technology they intend to provide. This question determines whether the application will be scored as a priority project or another last mile broadband deploying project. Please find the scoring criteria for the respective application types in 6.2.

- Projects proposing fiber-optic technology (technology code 50) will be scored as a priority project.
- Projects proposing Cable Modem/Hybrid Fiber-Coaxial (HFC) Technology (technology code 40), terrestrial fixed wireless technology utilizing entirely licensed spectrum (includes spectrum licensed by rule) (technology code 71), or terrestrial fixed wireless technology using a hybrid of licensed and unlicensed spectrum (technology code 72) will be evaluated as another last mile broadband deploying project.

Service and Pricing Tiers

Applicants will inform our office of the speed threshold and monthly pricing options their organization would provide to the grant area. Priority projects will be held to the 1Gig symmetrical package cost indicated in the application for the life of the contract. Non-priority projects will be held to the low-cost plan for the life of the contract. To gain an understanding of what the organization's costs consist of the application asks about limitations on data usage, if the applicant charges installation costs, monthly charges for equipment rentals, if a service contract is required, and if the organization has an early termination fee. If the provider indicates "yes" for any of the above questions, they will be required to answer follow-up questions.

Primary Service Area

Applicants will be asked about the cost per passing. Applicants will need to calculate their total cost per passing by dividing the project total, including match amount and grant request, by the number of proposed passings. The project total will appear in SmartSimple once the budget portion of your application is complete, and the unserved and underserved passings will be published on the [BEAD Program Page](#) for reference. We ask that all applicants use this formula when answering this portion of the application. There will a space to add narrative if the applicant does not believe the calculation is an accurate reflection of the total cost per passing.

Fair Labor Practices

Applicants must answer if they have three years of demonstrated record of compliance with federal labor and employment laws. If they do, the application will ask for a record of past compliance with federal labor and employment laws on broadband deployment projects for the last three years with a

declaration from an officer or director. This will be a document uploaded in the Document Upload and Submission portion of the application.

If the applicant does not have three years of experience, they will be asked to submit a plan for compliance with Labor Standards and Protection Acts in the Document Upload and Submission.

Applicants must provide a plan for ensuring compliance with federal labor and employment laws, which must address how the applicant entity will ensure compliance in its own labor and employment practices, as well as that of its contractors and subcontractors, including:

- 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.
- How the applicant 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.

If the organization has experience with Federal Fair Labor Requirements, the application will ask for background on the applicant's history and experience, as well as any knowledge gaps and how they will be addressed.

If the organization does not have experience with Federal Fair Labor Requirements, the criteria may be met by working with a grant administrator. Further questions will be asked for our office to gain an understanding of the role of the grant administrator. The application will ask the organization to identify knowledge gaps and how they intend to address them.

Adoption

If the organization continues to provide a low-cost plan with the wind down of ACP, the applicant will be asked to provide details on the plan and price.

Further questions assessing the organization's adoption strategy will be similar to the following:

- The organization's strategies for promoting their low-cost affordability plan(s) for households that were previously ACP eligible.
- How the organization would be participating in broadband adoption activities at the time of contract start date.
- Describe any digital opportunity activities (including broadband adoption and digital skills) beyond marketing planned to increase adoption awareness. This may include partnering with a local non-profit organization, providing digital literacy, promoting low-income assistance, free/low-cost devices, etc. Applicants should explain any resources their organization will be contributing or partnerships within the community to provide the adoption efforts.

Community Partners and Support

Applicants will list any community partners associated with the project's adoption, promotion, or usage. There will be a place where applicants provide the name of the organization, its role, and a description of the role in the project. Each supporting partner should have a corresponding letter in the Document Upload portion of the application. **Please ensure letters of support meet the following 3 criteria:**

- Includes the name of the applicant,
- Is current and relative to the funding opportunity, and
- Is representative of a community within the project area unit.

Local Match

If the applicant's financing includes a local match component, the applicant will list and describe the local match agreements. If the match is sourced from Federal funds, the applicant will provide the funding program.

Budget

Applicants will submit a budget including details of the costs under each budget line item, as well as a budget narrative justifying the estimation of costs.

The following list of budget categories includes a definition for each category. For examples of eligible expenses, please refer to 7.3 in the Appendix.

Construction: Within construction, there will be **three subcategories** for applicants to detail general construction costs, site work, and demolition and removal.

- **Construction:** Building or major renovation work
- **Site Work:** Preparing the land before construction begins
- **Demolition and Removal:** Removing existing structures or elements from the site

Construction Inspection: involves evaluations to assess the quality, safety, and compliance of construction. The majority of construction inspection work will be performed during construction.

Engineering Design: involves costs associated with the design of the proposed project. The majority of engineering design work will be performed prior to construction.

Engineering (other than design): pertains to expenses involved in planning and operationalizing the network design.

Legal Services: are professional services provided by lawyers.

Appraisals: are valuations of property.

Acquisition of Real Property: includes costs associated with the purchase of land tracts or parcels.

Grant / Project Administration: involves the administration of grants, including support for reporting and program management. This budget category is limited to 3rd party professional grant administrators only, meaning no in-house grant administrator will be reimbursed. Please note that this cost category cannot exceed 6% of the grant funds requested.

Environmental Review: pertains to evaluations necessary for compliance with NEPA and NHPA.

Capital Purchases: includes assets, such as singular equipment or vehicles purchased at \$10,000 or more per unit cost.

Other Non-Personnel: involves subscriptions, software, and additional ECD-approved upfront costs that are not covered in other categories.

Other Professional Fees: fees paid to professionals providing essential advisory services relating specifically to the project area.

Project Contingency: is available for the possibility of cost escalation; this line item should be utilized if there is a real and reasonable expectation of cost escalation pertaining to labor, materials, equipment or transportation, inflation, and supply limitation/supply chain risks materializing resulting in price(s) increase. Please note that the maximum cap on project contingency will be 15% (subject to change).

4.2.5 Project Area Unit Application Document Upload and Submissions

Outside of the documents required for Qualification (indicated in their respective section), applicants must provide the documents below:

A minimum of two of the following documents:

- Letter of Credit meeting the requirements of the BEAD NOFO or a performance bond meeting the requirements of the [BEAD Letter of Credit Waiver](#)
- Bank statements.
- Audited financials dated in the last two years.

Audited Financial Statements

If the organization has not been audited during the course of ordinary business, it must upload both a Letter of Credit and bank statements above to meet the required minimum of two financial documents.

- Submit audited financial statements for the most recent two years (audited by an independent CPA). Any audits must be conducted on AICPA standards for Generally Accepted Audit Standards (GAAS) or based on General Accounting Office (GAO) standards for Government Auditing Standards for potential government subgrantees.
- If the potential subgrantee has not been audited during the ordinary course of business: in lieu of submitting audited financial statements, it must submit unaudited financial statements from the prior fiscal year and certify that it will provide financial statements from the prior fiscal year that are audited by an independent certified public accountant.

Letter of Credit (LOC)

- If you are not submitting a **letter of credit** at this time, please submit a letter from a bank that meets eligibility requirements consistent with those set forth in 47 C.F.R. § 54.804(c)(2) committing to issue an irrevocable letter of credit (ILOC). This letter must include the dollar amount of the letter of credit and the issuing bank's agreement to adhere to [Tennessee's Model Letter of Credit](#) terms and conditions. This should include assurance that the Letter of Credit can be provided prior to contracting, if awarded.
- If opting to have a **performance bond** and you are not submitting at this time, please upload the surety company commitment and terms of conditions. This letter must at provide the dollar amount of the performance bond and include assurance that the performance bond can be provided prior to contracting, if awarded.
- **Additional attachment if opting for a letter of credit or performance bond in the amount of 10% of the subaward:** Please include an attestation committing your organization to maintaining a letter of credit or performance bond in the amount of 10% of the subaward until it has demonstrated to satisfaction of the Eligible Entity 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.

Please note that the prospective subgrantee will be required to submit a Letter of Credit or Performance Bond that adheres to the requirements outlined in the [BEAD NOFO](#) or the [BEAD Letter of Credit Waiver](#) prior to contracting. Applicants may refer to the Model Letter of Credit published on our website when acquiring the Letter of Credit. If the applicant does not elect to obtain a performance bond, the applicant must obtain an opinion letter from legal counsel 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 performance bond) or proceeds of the letter of credit as property of the winning subgrantee's bankruptcy estate under Section 541 of the Bankruptcy Code.

Acceptable modifications to the LOC requirement include:

- Allow Credit Union to Issue LOCs: The NOFO requires subgrantees to obtain a LOC from a U.S. bank with a safety rating issued by Weiss of B- or better. The waiver permits subgrantees to fulfill this requirement by utilizing any United States credit union that is insured by the National Credit Union Administration and that has a credit union safety rating issued by Weiss of B- better.
- Allow use of Performance Bonds: The waiver permits subgrantees to provide a performance bond equal to 100% of the BEAD subaward amount in lieu of a LOC, provided that the bond issued by a company holding a certificate of authority as an acceptable surety on federal bonds as identified in the Department of Treasury Circular 570.
- Allow TNECD to Reduce the Obligation Upon Completion of Milestones: The waiver allows TNECD to reduce the amount of the letter of credit obligation below 25% over time or reduce the amount of the performance bond below 100% over time, upon a subgrantee meeting deployment milestone specified by TNECD.
 - Specifically, a subgrantee may obtain a new letter of credit or renew its existing letter of credit to reduce its value in accordance with the following limitations:
 - Upon demonstrating to the satisfaction of the Eligible Entity that it has completed the buildout of 40 percent of locations to be served by the project, a subgrantee may obtain a new letter of credit or renew its existing letter of credit so that it is valued at no less than 20 percent of the award amount.
 - Upon demonstrating to the satisfaction of the Eligible Entity that it has completed the buildout of 60 percent of locations to be served by the project, a subgrantee may obtain a new letter of credit or renew its existing letter of credit so that it is valued at no less than 15 percent of the award amount.
 - Upon demonstrating to the satisfaction of the Eligible Entity that it has completed the buildout of 80 percent of locations to be served by the project, a subgrantee may obtain a new letter of credit or renew its existing letter of credit so that it is valued at no less than 10 percent of the award amount.
 - Upon demonstrating to the satisfaction of the Eligible Entity that it has completed the buildout of 100 percent of locations to be served by the project, a subgrantee may terminate its letter of credit under the terms set forth therein.
- Allow for an Alternative Initial LOC or Performance Bond Percentage: The waiver allows the initial amount of the LOC or performance bond to be 10% of the subaward amount during the entire period of performance on a reimbursable basis consistent with Section IV.C.1.b of the NOFO and reimbursement is for periods of no more than six months each.

Pro forma statements and analyses inclusive of:

- Balance sheet projections
- Income statements
- Statement of projected operating costs and cash flows for at least three years post targeted completion of project.

Marketing materials containing your service level/tiers and prices (per month).

Adoption Plan Materials.

Partnership agreement or MOU (if applicable).

Additional supplemental documentation or evidence.

Optional cost per passing justification upload.

If the applicant indicates three years of demonstrated record of compliance with federal labor and employment laws, a record of past compliance with federal labor and employment laws, which address information on entities' compliance with federal labor and employment laws on broadband deployment projects in the last three years. The declaration should include:

- A certification from an Officer/Director-level employee (or equivalent) evidencing consistent past compliance with federal labor and employment laws by the applicant entity, as well as all contractors and subcontractors.
- Written confirmation that the applicant entity 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 along with any improvement plan that the entity / contractors or sub-contractor entity implemented as a result of such violation.

If the applicant does not have a minimum of three years of demonstrated record of compliance with federal labor and employment laws, a plan for compliance with Labor Standards and Protection Acts (this will be assessed as a part of the gating criteria for consideration of a subaward).

If the organization is hiring a grant administrator, documentation outlining the grant administrator or entity's history with federal fair labor requirements.

Community Support Letter(s) / CAI Letter (if applicable). Letters of support must represent communities within the project area unit and include the name of the applicant.

Optional Community Survey Results.

Any applicable local match letters of assurances.

4.2.6 Contracting Documents

Following the closure of the Qualification and Project Area Unit Grant Applications, applicants progressing toward agreement will need to submit additional documentation to the ECD Broadband Office prior to contracting. ECD will communicate requirements to the applicable applicants at the time this information is needed. This request from ECD does not serve as a guarantee of award.

While this list is not final, selected applicants may expect ECD to request the following documentation prior to contracting:

- 47 CFR 1.2112(b) information, if applicable
- Cybersecurity Risk Management Plan
- Supply Chain Risk Management Plan
- Post-award attestation of BABA compliance

- Title VI
- W-9 with a handwritten signature
- Grant Payment Setup Form
- Letter of Credit (if not uploaded during application)
- Environmental Questionnaire
- Environmental law applicability checklist with questions regarding the applicability of various environmental laws
- Supplemental environmental information

05 | Application Review and Scoring

5.1 TNECD Completeness Review

The TNECD Broadband Office will conduct a review of Qualification applications submitted on or before January 10, 2025. This completeness review will include assessing if the applicant has submitted the required documentation, disclosures, and certifications for each of the minimum required capabilities to be eligible for funding in the Qualification. If TNECD determines that an application does not meet the gating criteria, TNECD will provide feedback to the applicant and allow for resubmission by the application due date of January 24, 2025. Please see Appendix 7.2 for the Qualification review checklist.

5.2 Scoring

Applicants determined to be complete and eligible will undergo technical and community impact scoring. Based on the technology used, applicants will be scored as either Priority Broadband Projects or Other Last Mile Broadband Deployment Projects. The rubric for Priority Broadband Projects will be used when at least one fiber broadband project is submitted for an application area.

5.2.1 Priority Broadband Projects

Minimal BEAD Program Outlay – 35 Possible Points

- **What is the proposed cost per passing?**

Points Possible: 20

Explanation: TNECD will request the total number of proposed passings in the grant area and calculate the cost per passing by dividing the project total, including match amount and grant request, by the number of proposed passings to calculate cost per passing. TNECD will compare proposed cost per passing across all Priority Broadband Project applications in the designated application area (i.e., County Area 1). TNECD will award points based on the lowest cost per passing as follows, with the proposal with the lowest cost per passing (LCPP) receiving the maximum points for this criterion. The LCPP is specific for each project area and will be compared across applications only in that project application area. As a reminder, proposals for the application area will cover the same specified locations as their competing applications.

Criteria:

- 0 - More than 96% above LCPP
- 5 - 81-95% above LCPP
- 8 - 61-80% above LCPP
- 10- 41-60% above LCPP
- 15 - 21-40% above LCPP
- 18 - 1-20% above LCPP
- 20 - Lowest Cost Per Passing (LCPP)

- **Is the proposed match rate above the required 25%?**

Points Possible: 15

Explanation: TNECD will request information from the applicant on their proposed match rate as

well as proof of funding for that proposed match rate. If the applicant is using their own funding for match, they must show proof of funding as required in section 2.4.11 of the [Initial Proposal Volume II](#). TNECD will award additional points based on the percentage above the required match proposed for the application area.

Criteria:

- 0 - Meets Match Requirement of 25%
- 5 - 26-35% total Match
- 8 - 36-45% total Match
- 12 - 46-55% total Match
- 15 - More than 55% total Match

Affordability – 30 Possible Points (pending NTIA approval)

- **What is the customer’s monthly service cost for speeds of 1G symmetrical as proposed in the application? This must include any monthly costs associated with installation, equipment, and any additional monthly fees.**

Points Possible: 30

Explanation: Applicants that propose to provide 1G symmetrical at prices no higher than the average monthly total charge for 1G service for fiber projects in the United States, according to the most recent FCC’s Urban Rate Survey for Broadband at the time of application, shall receive the maximum points (30). Applicants proposing a price at 1G symmetrical that is higher than the average FCC Urban Rate Survey for Broadband for fiber service at 1G symmetrical in the United States shall be awarded points equal to the difference between the applicant’s proposed price for 1G symmetrical fiber service and the average price for the FCC’s Urban Rate Survey (1G symmetrical package for Fiber service in the United States) with a maximum difference of 20 points.

Note: The FCC Urban Rate average is 91.10545028 for fiber.

Criteria:

- 10 - More than \$20 above the FCC Urban Rate Survey average price for 1G symmetrical fiber projects in the United States.
- 11-29 - Points awarded will be equal to the difference between applicant’s proposed price for 1G symmetrical fiber service and the average price for the FCC’s Urban Rate Survey (1G Symmetrical package for the fiber service in the United States.)
- 30 - Proposed price is less than or equal to the FCC Urban Rate Survey’s average 1G symmetrical fiber service price in the United States

Fair Labor Practices – 10 Possible Points

- **Does the applicant certify that they will meet all Fair Labor Requirements included in the BEAD NOFO?**

Points Possible: 5

Explanation: TNECD will provide a statement of assurances with the application which will outline the BEAD NOFO requirements associated with Fair Labor. TNECD will award points for applicants that submit a signed copy of the Statement of Assurances document certifying their commitment to ensuring all fair labor requirements will be met.

Criteria:

- 0 - No
- 5 - Yes

- **Does the applicant have experience with Federal Fair Labor Requirements or demonstrate how they plan to meet any knowledge gaps in experience with federal fair labor requirements?**

Points Possible: 5

Explanation: TNECD will request information from the applicant on their history and experience with federal fair labor requirements and/or their plan to meet any knowledge gaps in experience with federal fair labor requirements. Examples may include but are not limited to attending compliance training or hiring a professional grant administrator. If the applicant is working with a professional grant administrator with this experience, they must include documentation outlining the individual or entity's history with federal fair labor requirements.

Criteria:

- 0 - No experience from provider and/or no demonstration or adequate plan for bridging knowledge gap to meet labor requirements.
- 5 - Experience with fair labor requirements and/or working with a professional grant administrator with Fair Labor Standards and/or Plan to attend webinars and/or training regarding Federal Fair Labor Requirements; and/or other activities that demonstrate an applicant's plan to fill any knowledge gaps in experience with Federal Fair Labor Requirements

Secondary Criteria (25 Points)

The BEAD NOFO also allows the state to develop secondary criteria, with one secondary criteria (Speed to Deployment) being required. Secondary criteria must total no more than 25% of the total scoring criteria, and no single secondary scoring criteria may be weighted of equal or greater value than any single primary scoring criteria. The secondary criteria are Speed to Deployment, Economic and Community Impact, Broadband Adoption in Low-Income and Middle-Class Households, and Community Support.

Speed to Deployment – 9 Possible Points

- **Does the applicant propose to complete the project prior to the required deployment timeline?**

Points Possible: 9

Explanation: TNECD will request information from the provider on their proposed deployment timeline and award points to applicants who propose to build out on a quicker timeline than required.

Criteria:

- 0 - On Time
- 2 - More than 3 Months Early
- 4 - More than 6 months Early
- 7 - More than 12 Months Early
- 9 - More than 18 Months Early

Economic and Community Impact – 6 Possible Points

- **Does the applicant include a local match from a unit of government?**

Points Possible: 3

Explanation: TNECD will request information from the applicant on if they will be including a local match from a unit of government. Documentation, including but not limited to a resolution or commitment letter, must be included. (The match can be a part of the required 25% or additional funding beyond the required 25%.)

Criteria:

- 0 - No
- 3 - Yes

- **Does the applicant demonstrate the ability to provide the workforce needed to complete the project during the proposed timeline and within the proposed budget?**

Points Possible: 3

Explanation: TNECD will request information from the provider about how they will source their

workforce to complete the project on time and within budget. A “No Demonstration” scoring application has significant gaps in planning for obtaining the labor and workforce to complete the project on time and within budget. Barriers or challenges have no identified strategies or proposed solutions. A “Minimal Demonstration” scoring application is one that provides an explanation for how the workforce will be sourced but lacks developed plans for how they will overcome any workforce barriers or challenges. Some gaps are present in the proposed workforce planning information. A “Clearly Demonstrated” scoring application is one that provides an explanation for how the workforce will be sourced, identifies how the applicant will overcome any barriers or challenges in obtaining labor, and demonstrates a plan with no clear gaps.

Criteria:

- 0 - No Demonstration
- 2 - Minimal Demonstration (some questions)
- 3 - Clearly Demonstrated (thorough workforce plan)

Broadband Adoption in Low-Income and Middle-Class Households – 6 Possible Points

- **How does the applicant plan to promote the ACP Program and their low-cost affordability plan(s) for ACP eligible households? Should ACP lapse in funding, we will review how the entity plans to promote their own low-cost plan.**

Points Possible: 3

Explanation: TNECD will request information from the applicant on strategies to promote ACP and low-cost affordability plan(s) for ACP eligibility households. Applicants may propose strategies that increase ACP adoption or broadband adoption for ACP eligible households. Points will be awarded based on the content of their proposed strategies in their broadband adoption plan and the number of proposed strategies.

Criteria:

- 0 - Plan covers no strategies for ACP households
- 1 - Plan Covers minimal strategies for reaching ACP Households (1)
- 2 - Plan Covers moderate strategies for reaching ACP Households (at least 2)
- 3 - Plan covers significant strategies (3-5) for reaching ACP Households

- **How does the applicant propose to promote broadband adoption in the application area to low- and middle - income households?**

Points Possible: 3

Explanation: TNECD will request information from applicants about proposed strategies to promote broadband adoption to low- and middle-income households. Points will be awarded based on the number of strategies proposed.

Criteria:

- 0 - Minimal to no strategies (0-1 strategies proposed)
- 2 - Moderate Strategies (2 strategies proposed)
- 3 - Significant Strategies (3-5 strategies proposed)

Community Support – 4 Possible Points

- **Does the applicant include supplemental support from the community?**

Points Possible: 4

Explanation: TNECD will request community support letters as a part of an applicant’s proposal. These can include letters from members of the community, units of government, community organizations, or community anchor institutions. Points will be awarded for the volume of community support included with the application.

Criteria:

- 0 - No Support

- 2 - Minimal Support (2-3 partners or community members)
- 3 - Moderate Support (4-6 partners or community members)
- 4 - Significant Support (More than 6 partners or community members)

5.2.2 Other Last Mile Broadband Deployment Projects

Minimal BEAD Program Outlay – 35 Possible Points

- **What is the proposed cost per passing?**

Points Possible: 20

Explanation: TNECD will request the total number of proposed passings in the grant area and calculate the cost per passing by dividing the project total, including match amount and grant request, by the number of proposed passings to calculate cost per passing. TNECD will compare proposed cost per passing across all Priority Broadband Project applications in the designated application area (i.e., County Area 1). TNECD will award points based on the lowest cost per passing as follows, with the proposal with the lowest cost per passing (LCPP) receiving the maximum points for this criterion.

Criteria:

- 0 - More than 96% above LCPP
- 4 - 81-95% above LCPP
- 8 - 61-80% above LCPP
- 10 - 41-60% above LCPP
- 15 - 21-40% above LCPP
- 18 - 1-20% above LCPP
- 20 - Lowest Cost Per Passing (LCPP)

- **Is the proposed match rate above the required 25%?**

Points Possible: 15

Explanation: TNECD will request information from the applicant on their proposed match rate as well as proof of funding for that proposed match rate. TNECD will award additional points based on the percentage above the required match proposed for the application area.

Criteria:

- 0 - Meets Match Requirement of 25%
- 5 - 26-35% total Match
- 8 - 36-45% total Match
- 12 - 46-55% total Match
- 15 - More than 55% total Match

Affordability – 30 Possible Points (pending NTIA approval)

- **What is the customer's monthly service cost for speeds of 100/20 as proposed in the application. This must include any costs associated with installation, equipment, and any additional monthly fees.**

Points Possible: 30

Explanation: Applicants that propose to provide 100/20mbps at prices no higher than the average monthly total charge for 100/20mbps service in the United States, according to the most recent FCC's Urban Rate Survey for Broadband at the time of application, shall receive the maximum points (30). Applicants proposing a price at 100/20mbps that is higher than the average FCC Urban Rate Survey for Broadband for 100/20mbps in the United States shall be awarded points equal to the difference between the applicant's proposed price for 100/20mbps service and the average price for the FCC's Urban Rate Survey (100/20mbps service in the United States) with a maximum difference of 20 points. **Note: The FCC Urban Rate average is 91.9671 for alternate technology.**

Criteria:

10 - More than \$20 above the FCC Urban Rate Survey average price for 100/20Mbps projects in the United States.

11-29 - Points awarded will be equal to the difference between applicant's proposed price for 100/20Mbps and the average price for the FCC's Urban Rate Survey for 100/20 projects in the United States.

30 - Proposed price is less than or equal to the FCC Urban Rate Survey's average price for 100/20Mbps service plans in the United States

Fair Labor – 10 Possible Points

- **Does the applicant certify that they will meet all Federal Requirements included in the BEAD NOFO? A Statement of Assurances will be provided for certification.**

Points Possible: 5

Explanation: TNECD will provide a statement of assurances with the application which will outline the BEAD NOFO requirements associated with Fair Labor. TNECD will award points for applicants that submit a signed copy of the Statement of Assurances document certifying their commitment to ensuring all fair labor requirements will be met.

Criteria:

0 - No

5 - Yes

- **Does the applicant have experience with Federal Fair Labor Requirements or demonstrate how they plan to meet any knowledge gaps in experience with federal fair labor requirements?**

Points Possible: 5

Explanation: TNECD will request information from the applicant on their history and experience with federal fair labor requirements and/or their plan to meet any knowledge gaps in experience with federal fair labor requirements. Examples may include but are not limited to attending compliance training or hiring a professional grant administrator. If the applicant is working with a professional grant administrator with this experience, they must include documentation outlining the individual or entity's history with federal fair labor requirements.

Criteria:

0 - No experience from provider and/or no demonstration or adequate plan for bridging knowledge gap to meet labor requirements.

5 - Experience with fair labor requirements and/or working with a professional grant administrator with Fair Labor Standards and/or Plan to attend webinars and/or training regarding Federal Fair Labor Requirements; and/or other activities that demonstrate an applicant's plan to fill any knowledge gaps in experience with Federal Fair Labor Requirements

Secondary Criteria (25 Points)

The BEAD NOFO also allows the state to develop secondary criteria, with two secondary criteria (Speed to Deployment and Technical Capabilities) being required. Secondary criteria must total no more than 25% of the total scoring criteria, and no single secondary scoring criteria may be weighted of equal or greater value than any single primary scoring criteria. The secondary criteria are Speed to Deployment, Economic and Community Impact, Broadband Adoption in Low-Income, Middle-Class Households, Community Support, and Technical Capabilities.

Speed to Deployment – 4 Possible Points

- **Does the applicant propose to complete the project prior to the required deployment timeline?**

Points Possible: 4

Explanation: TNECD will request information from the provider on their proposed deployment timeline and award points to applicants who propose to build out on a quicker timeline than required.

Criteria:

- 0 - On Time
- 1 - More than 3 Months Early
- 2 - More than 6 months Early
- 3 - More than 12 Months Early
- 4 - More than 18 Months Early

Economic and Community Impact – 5 Possible Points

- **Does the applicant include a local match from a unit of government?**

Points Possible: 2

Explanation: TNECD will request information from the applicant on if they will be including a local match from a unit of government. Documentation, including but not limited to a resolution or commitment letter, must be included. Additional points will be awarded to proposals that include a match from a local government.

Criteria:

- 0 - No
- 2 - Yes

- **Does the applicant demonstrate the ability to provide the workforce needed to complete the project during the proposed timeline and within the proposed budget?**

Points Possible: 3

Explanation: TNECD will request information from the provider about how they will source their workforce to complete the project on time and within budget. A “No Demonstration” scoring application has significant gaps in planning for obtaining the labor and workforce to complete the project on time and within budget. Barriers or challenges have no identified strategies or proposed solutions. A “Minimal Demonstration” scoring application is one that provides an explanation for how the workforce will be sourced but lacks developed plans for how they will overcome any workforce barriers or challenges. Some gaps are present in the proposed workforce planning information. A “Clearly Demonstrated” scoring application is one that provides an explanation for how the workforce will be sourced, identifies how the applicant will overcome any barriers or challenges in obtaining labor, and demonstrates a plan with no clear gaps.

Criteria:

- 0 - No Demonstration
- 2 - Minimal Demonstration (some questions)
- 3 - Clearly Demonstrated (thorough workforce plan)

Broadband Adoption in Low-Income and Middle-Class Households – 6 Possible Points

- **How does the applicant plan to promote the ACP Program and their low-cost affordability plan(s) for ACP eligible households? Should ACP lapse in funding, we will review low cost plans only.**

Points Possible: 3

Explanation: TNECD will request information from the applicant on strategies to promote ACP and low-cost affordability plan(s) for ACP eligibility households. Applicants may propose strategies that increase ACP adoption or broadband adoption for ACP eligible households. Points will be awarded based on the content of their proposed strategies in their broadband adoption plan and the number of proposed strategies. Should ACP lapse in funding, we will review this information based on strategies to promote their own low-cost plans.

Criteria:

- 0 - Plan covers no strategies for ACP households
- 1 - Plan Covers minimal strategies for reaching ACP Households (1)
- 2 - Plan Covers moderate strategies for reaching ACP Households (at least 2)
- 3 - Plan covers significant strategies (3-5) for reaching ACP Households

- **How does the applicant propose to promote broadband adoption in the application area to low- and middle - income households?**

Points Possible: 3

Explanation: TNECD will request information from applicants about proposed strategies to promote broadband adoption to low- and middle-income households. Points will be awarded based on the number of strategies proposed.

Criteria:

- 0 - Minimal to no strategies (0-1 strategies proposed)
- 2 - Moderate Strategies (2 strategies proposed)
- 3 - Significant Strategies (3-5 strategies proposed)

Community Support – 2 Possible Points

- **Does the applicant include supplemental support from the community?**

Points Possible: 2

Explanation: TNECD will request community support letters as a part of an applicant's proposal. These can include letters from members of the community, units of government, community organizations, or community anchor institutions. Points will be awarded for the volume of community support included with the application.

Criteria:

- 0 - No Support
- 2 - Minimal Support (2-3 partners or community members)

Technical Capabilities – 8 Possible Points

- **Is the proposed speed scalable to meet the community's future speed and technology needs with minimal latency? Scalability must be demonstrated within the application and signed off on by a PE.**

Points Possible: 4

Explanation: TNECD will request information from the applicant on the proposed technology for the application area. Applications must provide a justification for why the proposed technology meets the future speed needs of the community in which it proposes to serve and why this technology is the most cost effective. Points will be awarded to applications that propose higher speeds and low latency. Scalability must be demonstrated within the application and signed off on by a PE. Minimal latency is defined as less than 100 ms.

Criteria:

- 0 - Speeds not scalable to 1G where practicable/Experience significant latency issues
- 4 - Scalable to 1G with minimal latency issues (less than 100 ms).

- **What is the proposed speed for each served passing? (Highest speed achieved at each passing) (highest speed achieved at each passing)**

Points Possible: 4

Explanation: TNECD will request information from the applicant on the proposed technology, including a signed certification form from a Professional Engineer (PE), licensed in Tennessee, certifying that the proposed technology can meet the proposed speed and latency standards outlined in the application. Points will be awarded based on the speed capabilities of the proposed

technology.

Criteria:

0 - 100/20 max

2 - >100 but < 250

3 - >250 but < 1gb

4 - > 1gb

5.2.3 Extremely High Cost Per Location Threshold

In accordance with the BEAD NOFO, TNECD will create an Extremely High Cost Per Location Threshold (EHCT) which will help the state make funding decisions to ensure minimal BEAD outlay and cost-effective broadband deployment. TNECD will establish the EHCT once all applications are submitted to account for the economic factors and cost of labor and infrastructure build out at the time of application.

Should TNECD receive an application that requires a BEAD subsidy that exceeds the EHCT, TNECD will look to see if any viable applications have been proposed for the same project area that are (1) less costly than the EHCT, (2) considered Priority Broadband Projects by NTIA, and (3) meet symmetrical speeds and all other technical NOFO requirements. If only one application that meets these criteria is available, it will be selected as the grant recipient, and the application exceeding the EHCT will be rejected. If an application that meets these criteria is not available, TNECD will engage with the applicant(s) that meet technical capabilities but are over the EHCT, consider alternative technologies that meet BEAD technical requirements.

Should TNECD choose to award a non-symmetrical technology, other applications in the application area will be declined and notified of the state's decision. If TNECD deems that no proposed Other Last Mile Broadband Deployment Project meets the needs of the community in which it is applying for, due to issues of speed, latency, technical or financial capability, TNECD will go back to the highest scoring Priority Broadband Project applicant and request a revised proposal under the EHCT.

TNECD will review and consider other technology types should the proposed priority broadband project(s) exceed the EHCT. However, should there be no other viable proposals from other last mile broadband projects that TNECD deems meet the speed needs of the application area, TNECD may choose to fund the proposal at a subsidy that exceeds the EHCT as long as 100% coverage can be achieved in the state.

Note: TNECD may place projects on hold that would otherwise qualify as a Priority Broadband Project from Priority Broadband Project status, with the approval of the Assistant Secretary, on the basis that the location surpasses the Eligible Entity's Extremely High Cost Per Location Threshold.

06

Tennessee Award Administration

6.1 Award Notices

Selected applicants will be notified in writing by the TNECD broadband grants officer in an Intent to Award letter outlining the award and contract. Official award announcements are contingent upon NTIA's approval of Tennessee's final proposal. If the applicant is awarded funding, the subgrantee will work with TNECD to swiftly execute contracts. If the applicant is awarded funding, TNECD Broadband office is not under any obligation to provide additional funding in connection with that award or make any future awards.

6.2 Distribution of Funds

Distribution of funding to subgrantees under the BEAD program will occur on a reimbursement basis after the effective start date of the contract. The subgrantee must incur 100% of costs and provide detailed documentation to receive grant funds. Requests for reimbursements must include an invoice that clearly shows the item or activity is eligible under the grant activities and is billed directly to the subgrantee's legal entity named on the grant contract. Also, proof of payment (cancelled check or ACH statement from their bank by the subgrantee to the vendor listed on the invoice) is required.

6.3 Compliance with State and Federal Regulations

6.3.1 Fair Labor Practices

Applicants must provide record of and plans to be in compliance with federal labor and employment laws. This record must include, at a minimum, information on these entities' compliance with federal labor and employment laws on broadband deployment projects in the last three years. Plans must address, at a minimum, 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
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.

The following is a general summary of laws that applicants must comply with; this summary is not exhaustive. Find further detail in Section IV.C.1.e. of the [BEAD NOFO](#).

1. Davis-Bacon Act (Subchapter IV of Chap. 31 of Title 40, United States Code): For projects receiving \$5 million or more, applicants must provide certification that all laborers employed to be working on the project are paid wages at rates not less than those prevailing.

- a. Recipients must provide certification that all laborers employed to be working on the project are paid wages at rates not less than those prevailing.
 - b. If certification is not provided, then the recipient must provide a project employment and local impact report that includes the following:
 - i. The number of contractors and subcontractors working on the project
 - ii. The number of employees on the project hired directly and hired through a third party.
 - iii. The wages and benefits of workers on the project by classification
 - iv. Whether those wages are at rates less than those prevailing
2. National Labor Relations Act (29 U.S.C. 158(f)):
 - a. Recipients are to provide certification that the project includes a project labor agreement, a pre-hire collective bargaining agreement that is in accordance with the National Labor Relations Act (29 U.S.C. 158(f)) section 8(f).
 - b. If certification is not provided that the Project will use wither a unionized project workforce or includes a project labor agreement, then the subgrantee must provide a project workforce continuity plan, detailing:
 - i. 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;
 - ii. Steps taken and to be taken to minimize risks of labor disputes and disruptions that would jeopardize timeliness and cost-effectiveness of the Project.
 - iii. 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;
 - iv. 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
 - v. 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.
3. Applicants must provide information on whether the project prioritizes local hires.

4. Applicants must provide information on whether the project has a Community Benefit Agreement, with a description of such agreement.

6.3.2 Civil Rights and Nondiscrimination Law

Recipients of the BEAD grant are required to be in compliance with all civil rights and nondiscrimination federal laws related to the use of federal funds. Recipients shall not discriminate or deny benefits or services, on the basis of race, color, national origin (including limited English proficiency), disability, age, sex, sexual orientation, gender identity, or handicap. Recipients are required to agree to abide by all civil rights and non-discrimination requirements set forth in the following legal authorities and executive orders and to acknowledge that failure to do so may result in cancellation of any award and/or recoupment of funds already disbursed. The following is a general description of requirements; for an exhaustive list with exact requirements, reference the BEAD NOFO, especially Section IV.C.1.g.

1. Title VI and VII of the Civil Rights Act of 1964 (42 U.S.C. § 2000d and *e et seq.*) which state that no person in the United States shall, on the basis of race, color, religion, or national origin, be excluded from participation in, denied benefits or services of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
2. Title IX of the Education Amendments of 1972 (20 U.S.C. § 1681 *et seq.*) and the Treasury's implementing regulations, 31 CFR Part 28, states that no person in the United States shall, on the basis of sex, be excluded from participation in, denied benefits or services of, or be subjected to discrimination under any education program or activity receiving federal financial assistance.
3. The Americans with Disabilities Act of 1990 (42 U.S.C. §§ 12101 *et seq.*) which prohibits discrimination on the basis of disability under programs, activities, and services provided or made available by Eligible Entity and local governments or instrumentalities or agencies thereto, as well as public or private entities that provide public transportation.
4. Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. § 794) prohibits the discrimination of a qualified individual with a disability under any program or activity that receives federal financial assistance.
5. The Age Discrimination Act of 1975 (42 U.S.C. § 6101 *et seq.*) prohibit discrimination based on age for any programs or activities receiving federal financial assistance.
6. Parts II and III of Executive Order 11246, Equal Employment Opportunity (30 Fed. Reg. 12319), which requires that federally assisted construction contracts incorporate and fulfill the nondiscrimination provisions of §§ 202 and 203 of E.O. 11246 and Department of Labor regulations implementing E.O. 11246 (41 C.F.R. § 60-1.4(b)).
7. Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency (65 Fed. Reg. 50121), which requires federal agencies to examine the services that they provide, identify any need for services to those with limited English proficiency (LEP), and develop and implement a system to provide those services so LEP persons can have meaningful access to them. Note that the Department of Commerce issued policy guidance on March 24, 2003 (68 Fed. Reg. 14180) to articulate the Title VI prohibition against national origin discrimination affecting LEP persons and to help ensure that nonfederal entities provide meaningful access to their LEP applicants and beneficiaries.
8. Executive Order 13798, Promoting Free Speech and Religious Liberty, and Office of Management

and Budget, M-20-09—Guidance Regarding Federal Grants and Executive Order 13798 (January 16, 2020), which provide that States or other public grantees may not condition sub-awards of federal grant money in a manner that would disadvantage grant applicants based on their religious character.

6.3.3 Domestic Preference: Build America, Buy America (BABA)

All funds made available through the BEAD Program for broadband infrastructure must comply with the Build America, Buy America Act. The Build America, Buy America Act requires that all of the iron, steel, manufactured products (including but not limited to fiber-optic communications facilities), and construction materials used in the project or other eligible activities are produced in the United States unless a waiver is granted. The BABA waiver conditions are detailed in Section 6.3.3.1.

In determining whether a product is produced in America, subgrantees must comply with definitions included in Section 70912 of the Build America, Buy America Act, which provides that a manufactured product is considered produced in the United States if the manufactured product was manufactured in the United States and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation. In addition to the provisions above, subgrantees may not use BEAD funding to purchase or support any covered communications equipment or service, as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. § 1608).

Additionally, the Infrastructure Act expressly prohibits subgrantees from using BEAD funding to purchase or support fiber optic cable and optical transmission equipment manufactured in the People's Republic of China unless a waiver of this requirement is received from the Assistant Secretary.

6.3.3.1 BABA Waiver

The Department of Commerce issued a limited waiver for BABA requirements that will apply to funds expended by subrecipients during the entire period of performance of the award from February 22, 2024, through February 21, 2029. Below is a general description of the scope of the waiver. For an exhaustive list with exact requirements, reference the [BABA waiver](#).

1. Construction Materials: DOC waives the Buy America Preference for non-optic-glass inputs to preforms used to manufacture optical fiber and fiber optic cable in BEAD Program projects.
2. Manufactured Products: DOC waives the Buy America Preference for all electronics in BEAD Program projects, with the exception of the following four categories of electronics identified in the waiver:
 - a. Optical line terminals and remote optical line terminals
 - b. OLT line cards
 - c. Optical Connections/Pluggables
 - d. Standalone Optical Network Terminals and Optical Network Units

6.3.4 Procurement Requirements

Recipients must follow their own documented procurement procedures, provided they conform to applicable federal law.

All vendors must be competitively bid before use; vendors that were initially bid and approved may continue to be used, in alignment with state procurement policies and Volume II.

6.4 Compliance with National Policy Regulations

6.4.1 Uniform Guidance and Cost Principles

Recipients of an award are subject to various federal regulations that include but are not limited to Uniform Guidance, Cost Principles, and Audit Requirements set forth in 2 CFR Part 200. Subpart D -Post Federal Award Requirements of the Uniform Guidance shall apply to this award, along with Subpart E-Cost Principles and Subpart F-Audit Requirements, including the Single Audit Act of the Uniform Guidance. For an exhaustive list of uniform guidance requirements, reference eCFR :: 2 CFR Part 200 -- Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

In regards to cost principles, as set forth in 2 CFR Part 200 Subpart E, allowable costs are based on, but not limited to, the premise that the non-federal entity (recipient) assumes the responsibility for the administration of funds in an effective and appropriate manner, employment of sound organization and management techniques, and appropriate accounting practices. Recipients are responsible for the creation of internal controls that monitor to ensure compliance with 2 CFR Part 200 Subpart E. For the exhaustive cost principles regulations list, see eCFR: 2 CFR Part 200 Subpart E -- Cost Principles

6.4.2 Environmental and National Historic Preservation Requirements

Recipients must retain records, permits, and documentation necessary to evidence compliance with all environmental requirements. As the awarding entity, TNECD must perform the proper due diligence to ensure their project complies with all applicable environmental laws; recording-keeping will be validated at mid-point and close-out with a monitoring visit or call. The following is a summary of the National Environmental Policy Act (42 U.S.C. §§ 4321 et seq.) and the National Historic Preservation Act (16 U.S.C. §§ 470 et seq.); note that the following descriptions are only general summaries.

The National Environmental Policy Act (NEPA) of 1969 (42 U.S.C. 4321 et seq.) provides a national policy that encourages "productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man..." The NEPA requires that all federal agencies use a systematic, interdisciplinary approach for protection of the human environment; this approach will ensure the integrated use of the natural and social sciences in any planning and decision-making that may have an impact upon the environment. The NEPA also requires the preparation of a detailed Environmental Impact Statement (EIS) on any major federal action that may have a significant impact on the environment. For additional information about NEPA, visit the NEPA website at <https://ceq.doe.gov/>.

The NHPA (16 U.S.C. §§ 470 et seq.) states that recipients are required to inform the awarding agency of any direct or indirect effects the award may have on properties included or eligible for inclusion on the National Register of Historic Places. Recipients may also be inquired to assist with consulting with State or Tribal Historic Preservation Officers, among others, to assess unfavorable effects to historic properties. If the NHPA consultations and documentation are not completed or in the case that additional information is required to ensure compliance with the NHPA regulations, funds can be withheld until the documentation is completed and provided. In addition to NHPA regulations, recipients are required to comply with the Archeological and Historic Preservation Act of 1974 (54 U.S.C. § 312502 et seq.), Executive Order 11593, and Executive Orders 13006-7. For more information on the requirements for NHPA and other compliances, see Federal Historic Preservation Laws (nps.gov), as

recipients are liable for adherence to all requirements set forth by NHPA and other compliances.

The grant agreement with TNECD will contain provisions detailing compliance including but not limited to the following: NEPA, NHPA, Clean Water Act, TN Pesticide Regulations, TN 811/Before you Dig, any other applicable State or Federal regulations or compliance materials.

Subgrantees are required to advise TNECD of any project scope or changes in environmental conditions as well as changes in the nature, extent, magnitude, scope, or location of projects, the addition of new activities not anticipated in the original scope of projects; the selection of an alternative not in the original application or environmental review; or new circumstances or environmental conditions which may affect the Project or have bearing on its impact, such as concealed or unexpected conditions discovered during the implementation of the Project or activity. Subgrantees must also cooperate with any TNECD information requests related to projects which will involve construction and/or ground disturbing activities.

6.4.3 Property Trust Relationship and Public Notice Filings for Grant-Acquired Property

In accordance with § 200.316, Property trust relationship, real property, equipment, and intangible property that are acquired or improved by a federal award must be held in trust by the recipient as trustee for the beneficiaries of the award under which the property was improved or acquired. As outlined on page 19 of the [General Terms and Conditions for NTIA BEAD Program Funds](#), NTIA requires subgrantees to document the Federal interest in BEAD-funded real property. To do so, subgrantees must prepare and properly record a “Covenant of Purpose, Use and Ownership” (Covenant). The Covenant differs from a traditional mortgage lien in that it does not establish a traditional creditor relationship requiring the periodic repayment of principal and interest to NTIA. Rather, pursuant to the Covenant, the Subgrantee acknowledges that it holds title to the BEAD-funded property in trust for the public purposes of the BEAD financial assistance award and agrees, among other commitments, that it will repay the Federal interest if it disposes of or alienates an interest in the BEAD-funded property, or uses it in a manner inconsistent with the public purposes of the BEAD award, during the useful life of the BEAD-funded property. The Covenant must be properly recorded in the real property records in the jurisdiction in which the real property is located in order to provide public record notice to interested parties that there are certain restrictions on the use and disposition of the BEAD-funded property during its useful life and that NTIA retains an undivided equitable reversionary interest in the BEAD-funded property during the Federal Interest Period.

During the useful life of the BEAD-funded property, the subgrantees must adhere to the requirements contained in the terms and conditions of the award, including adherence to the use, management, and disposition requirements set forth in 2 CFR 200.311 or 200.313, as applicable. See [eCFR :: 2 CFR Part 200 Subpart D – Post Federal Award Requirements](#) for all applicable requirements.

6.4.4 Contracting with Small and Minority Businesses, Women’s Business Enterprises, and labor Surplus Area Firms

In accordance with 2 CFR § 200.321, the recipient of an award must take the following affirmative steps to ensure that businesses under 2 CFR § 200.321 are used when possible:

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 the prime contractor, if subcontracts are to be let, to take the affirmative steps listed in this section and further described in eCFR: 2 CFR200.321 -- Contracting with small and minority businesses, women's business enterprises, and labor surplus area firms

6.5 Reporting

If awarded, grantees will have access to procurement and compliance resources that contain information regarding grantee requirements. TNECD will require subgrantees to submit a quarterly progress report to monitor performance and ensure that timely reporting is available to the NTIA as mandated on page 90 of the [BEAD NOFO](#). The report must, at minimum:

1. include a list of addresses or locations that constitute the service locations that will be served by the broadband infrastructure to be constructed.
2. include an aggregate percentage of customers taking service at new locations served within each project area.
3. identify whether each address or location is residential, commercial, or a community anchor institution.
4. describe the types of facilities that have been constructed and installed.
5. describe the peak and off-peak actual speeds of the broadband service being offered.
6. describe the maximum advertised speed of the broadband service being offered.
7. describe the non-promotional prices, including any associated fees, charged for different tiers of broadband service being offered.
8. list all interconnection agreements that were requested, and their current status.
9. 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.
10. 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.
11. 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.

12. for projects over \$5,000,000 (based on expected total cost), provide certifications regarding the laborers and mechanics employed by contractors or subcontractors working on the project; if such certification is not provided, the subgrantee must provide a project employment and local impact report and a project workforce continuity plan; and
13. comply with any other reasonable reporting requirements determined by the TNECD or the Assistant Secretary; and certify that the information in the report is accurate.

Subgrantees must maintain sufficient records to substantiate all information above upon request.

Furthermore, TNECD will require subgrantees to submit quarterly progress reports to monitor performance and ensure that timely reporting is available to the NTIA as required.

6.6 Audit Requirements

Requirements for Non-profit Subrecipients:

Subpart F of 2 CFR Part 200 states that any recipients and subrecipients of federal awards that expend \$750,000 or more during the fiscal year in such awards are required to have a single audit conducted for that year in accordance with § 200.514. The exception for a single audit is when it elects to have a program specific audit conducted. For more information on audit requirements, see [eCFR :: 2 CFR Part 200 Subpart F -- Audit Requirements](#), as the recipient will be required to adhere to all audit requirements.

Requirements for For-profit Subrecipients:

The single audit requirement does not apply to for-profit subrecipients. TNECD has established audit requirements that apply to for-profit subrecipients and these subrecipients must be in compliance with such requirements.

6.7 Monitoring

TNECD will require subgrantees to submit a quarterly progress report to monitor performance and ensure that timely reporting is available to the NTIA as required. Reporting guidelines and obligations will be communicated to subgrantees during the grant process. TNECD will share reporting guidelines through outreach efforts such as informational webinars, in-person meetings, website posting, and grant administration guidelines. Program staff are also available for one-on-one technical assistance with subgrantees. Quarterly progress reports will be submitted through an electronic portal found on TNECD's website and documentation will be trained on internal State of Tennessee drives. In addition to internal program staff, a third-party contractor will assist in the tracking of timely reports. Subgrantees will also be required to maintain sufficient records to substantiate all information provided.

TNECD will also reserve the right to collect ad hoc reports during the grant period if performance concerns are identified at any point in the project timeline. TNECD will utilize internal program staff and qualified third-party support to develop and execute risk assessments and monitoring plans for each potential subgrantee. TNECD will review and approve a risk assessment for each individual subgrantee, which considers several factors as part of a formula to determine the level of monitoring. The higher the risk level, the higher the level of monitoring that will be required for the subgrantee. The details and risk assessment formula are retained as a part of each subgrantees' Customer Relationship Manager (CRM) grant record. Each project will be monitored at least once during the grant period, with a minimum of 10% of all projects being conducted as in-person Site Visits.

Monitoring levels include:

- Desk Reviews: TNECD will conduct desk reviews via a Teams call to analyze all BEAD project service milestones and general compliance.
- Site Visits: TNECD will conduct in-person site visits at the grantee's main office, or in a project area to verify and document project construction and general compliance.

A non-exhaustive list of items reviewed and verified during a monitoring visit include:

- All procurement documents for contractors and sub-contractors working on the project.
- The number of residential, commercial, and community anchor institution locations that have broadband access because of the project.
- Percentage of households in the project area who have access to broadband service.
- Percentage of subscribers in the project area to the broadband service
- Average monthly subscription rate for residential and commercial broadband service in the project area
- Any right-of-way fees or permit fees paid to local government, state government, railroad, private entity, or person during the fulfillment of the grant awarded.

Prior to the contract start date or shortly thereafter, TNECD will conduct Pre-Monitoring Meetings with each subgrantee to set expectations and provide technical assistance. Additionally, TNECD will require subgrantees to agree as a condition of the award that they will cooperate with both TNECD and NTIA with respect to any audit or monitoring of the project or award. Documentation related to the monitoring requirements above will be reviewed by qualified personnel to ensure full compliance with all requirements in the BEAD NOFO.

6.8 Invoicing

Grantees will be required to invoice exact expenses directly to TNECD. The file should first be submitted to ecd.invoices@tn.gov. Grantees must follow TNECD's prescribed format, which includes a request package of no more than 300 pages, consisting of three components: Cover Sheet, Backup Details Sheet, and Supporting Documentation. The Backup Details Sheet should detail each budget line item (identified under the correct allowable category) against each contractor invoice or make-ready/material charge-out/in-house labor expenses. Supporting documentation per line item must include vendor invoice and proof of payment (legible canceled checks or ACH statements from the subgrantee's bank to the vendor listed on the invoice). Invoices must clearly indicate that the item/activity is eligible and billed directly to the subgrantee's legal entity named in the grant contract, along with other required invoice details. Grantees must redact information such as ACH company name, ABA code, account number, and MICR code from their invoices and proofs of payment before submitting them to TNECD. Invoices will be thoroughly reviewed for accuracy and consistency before payment can be disbursed. Edits or clarifications may be required based on these reviews.

Please note that TNECD is currently awaiting further guidance from NTIA to understand whether reimbursement will be allowed for make-ready costs.

Advisory for select budgeted line items:

Grantees should be aware that the categories in the table below, if not supported by the appropriate documentation as outlined in the table, will be considered red flags. This would lead to delay in the

invoice review process. Therefore, it is advisable that the instructions described below be followed carefully:

No.	Red Flag Category	Red Flag Description	Instructions for Submitting Invoices
1	Construction	Permits, licenses and allied/similar fees for construction purposes (usually construction of fiber network)	Include a memo from the grantee stating the expenses are justified.
2	In-house labor	No payroll or salaries will be considered for in-house labor	Should make-ready costs be eligible for reimbursement, TNECD intends for labor to apply to the make-ready back date (March 15, 2021). This should be submitted within the Construction line item. A spreadsheet should be pulled from the organization's payroll system and should contain the following data: Title with the grantee's legal name, period covered (work performed dates), employee, total hours, description of work/location. TNECD intends for hourly labor tracked for make-ready construction in the service area to be acceptable, pending guidance from NTIA.
3	Engineering	Budget line for project/ plan designs, engineering consultant fees, and specified engineering invoices	Engineering expenses ready to be reimbursed should fall within the contract period.
4	Capital purchases	Budget line for pre-approved specific items as identified in the grant contract	Any capital purchase must be included in the contract to be eligible for reimbursement. In addition to the supporting documentation, a form must be submitted for each contract item.

Other general red flags:

- Duplicative charges
- Reimbursement invoices that cross fiscal years on their invoice service timeline (Note: TNECD's fiscal year ends June 30)

6.9 Enforcement

NTIA and TNECD shall take enforcement action against subgrantees as necessary and appropriate:

1. A subgrantee that fails to comply with any requirement under Section 60102 of the Infrastructure Act or this NOFO shall be required to return up to the entire amount of the subgrant to TNECD, at the discretion of TNECD or the Assistant Secretary.

2. If a subgrantee fails to comply with the low-cost broadband service option requirement set out in Section 60102(h)(4)(B) of the Infrastructure Act, the Assistant Secretary may take corrective action, including recoupment of funds from the subgrantee.
3. NTIA and TNECD may also enforce applicable rules and laws by imposing penalties for nonperformance, failure to meet statutory obligations, or wasteful, fraudulent, or abusive expenditure of grant funds. Such penalties include, but are not limited to, imposition of additional award conditions, payment suspension, award suspension, grant termination, de-obligation/claw back of funds, and debarment of organizations and/or personnel.
 - a. If a subgrantee fails to complete a project within the Term, subgrantees shall be required to repay all the funds disbursed to the subgrantee under the grant contract within sixty (60) days of the expiration of the grant contract. Additionally, Tennessee House Bill 1211 requires subgrantees to pay an additional 20% of the total grant amount if they fail to complete a project within the contract term.

6.10 Technical Assistance

TNECD will provide grantees with technical assistance and resources throughout the contract period. This will include compliance webinars, invoicing training, and other programming and guidance. TNECD will develop resources grantees may refer to for additional information, and our office is available to answer questions via email at ECD.Broadband@tn.gov. Updates and resources will be published to the ECD Broadband Office website.

7.1 TNECD Contacts

Donovan Spann | Broadband Infrastructure Coordinator
Tennessee Economic & Community Development Tennessee
Tower, 27th Floor
312 Rosa L. Parks Ave., Nashville, TN 37243
Donovan.spann@tn.gov

Emily Hale | Broadband Grants and Program Manager
Tennessee Economic & Community Development Tennessee
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Taylre M. Beaty | State Broadband Director Tennessee
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[TNECD Broadband Initiative](#)

7.2 Qualification Checklist

The checklist below is sourced from the [BEAD Subgrantee Qualifications Evaluation Guide](#), which summarizes the requirements needed to ensure each prospective subgrantee is eligible for BEAD funding.

General Requirements:

- Can the prospective subgrantee competently execute funded activities while adhering to all relevant federal, Eligible Entity, and local laws?
- Does the prospective subgrantee possess the financial and managerial strength to fulfill the subgrant's commitments, meet program requirements, and adhere to standards set by the Assistant Secretary and the Eligible Entity?
- Does the prospective subgrantee have the necessary technical and operational skills to deliver the services pledged in the subgrant as intended by the award?

Financial Capability:

- Does the prospective subgrantee provide valid and proper authorization and endorsement of the certifications?

Does the prospective subgrantee provide a letter that assures a Letter of Credit or Performance Bond will be provided prior to award?

Does the prospective subgrantee assure that a legal opinion letter accompanying the letter of credit which addresses bankruptcy considerations will be provided prior to award (assuming the applicant does not exercise the performance bond option)?

Does the prospective subgrantee provide audited financial statements with indicators of cash flow that indicate financial stability and an absence of alarming discrepancies?

Does the prospective subgrantee provide sustainability and pro-forma analyses which describe a comprehensive and realistic business plan and projections indicating the project's sustainability?

Managerial Capability:

Does the prospective subgrantee provide resumes and organizational charts?

Does the prospective subgrantee provide narratives on managerial readiness?

Technical Capability:

Does the prospective subgrantee provide certifications to prove the technical qualification?

Does the prospective subgrantee provide required documentation (Network Diagrams, Project Cost Estimates, Timeline & Milestones, PE endorsement...etc.)?

Compliance with the Law:

Does the prospective subgrantee provide evidence of legal adherence in the past and plans for future compliance?

Does the prospective subgrantee provide plans to be in compliance with occupational safety and health requirements?

Operational Capability:

Does the prospective subgrantee provide past experiences?

Does the prospective subgrantee provide valid records?

Does the prospective subgrantee provide financial and operational reports?

Does the prospective subgrantee provide evidence underlining operational proficiency? (Question for new entrants to broadband market)

Ownership:

Does the prospective subgrantee provide complete disclosure of direct and indirect ownership?

Does the prospective subgrantee provide details of all parties with a stake of 10% or more?

Verification of the relationship between the applicant and any federal FCC regulated entities

Other Public Funding:

Does the prospective subgrantee provide a comprehensive disclosure of all publicly funded broadband projects the subgrantee or its affiliates are participating in?

Does the prospective subgrantee provide a clear statement of commitment levels to unserved and underserved areas?

Does the prospective subgrantee provide details of the funding received from specified public funds?

Does the prospective subgrantee provide information about consumer service costs and any additional commitments made by the prospective subgrantee or its affiliates?

7.3 Budget Categories and Cost Examples

Budget Category	Examples of Allowable Items (Non-Exhaustive)
Construction	<ul style="list-style-type: none"> • Construction • Construction Labor (in-house labor must be specified upon application. Please identify the percentage of time and purpose of all in-house labor) • Customer Premises Equipment (CPE). Please note that funding only covers up to the network demarcation point (e.g., NID or ONT) • Fencing • Material inventory • Other construction materials included in make-ready costs (should NTIA approve make-ready costs) • Pole attachment fees • Prefabricated buildings/fiber huts • Security equipment • Splicing and Activation • Warehousing Expenses
Site Work	<ul style="list-style-type: none"> • Excavation or Grading • Restoration • Site Preparation • Tree trimming • Utility work
Demolition and Removal	<ul style="list-style-type: none"> • Asbestos Inspection • Hazardous Material Inspections • Labor for demolition and removal (in-house must be specified upon application)

	<ul style="list-style-type: none"> • Site Clearing • Abatement
Construction Inspection	<ul style="list-style-type: none"> • Operational inspection • Mileage rates charged as a part of inspection expenses (Must use state level regulations (\$0.70/mile))
Engineering Design	<ul style="list-style-type: none"> • Design fees • Network Design and Layout • Project Management Costs involved in designing and constructing the proposed project • Testing and Engineering
Engineering (Other than Design)	<ul style="list-style-type: none"> • Budgeting • Mileage rates charged as a part of engineering expenses (Must use state level regulations (\$0.70/mile)) • Other necessary planning costs • PE Certification for network design plans or other related engineering fees (engineering, planning, and materials inspections) • Scheduling • Zoning Requirements • Geotechnical Survey, Physical Surveys • Permits • Railroad Crossings
Legal Services	<ul style="list-style-type: none"> • Issues of Land Use • Other Legal Assistance necessary for the construction of a Fiber to the Premise network or other technology implementation
Appraisals	<ul style="list-style-type: none"> • Cost-based valuation or complete appraisals to capture the actual value of an asset (such as land or an existing telecommunication network)
Acquisition of Real Property	<ul style="list-style-type: none"> • Purchase of land tracts or parcels necessary for the deployment, construction, or implementation of broadband infrastructure. • Purchase of Land/Property where infrastructure or equipment necessary for the network are housed. • Easement
Grant/Project Administration	<ul style="list-style-type: none"> • 3rd party professional grant administrators • Development districts, independent contractor, or university grant staff commissioned to undertake grant related tasks not limited to grant reimbursement reporting, preparation of invoices and grant accounting
Environmental Review	<ul style="list-style-type: none"> • Environmental, historical and cultural reviews.

Capital Purchases	<ul style="list-style-type: none"> • Bucket trucks • Generator • Pickup truck • Power systems • Splicing trailer
Other Non-Personnel	<ul style="list-style-type: none"> • Ancillary costs necessary to operationalize and put the capital assets to full use • Letter of Credit fees • Long-term Leases (for terms greater than one year) of facilities required to provide qualifying broadband service, including indefeasible right-of-use (IRU) agreements. Please only include the portion of the IRU within the period of performance for this project area • Software and Cybersecurity solutions. Please note that only the portion specific to the project area will be reimbursed. If this purchase is for the benefit of the network in its entirety, please explain how the cost was determined to reflect only what is benefitting this project area
Other Professional Fees	<ul style="list-style-type: none"> • Contractors (outside consultants, agencies, and personal-service contractors) providing technical advisory services such as data gathering, needs assessments, planning, and other related activities such as provider outreach, collecting location data, correcting BDC data, GIS, etc.
Project Contingency	<ul style="list-style-type: none"> • Possibility of cost escalation pertaining to labor, materials, equipment or transportation, inflation, and supply limitation/supply chain risks

7.4 Useful Terms

- **Priority Broadband Project:** a project that will provide qualifying broadband service via end-to-end fiber-optic facilities to each end-user premises.”
- **Other Last mile Broadband Deployment Projects:** Projects that do not meet symmetrical speeds, including non-fiber RBS technologies and alternative technologies. Alternative technologies will only be considered if no RBS technology can reasonably be deployed in a defined project area.
- **Reliable Broadband Service:** “The term ‘Reliable Broadband Service’ means broadband service that the Broadband DATA Maps show is accessible to a location via: (i) Fiberoptic technology, (ii) Cable Modem/ Hybrid fiber-coaxial (HFC) technology, (iii) Digital subscriber line (DSL) technology, (iiii) Terrestrial fixed wireless technology utilizing entirely licensed spectrum or using a hybrid of licensed and unlicensed

spectrum

- **Alternative Technologies:** The term “Alternative Technologies” means any technology that does not qualify as Reliable Broadband Service, including Unlicensed Fixed Wireless (ULFW) and Low-Earth Orbit (LEO) satellite, that meets the BEAD Program’s minimum technical requirements of speeds of not less than 100 Mbps for downloads and 20 Mbps for uploads and latency less than or equal to 100 milliseconds.
- **Extremely High Cost Per Location Threshold (EHCPT):** an “Extremely High Cost Per Location Threshold” is a BEAD subsidy cost per location which an Eligible Entity may decline to select a proposal if use of an alternative technology meeting the BEAD Program’s technical requirements would be less expensive.
- **Eligible Community Anchor Institution (CAI):** an entity such as a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization, or community support organization that lacks access to Gigabit-level symmetrical broadband service.
- **BEAD Technical Requirements:** For the purposes of BEAD, speed must be not less than 100 Mbps for downloads and 20 Mbps for uploads. 95% of latency measurements during testing windows must fall at or below 100 milliseconds round-trip time.
- **Project:** The term “project” means an undertaking by a subgrantee to construct and deploy infrastructure for the provision of broadband service. A “project” may constitute a single unserved or underserved broadband-serviceable location, or a grouping of broadband-serviceable locations in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations or underserved locations.
- **Unserved Locations:** BSL’s that have no access to broadband service or lack access to Reliable Broadband Service offered with—(i) a speed of not less than 25 Mbps for downloads; and (ii) a speed of not less than 3 Mbps for uploads; and (iii) latency less than or equal to 100 millisecond.
- **Underserved Locations:** BSL’s that are not an unserved location, and lack access to Reliable Broadband Service offered with—(i) a speed of not less than 100 Mbps for downloads; and (ii) a speed of not less than 20 Mbps for uploads; and (iii) latency less than or equal to 100 milliseconds
- **Unserved Service Project:** a project in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations. An “Unserved Service Project” may be as small as a single unserved broadband serviceable location.
- **Underserved Service Project:** a project in which not less than 80 percent of broadband-serviceable locations served by the project are unserved locations or underserved locations. An “Underserved Service Project” may be as small as a single underserved broadband-serviceable location.
- **Eligible Subscriber:** any household seeking to subscribe to broadband internet access

service that (1) qualifies for the Affordable Connectivity Program (ACP) or any successor program, or (2) is a member of a household that meets any of the following criteria:

- a) Household income for the most recently completed calendar year was at or below 200 percent of the Federal Poverty Guidelines.
- b) Any member of the household receives benefits under the Supplemental Nutrition Assistance Program, Medicaid, Federal Public Housing Assistance, Supplemental Security Income, Veterans and Survivors Pension benefit, or Special Supplemental Nutrition Program for Women, Infants, and Children.
- c) Any member of the household participates in Tribal specific assistance programs, such as Bureau of Indian Affairs General Assistance, Tribal TANF, Tribal Head Start, or Food Distribution Program on Indian Reservations.
- d) Any member of the household has applied for and been approved to receive benefits under the National School Lunch Program or the School Breakfast Program, or at least one member of the household is enrolled in a school or school district that participates in the USDA Community Eligibility Provision.
- e) Any member of the household received a Federal Pell Grant during the current award year.
- f) The household meets the eligibility criteria for a participating provider's existing low-income internet program; or
- g) The household satisfies any other additional criteria proposed by the Eligible Entity in its Initial Proposal and Final Proposal and approved by the Assistant Secretary.

7.5 FAQs

General

NEW If ISPs do not incur costs equal to the budget in their grant application, what will happen with leftover funds?

If there are unspent funds at the end of the project, the state will work with applicants to address the remaining balance. This may include reallocating funds or returning unspent amounts to TNECD.

Are subgrantees required to retain ownership of assets that they build, or can ownership be transferred in exchange for arrangements like right of way?

The costs related to the assets are only allowed to be charged to the grant if they are necessary and reasonable for the performance of the BEAD award. As these assets would not be used in the performance of the BEAD award, they are not necessary and reasonable for the purpose of this grant and are thus not allowed (see 2 CFR 200.403(a)). The costs related to a plan to build grant-funded assets for eventual exchange, for example exchanging asset ownership for right of way, are not allowable. If a subgrantee sought to obtain a right of way using NTIA grant funds, and the costs related to obtaining that right of way were determined to be necessary and reasonable for the purpose of the grant, those costs would be an allowable use of NTIA grant funds. In the event that original or replacement grant-funded equipment is no longer needed for the original project or program, the Eligible Entity and subrecipients must dispose of property in accordance with 2 CFR 200.313.

How confident is ECD that the \$813 million allocated will provide broadband to 100% of the unserved and underserved locations in Tennessee?

Initial and secondary cost modeling suggest that ECD will have the ability to reach all locations with additional funds leftover. However, we cannot make a definitive statement at this time.

In the case of a partnership, how should ISPs decide who submits the application?

Invoices submitted must be for the applicant, so please arrange partnerships accordingly. It is acceptable for the organization name on an invoice to be that of a subsidiary, it just cannot be another entity.

Will ECD bring about a partnership?

ECD can help entities meet other providers however, the Broadband Office cannot facilitate or create partnerships.

Will applicants be able to download a PDF version of the application?

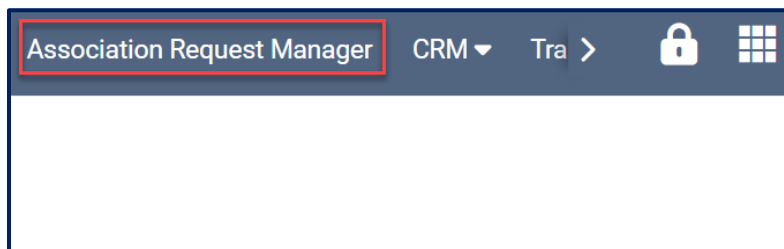
ECD will publish a PDF of the Grant Application and Qualification on the [BEAD Program page](#) in the fall. Please note that the PDF will be for the applicant's convenience and will not be accepted as a submission. All applications must be submitted through SmartSimple.

Will ECD release the approved organizations following the Qualification application?

No, ECD will not release a list of organization names following the closure of the Qualification application. However, ECD will release organization names, proposed technology, and grant amount for public comment following the closure of the Grant application.

What are the required steps when adding a collaborator to an application?

Please associate the contact in SmartSimple and email the ECD inbox the contact's name. Our office will then add the contact as a collaborator on your application. The Associate Request Manager can be located on the gray bar at the top of the page in SmartSimple.



Has ECD published additional information on what applicants can expect in the grant agreement?

At this time, ECD has not published any resources specific to the grant agreement. Applicants will see certain information is called out in the grant application that will be included in the contract upon award.

Project Area Unit (PAU) Map

NEW Which version of the FCC Fabric is Tennessee using for subgrantee selection?

Tennessee leveraged CostQuest Fabric version 3.2 for the Challenge Process and version 4 for the true-up.

What do I do if a county is incorrectly showing as unserved on the map?

Please submit a Public Comment for any map inaccuracies by the due date of 9/20. Should you notice map inaccuracies following the Challenge Process window, please gather evidence and submit a comment during TNECD's Public Comment Period following the PAU Grant Application window.

Is there a limit to how many PAUs an organization can apply for?

No, organizations do not have a cap on how many areas they can apply for.

How do you recommend municipalities participate in cases where PAUs are larger than what is allowable for them to serve?

Partnerships are recommended.

Are applicants required to serve a PAU in its entirety?

Applicants must serve 100% of the BEAD-eligible broadband serviceable locations (BSLs) in the PAU. If an organization cannot achieve this individually, it may form partnerships with other providers to meet this obligation.

What information will be on the map ECD will use for subgrantee selection?

Applicants can expect the PAU Map to include the final BSLs at the time of BEAD Grant Application opening. The map will have a layer displaying all unserved and underserved locations in Tennessee.

Qualification Content

Should the technical contact provided in the Qualification be the applicant's point of contact for technical issues related to the application or is ECD asking for a technical network person?

This request refers to your organization's technical network or engineering person on the grant project.

Do the Davis-Bacon rules apply regardless of the grant amount?

"Baby Davis-Bacon" rules will apply for each project that totals over \$5 million in grant funds. This will include the requirement for grantees to submit the wages that are being paid for job classifications where a cost category isn't present for reference.

Does all equipment need to meet the standards of BABA?

The requirement is that all manufactured products, including fiber optic cables used in BEAD funded projects, were (a) manufactured in the United States and that (b) the manufactured products contain U.S. components comprising greater than 55% of the total cost of all components. For more information on BABA requirements, please refer to the *Build America, Buy America Act (BABA)* section of [Tennessee's Initial Proposal Volume II](#), beginning on page 23.

How can an applicant verify that an organization is BABA compliant?

Please find the BABA Self-Certification List published by the NTIA [here](#). This is a list of manufacturers where an officer of the company has certified that certain company equipment meets the domestic manufacturing requirements listed in the BABA waiver for the BEAD Program. Please note that this list will be updated by the Department of Commerce. The version linked above is from October 2024. Applicants can find additional information on BABA compliance on NTIA's [Demonstrating compliance with the Buy America requirement](#) page.

Are BABA requirements the same for BEAD as it was in Last Mile?

No, the requirements are different as the American Rescue Plan Act (ARPA) preferred domestic products whereas in BEAD, ISPs must comply with all applicable BABA requirements during construction and implementation.

Under BABA, do iron and steel products include minor materials?

Yes. The requirement is for all iron and steel products utilized by the subgrantee or any contractors/subcontractors in its proposed project have undergone all manufacturing processes, from smelting to product line, in the United States unless a waiver is issued.

Does TNECD have outlines or examples of what is expected for the NEPA and NHPA Plans, the Supply Chain Risk Management Plan, and the Cybersecurity Risk Management Plan?

Guidance and resources are forthcoming for the required NEPA, NHPA, Supply Chain Risk Management Plan, and Cybersecurity Risk Management Plan. While applicants will be asked to provide a plan for complying with NEPA, NHPA, and BABA in the Qualification, this question is not seeking a documented formal plan as further details will be collected prior to award.

Under Financial Capability, how should the applicant respond to the question asking for “details on any projects not covered by grants” if the applicant is new to broadband?

ECD is seeking previous broadband experience in the table. We ask that organizations new to broadband detail their organization’s transferrable skills from other relevant work in their organization history narrative and explain any partners that will be engaged in project work if awarded. Applicants may upload any supplemental information in a document under Managerial Capability.

Under the Financial Capability Document Uploads, does the certification by an authorized officer need to be signed by the Board of Directors as well?

No. A signature from the authorized officer is sufficient.

Grant Application Content

NEW Will TNECD reimburse awardees for pre-award costs?

Pre-award expenses must be approved by the NTIA and Grant Officer in writing to be considered allowable. **Do not plan for pre-award expenses.** This will be handled differently than TNECD’s ARPA projects due to the compliance requirements of BEAD.

NEW Are in-kind matches allowable for the match requirement?

No. TNECD will only accept cash matches. Applicants must demonstrate either financial capability on hand or secured financing for their match amount.

NEW What file type is allowed for the network design or diagram (map file) upload?

Our office will accept a .shp or .kml/.kmz for the map file.

NEW What is the expectation of the speed and pricing table under the Service and Pricing Levels section? Are applicants required to include each speed tier, including the low-cost offer, broken out by each location type?

When completing this table, the “Additional Details” column can be used as needed to reduce redundancy. For example, if the price is the same for all location types at 1G speed, applicants may select a location type in the drop down and add in additional details that the price is applicable to all location types at that speed. Please note that the monthly service cost of the 1G package for fiber

projects (or the monthly service cost of 100/20mbps for other last mile projects) and the price of the low-cost broadband service option must be clearly indicated in their own rows for reviewing. Applicants may supply additional information where they upload marketing materials if necessary, though we recommend that the table is able to stand alone.

NEW Are community anchor institutions (CAIs) required to be included in a PAU application?

No, applicants will not be required to include CAIs lacking 1G in their PAU applications at the time of application or serve CAIs in awarded project areas if there is leftover funding. If an applicant chooses to bolster or serve a CAI along their route, we ask that this is explained in the narrative. This is encouraged, but please note there is no scoring associated with serving CAIs.

NEW Can multiple providers be awarded within a county?

Yes. TNECD is evaluating projects against other applicant submissions for each PAU. Therefore, multiple providers may be awarded in counties where multiple PAUs exist.

NEW Can one organization submit two applications for the same PAU proposing different technology types?

Yes. Applicants may submit multiple applications for the same PAU with different technology types. Please keep in mind that fiber projects will be reviewed and scored first. If ECD does not receive a viable fiber application for a PAU, alternative technologies will be considered.

NEW How should an applicant handle a location showing as BEAD-eligible in the state's file but is now considered served in current BDC data?

Please use the eligibility data in Tennessee's subgrantee selection map as the source of truth when creating the network design or diagram (map file). If the current BDC map shows a location as served, or your analysis has determined a location is not viable for another reason, ECD asks that applicants indicate this in the narrative of their application. This data may also be submitted during the Public Comment Period following the application phase.

NEW If an applicant proposes a shorter timeline for BEAD, how does that turn into a contractual obligation to complete deployment in a shortened window?

Per the BEAD NOFO, a prospective subgrantee's binding commitment to provide service by an earlier date is subject to contractual penalties. In Tennessee, a shorter timeline in the application will likely be incorporated as a milestone that must be met as part of the contract.

NEW When should an applicant expect construction to begin?

It is recommended that applicants plan for January 2026 as the construction start date. Please keep in mind that ECD will adjust timelines as needed if contracting does not align with the awardee's planned start date in their application.

NEW If awarded, can organizations anticipate an automatic 1-year extension following December 2028 for construction completion?

No, the extension will not be automatic. Extensions will be granted on a case-by-case basis for reasonable delays (e.g., permitting issues). If an extension is needed, grantees must demonstrate justification with the request to the ECD Broadband Office.

NEW What does the following question in the Grant Application mean: Would your organization be interested in participating in Milestone-Based Fixed Subawards?

This question is for TNECD to gather the opinions of prospective awardees as the broadband office is considering a fixed amount subaward that would provide milestone-based payments rather than the reimbursement approach our office currently uses for broadband infrastructure grant programs. Grantees would still be required to keep invoices for monitoring, but this would eliminate the need to submit invoices for reimbursement. If TNECD moves forward with milestone-based fixed subawards, the office intends to have an option for providers to remain on a reimbursable basis if that is preferred by the awardee. Additionally, high risk grantees, or grantees that are not in good standing with state and federal programs, would not be eligible for fixed amount subawards. Please note ECD will provide further guidance if the broadband office chooses to move forward with milestone-based fixed subawards.

NEW If an applicant submits a specific ISP partner on the application, will there be an opportunity to make modifications such as substituting a different partner prior to the grant award and acceptance?

It is encouraged for applicants to finalize partnerships prior to application submission. If a partnership fails to materialize prior to award, the ECD Broadband Office will work with the grantee as time constraints allow. If applicable, ECD asks that applicants indicate that the partnership is not final in the provided narrative box of the partnership section of the Grant Application. Please note that it will be critical to inform our office if a partner withdraws as far in advance as possible due to the time constraints of the application process.

How should applicants calculate the cost per passing?

The cost per passing will be the total project cost divided by the number of eligible passings. This is only for grant eligible locations and will not include served locations.

Can an ISP apply Lifeline for the low-cost service option?

Yes, an ISP can apply Lifeline as the low-cost service option. However, the base rate must be under \$60 per month. This low-cost option applies for eligible households and must be offered for the effective life of the network (10 years).

For affordability under *Primary Scoring Criteria* on the scoring rubric, does an applicant need to have an actual program or is this portion of the application only referring to the low-cost option?

Affordability assesses the customer's monthly service cost for speeds of 1G symmetrical for Priority Broadband Projects or speeds of 100/20 for Other Last-Mile Broadband Deployment Projects. This is different from an ISP's low-cost affordability plan as the package must be available to all subscribers (not just ACP eligible subscribers). However, if an applicant has programs they would like to showcase, they may include that information in this section.

Is the low-cost broadband service option exclusive of promotional requirements (such as automatic bill pay)?

The low-cost broadband service option for eligible subscribers must cost \$60 per month or less, inclusive of all taxes, fees, and charges, with no additional non-recurring costs or fees to the consumer.

NEW With ACP no longer being in effect, how should applicants define “ACP eligible” in regard to their low-cost broadband service option?

The eligible subscriber for the low-cost broadband service option includes households that (1) previously qualified for ACP or (2) is a member of a household that meets any of the following criteria:

- a) Household income for the most recently completed calendar year was at or below 200 percent of the Federal Poverty Guidelines;
- b) Any member of the household receives benefits under the Supplemental Nutrition Assistance Program, Medicaid, Federal Public Housing Assistance, Supplemental Security Income, Veterans and Survivors Pension benefit, or Special Supplemental Nutrition Program for Women, Infants, and Children;
- c) Any member of the household participates in Tribal specific assistance programs, such as Bureau of Indian Affairs General Assistance, Tribal TANF, Tribal Head Start, or Food Distribution Program on Indian Reservations;
- d) Any member of the household has applied for and been approved to receive benefits under the National School Lunch Program or the School Breakfast Program, or at least one member of the household is enrolled in a school or school district that participates in the USDA Community Eligibility Provision;
- e) Any member of the household received a Federal Pell Grant during the current award year;
- f) The household meets the eligibility criteria for a participating provider's existing low-income internet program; or
- g) The household satisfies any other additional criteria proposed by the Eligible Entity in its Initial Proposal and Final Proposal and approved by the Assistant Secretary.

NEW Will there be an inflationary adjustment to the cost offered for the low-cost plan over the 10-year period?

Yes, Tennessee intends to publish an updated value of the low-cost plan each year. The annual price adjustment may be determined by computing the percentage change in the two values (i.e. estimates) of median income in Tennessee. Please find additional details on the methodology for determining annual price adjustment of low-cost plans under Requirement 16 of Tennessee's Initial Proposal Volume II.

NEW For service and pricing tiers, is the cost required for the life of the network?

The pricing tiers are required for the life of the contract period, which will span until project build is complete. Projects must be complete by December 31, 2028 with the possibility of a one year extension. This is different than the pricing of the **Low-Cost Broadband Service Option**, which is required for 10 years.

NEW Do proposed prices in the service and pricing tiers table in the application need to include taxes?

Tax is only required to be included in the provided Low-Cost Broadband Service Option.

What is the difference between the extremely high-cost per location threshold and high cost locations?

- **Extremely high-cost per location threshold** – this is a threshold set at the state once applications are submitted that will serve as the maximum for the BEAD subsidy.
- **High-cost location** – this is a formula from NTIA that totaled 7 specific locations in Tennessee that will be separate PAUs where no match is required.

NEW In the Document Upload portion of the application, do the pro forma statements and analyses need to be for the selected PAU area only or should this include financials for all operations (current service areas plus the PAU area)?

The pro forma statements and analyses only need to be for the for the selected PAU as the intent of this upload is for the applicant to substantiate the sustainability of the proposed project.

Do Letters of Support need to be current?

Yes, Letters of Support need to be within the last calendar year and must be specific to the BEAD Program.

What are ECD's expectations regarding the Letter of Credit?

Subgrantees may either utilize a Letter of Credit meeting the requirements of the [BEAD NOFO](#) (pg 72) or a performance bond meeting the requirements of the [BEAD Letter of Credit Waiver](#). Please see below what is required at the time of application:

- **Letter of Credit:** If an applicant chooses not to submit a **Letter of Credit** at the time of application, they must submit a letter from an eligible bank (see [47 C.F.R. § 54.804\(c\)\(2\)](#)) committing to issue an irrevocable letter of credit (ILOC). This letter must include the dollar amount of the letter of credit and the issuing bank's agreement to adhere to [Tennessee's Model Letter of Credit](#) terms and conditions. This should include assurance that the Letter of Credit can be provided prior to contracting, if awarded.
- **If opting to utilize a Performance Bond:** If the applicant is not submitting the performance bond at the time of the application, ECD requests the surety company commitment and terms of conditions. This letter must provide the dollar amount of the performance bond and include assurance that the performance bond can be provided prior to contracting, if awarded.
- **Additional attachment if opting for a letter of credit or performance bond in the amount of 10% of the subaward:** ECD requests an attestation committing your organization to maintaining a letter of credit or performance bond in the amount of 10% of the subaward until it has demonstrated to satisfaction of the Eligible Entity 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.

Additional Information regarding the Letter of Credit requirement can be found in Tennessee's Initial Proposal Volume II in Section 2.4.11.

If electing to use the Letter of Credit as outlined in the BEAD NOFO, is the Model Letter of Credit a requirement?

No, applicants do not need to use the template provided but must ensure that the Irrevocable Letter of Credit provided follow the terms and conditions of Tennessee's Model Letter of Credit.

Letter of Intent (LOI)

Does an ISP need to include all counties of interest on their Letter of Intent?

Yes, ECD asks applicants to include all counties in their submissions of the Letters of Intent form. The Formstack form allows up to 5 entries, and ISPs are able to submit as many forms as necessary. Please keep in mind that the Letter of Intent is not binding and at least one submission is required to be eligible to apply for BEAD Funding.

If applying in a partnership, does each partner need to submit a LOI?

If the partnership has already been established, please include partners in the LOI. Only the organization submitting the application is required to submit a LOI to be eligible to apply.

Deployment

Are BEAD funds only restricted for use on last mile broadband deployment? May funds be used for middle mile infrastructure?

As noted in Section IV.B.5.b. of the BEAD NOFO an “Unserved Service Project” or “Underserved Service Project” may include Middle Mile Infrastructure in or through any area required to reach interconnection points or otherwise to ensure the technical feasibility and financial sustainability of a project providing service to an unserved location, underserved location, or eligible CAI.

If an ISP is laying conduit down a highway with BEAD funding, is it necessary to have access points?

Only middle mile is required to be open access.

What does the middle mile open access requirement entail?

Middle mile infrastructure must be open access. As defined by the [BEAD NOFO](#), the term “open access” refers to an arrangement in which the subgrantee offers nondiscriminatory access to and use of its network on a wholesale basis to other providers seeking to provide broadband service to end-user locations, at just and reasonable wholesale rates for the useful life of the subsidized network assets. For this purpose, “just and reasonable wholesale rates” means rates that include a discount from the provider’s retail rates reflecting the costs that the subgrantee avoids by virtue of not providing retail service to the end user location (including, for example, marketing, billing, and collection-related costs).

How should an ISP handle locations that do not want internet?

Please send those locations to the FCC as ECD relies on that data. Additionally, we ask that you please provide this information to ECD as well with supporting evidence during the Public Comment period following the Grant Application window.

Does the awarded ISP need to serve all BEAD eligible locations in the PAU?

Yes. When you submit your application, you will have to confirm that you will serve all BEAD-eligible locations within the PAU.

If awarded a project area unit, can an ISP also connect served locations if residents express interest in their network?

If an ISP is building through an area and someone residing in a served location asks to be connected, the ISP is not prohibited from serving them but cannot use BEAD funding to do so.

Will subgrantees be allowed to deploy other offerings over a Funded Network?

Yes, subgrantees may use BEAD-funded facilities to provide other offerings, such as telephone and video, over a Funded Network, though this cannot be done with BEAD funding. It is important to note that income generated by a project over the period of performance is subject to project income regulations outlined in 2 CFR § 200.307.

If awarded a PAU, is it permissible for broadband providers to use BEAD funding to serve the unserved locations that are within a different provider’s service area?

Yes, if a provider is awarded a PAU that also has an existing provider in the area, the grantee can use BEAD funding to service BEAD eligible unserved or underserved locations.