BEAD FINAL PROPOSAL

Message from the State Broadband Director

On behalf of the Tennessee Department of Economic and Community Development (ECD), I am pleased to present Tennessee's Final Proposal for the Broadband Equity, Access, and Deployment (BEAD) Program. ECD invites the public to submit comments on this Final Proposal until 11:59 pm CT on September 3, 2025. Final Proposal attachments and the public comment form are located on TNECD's BEAD Program page.

Since the release of the BEAD Notice of Funding Opportunity (NOFO) in 2022, and the National Telecommunications and Information Administration's (NTIA) subsequent BEAD Restructuring Policy Notice (June 2025), ECD has been diligently working to maximize this once in a generation opportunity to close the digital divide. Of the 56 states and territories receiving BEAD funding, Tennessee ranks 12th highest with an allocation of $813,319,680. While Tennessee has made significant progress in broadband expansion, 43,871 locations still require adequate service. Through this Final Proposal, TNECD presents a solution that brings together a variety of providers and technologies to deliver reliable service statewide.

Key highlights include:

- 100% coverage to the 43,871 locations in Tennessee lacking adequate internet, representing –
    - 20,898 locations in East Tennessee
    - 18,569 locations in Middle Tennessee
    - 4,404 locations in West Tennessee
- Total deployment cost of $402,181,457.51 consisting of –
    - $201,902,730.51 of BEAD Program funds
    - $200,278,727 provider match
- Awardees will provide approximately 1,268 full-time employment opportunities

We are incredibly excited to share this proposal with Tennesseans, Internet Service Providers, and NTIA. We are proud of what our partnership will accomplish: a fully connected Tennessee. We look forward to working with you to implement this proposal and get our Tennessee communities served with high-speed internet.

Sincerely,

Taylre Beaty

State Broadband Director
Tennessee Department of Economic and Community Development

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Final Proposal Data Submission

0.1 Attachment (Required): Complete and submit the Subgrantees CSV file (named "fp_subgrantees.csv") using the NTIA template provided.
See attachments at the TNECD BEAD Program page.

0.2 Attachment (Required): Complete and submit the Deployment Projects CSV file (named "fp_deployment_projects.csv") using the NTIA template provided.
See attachments at the TNECD BEAD Program page.

0.3 Attachment (Required): Complete and submit the Locations CSV file (named "fb_locations.csv") using the NTIA template provided. The Locations IDs in this list must match the NTIA-approved final list of eligible locations.
See attachments at the TNECD BEAD Program page.

0.4 Attachment (Required): Complete and submit the No BEAD Locations CSV file (names "fb_no_BEAD_locations.csv") using the NTIA template provided. The Locations IDs in the list must match the NTIA-approved final list of eligible locations.
See attachments at the TNECD BEAD Program page.

0.5 Question: If the Eligible Entity intends to use BEAD funds to serve CAIs, does the Eligible Entity certify that it ensures coverage of broadband service to all unserved and underserved locations, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C§ 1702(h)(2)?
TNECD does not intend to use BEAD funds to serve any CAIs as they were not proposed by participating program applicants.

0.6 Attachment (Required - Conditional on a 'Yes' Response to Intake Question 0.5): Complete and submit the CAIs CSV file (named "fp_cai.csv") using the NTIA template provided. Although CAIs are not included under (f)(1) deployment projects, to confirm the Eligible Entity's compliance with the BEAD prioritization framework and identify BEAD-funded CAIs, NTIA template 6 is required. The Eligible Entity must only include the CAIs funded via BEAD in this list; the identification of CAIs in this list must match the approved final list from the Eligible Entity's Challenge Process results.

Requirements

Subgrantee Selection Process Outcomes (Requirement 1)

1.1 Describe how the Eligible Entity's deployment Subgrantee Selection Process undertaken is consistent with that approved by NTIA in Volume II of the Initial Proposal as modified by the BEAD Restructuring Policy Notice.

TNECD's subgrantee selection process complied with the approved process outlined in Tennessee's Initial Proposal Volume II[1] and the BEAD Restructuring Policy Notice[2]. TNECD followed the subgrantee selection procedure outlined in the Initial Proposal Volume II[3]. Prior to launching the competitive grant application, counties with BEAD-eligible broadband serviceable locations (BSLs) were subdivided into a maximum of three Project Area Units (PAUs). TNECD then began the process of accepting Letters of Intent and conducted a Qualification round. Following the Qualification period, TNECD ran its Round 1 of subgrantee selection and evaluated applications in alignment with the scoring criteria outlined in The Initial Proposal Volume II[4]. Awardees were internally selected (preliminarily awarded) and TNECD began initial outreach efforts for negotiations in select PAUs prior to the BEAD Restructuring Policy Notice[5] released June 6, 2025.

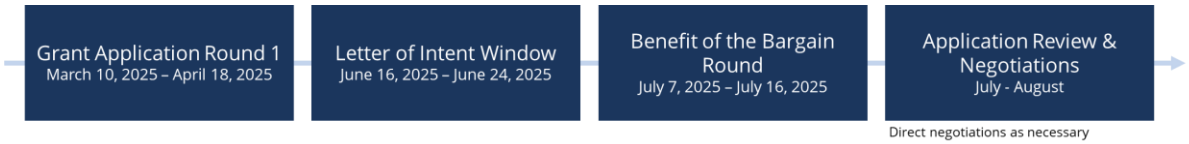

Figure 1: TNECD Subgrantee Selection Timeline

- Following the release of the updated guidance, TNECD took steps to ensure the subgrantee selection process followed the requirements outlined for the Benefit of the Bargain round. Since awards from Round 1 had not been announced and negotiations were not finalized, TNECD did not need to rescind prior selections. Prior to the acceptance of Benefit of the Bargain and Qualification applications via the grants management portal from July 7–16, 2025, TNECD required prospective applicants to submit a Letter of Intent. During the Benefit of the Bargain round, organizations were able to edit grant applications from Round 1 or create new

[1] Tennessee Department of Economic and Community Development, *BEAD Initial Proposal, Volume 2* (Nashville: TNECD, 2023).
[2] U.S. Department of Commerce, National Telecommunications and Information Administration, *Broadband Equity, Access, and Deployment (BEAD) Program: BEAD Restructuring Policy Notice*, June 6, 2025.
[3] Tennessee Department of Economic and Community Development, *BEAD Initial Proposal, Volume 2*.
[4] Ibid., 12-21.
[5] U.S. Department of Commerce, *BEAD Restructuring Policy Notice*, 2025.

applications. Applications were evaluated on a PAU-by-PAU basis to determine Priority Broadband Project status, as defined in the BEAD Restructuring Policy Notice[6]. Once priority status was established, TNECD applied the primary criterion of Minimal BEAD Program Outlay for applications in the same general project area. Competitive applications were further evaluated using the secondary criteria outlined in Requirement 13, when applicable. The Qualification application was only required for new entrants to Tennessee's BEAD Program during the Benefit of the Bargain round. There were two new entrants in the Benefit of the Bargain round.

- In the Benefit of the Bargain round, TNECD reviewed each funding request and considered cost per passings over $20,000 excessive. The excessive cost figure was derived from a natural break in data where the cost per passing jumped from $20,167.94 to $31,450. Below the $20,000 threshold, the cost per passing from the Benefit of the Bargain round varied by region and topography. This is demonstrated by the map below which highlights the finalized average cost per passing of the Benefit of the Bargain awardees in counties with BEAD-eligible BSLs. East and Middle Tennessee generally have higher cost per passings due to the terrain of Appalachia and the Cumberland Plateau.

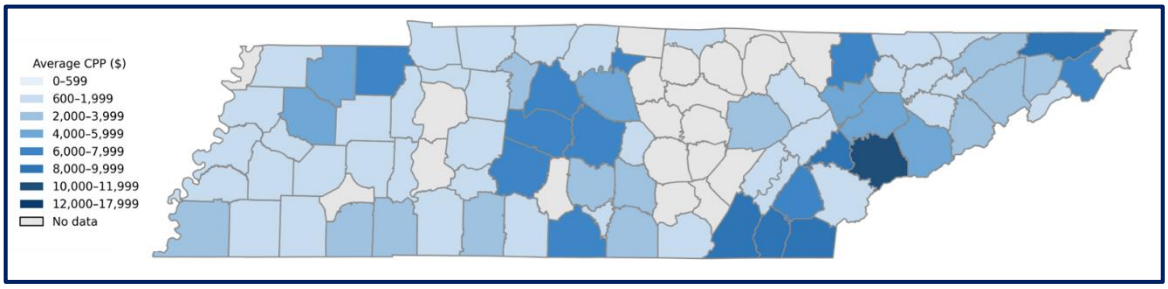

Figure 2: Average Cost Per Passing (CPP) by TN County[7]

Following the process outlined above and detailed in Requirement 12, TNECD selected awardees for 40,650 BSLs out of 43,871 from the Benefit of the Bargain round. TNECD then moved into negotiations with ISPs to ensure coverage for the 3,221 that were not initially awarded through the application process. TNECD aligned negotiation efforts with the methodology outlined in Section 2.4.7 of TNECD's Initial Proposal Volume II[8].

[6] U.S. Department of Commerce, *BEAD Restructuring Policy Notice*, 2025, 8-9.
[7] Cost per passings are calculated from the average CPP of awardees in each BEAD-eligible county from the Benefit of the Bargain round. This does not include negotiations.
[8] Tennessee Department of Economic and Community Development, *BEAD Initial Proposal, Volume 2*, 25.

For each PAU with remaining BEAD-eligible BSLs, TNECD directly contacted the other applicants in the project area for negotiations.

1.2 Describe the steps that the Eligible Entity took to ensure a fair, open, and competitive process, including processes in place to ensure training, qualifications, and objectiveness of reviewers.

TNECD took the following steps to ensure a fair Subgrantee Selection Process:

- Communicated updates and BEAD Program materials to broadband stakeholders from ECD.Broadband@tn.gov. Emails included key updates to the timeline, BEAD-eligibility data, notifications of public comment periods and letter of intent forms, registration links to TNECD webinars and office hours, and additional guidance, including the new scoring rubric for the Benefit of the Bargain round shared June 26, 2025.
- Publicly posted all relevant materials and updates on the BEAD Program[9] page. This included the updated scoring rubric, key dates, PDF versions of the draft grant and qualification applications, registration links to webinars and office hours, and presentation materials following each event.
- TNECD hosted a variety of informational sessions open to stakeholders in the summer of 2025, including a Benefit of the Bargain webinar on June 26 and 3 Benefit of the Bargain office hours held on July 9, 11, and 15.
- TNECD evaluated Qualification applications according to criteria detailed in Tennessee's Initial Proposal Volume II and the BEAD Subgrantee Qualifications Evaluation Guide[10] published by NTIA. All organizations that did not meet the requirements of the Qualification application had curing opportunities. This included detailed notes of deficiencies, recommendations for correction, and a due date that corrections had to be addressed by. Curing timelines were consistent across all Qualification revisions requested.
- Technical evaluations of applications were conducted by an objective third-party contractor with technical and engineering experience. TNECD ensured consistent evaluations of applications through reviewer trainings and an established review process with multiple reviewers.
- Community support scoring for Round 1 and documentation reviews were conducted by a separate third-party contractor. Application evaluations conducted by separate teams reduces the risk of collusion, bias, and conflict of

[9] Tennessee Department of Economic and Community Development, Broadband Office, "BEAD Program," TN.gov, accessed August 25, 2025, https://www.tn.gov/ecd/rural-development/broadband-office/redirect-provider-resources/bead-program.html

[10] National Telecommunications and Information Administration. *BEAD Subgrantee Qualifications Evaluation Guide.* December 2023.

interest. Review teams were advised to escalate any concerns to TNECD promptly.

- TNECD employees adhere to standard policies and training outlined in the Initial Proposal Volume II[11] and listed below:
    - ECD Policy on Ethics, Conflicts of Interest, and Acceptance of Gifts
    - ECD Enterprise Risk Management Training
    - Policy Number 2013-007 - Central Procurement Office - Grant Management and Subrecipient Monitoring Policy and Procedures (amended June 21, 2023)
    - Policy Number 2013-004 - Central Procurement Office - Contract Management Policy and Procedures (amended January 20, 2022)
    - ECD Accounting Manual
- Reviewers documented all review notes and findings in TNECD's grants management portal.
- TNECD did not allow revisions for grant applications in Round 1 or the Benefit of the Bargain round.

The processes detailed above ensured a fair subgrantee selection process was conducted with appropriate safeguards against collusion, bias, conflicts of interest, arbitrary decisions, and any action that would undermine confidence in the process.

TNECD took the following steps to ensure an open Subgrantee Selection Process:

- As defined in Tennessee's Initial Proposal Volume II[12], all eligible organizations were permitted to participate in Tennessee's BEAD Program. Further, TNECD did not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from applying for a BEAD subgrant.
- All applicants had the same application window in the Qualification periods, Round 1 of the grant application, and the Benefit of the Bargain round. TNECD ensured all stakeholders received information at the same time by emailing and publicly posting the final BEAD-eligibility data and information regarding application timelines.
- TNECD's communication plan promoted participation from a wide variety of potential applicants.

[11] Tennessee Department of Economic and Community Development, *BEAD Initial Proposal, Volume 2*, 11–12.
[12] Ibid., 18.

- In accordance with the BEAD Restructuring Policy Notice[13], TNECD did not require organizations to commit to serving 100% of the BEAD-eligible BSLs in a PAU.

TNECD took the following steps to ensure a competitive Subgrantee Selection Process:

- Both Round 1 and the Benefit of the Bargain round of subgrantee selection were open to all technology solutions. A diverse range of technology types were proposed in the Benefit of the Bargain round as demonstrated by submissions of cable modem/hybrid fiber-coaxial (HFC), fiber-optic technology, low earth orbit (LEO), and terrestrial fixed wireless technology using a hybrid of licensed and unlicensed spectrum.
- Direct negotiations took place following the closure and scoring of applications. TNECD only negotiated with organizations that applied within the PAU during the Benefit of the Bargain round for the BSLs that were not initially awarded through the application process.
- TNECD appropriately adjusted the application scope following the Restructuring Policy Notice[14] by removing the application questions related to the eliminated regulatory requirements.

The impact of TNECD's efforts to run a fair, open, and competitive process are demonstrated in the results – Tennessee saw an increase of over 230 applications from Round 1 to the Benefit of the Bargain round.

1.3 Affirm that, when no application was initially received, the Eligible Entity followed a procedure consistent with the process approved in the Initial Proposal.

Every BEAD-eligible location in Tennessee had at least one application following the Benefit of the Bargain round.

1.4 If applicable, describe the Eligible Entity's methodology for revising its eligible CAI list to confirm with Section 4 of the BEAD Restructuring Policy Notice.

This was not applicable in Tennessee as TNECD applied the definition of a CAI in 47 U.S.C. §1702(a)(2)(E)[15] in Tennessee's Initial Proposal Volume I[16].

[13] U.S. Department of Commerce, *BEAD Restructuring Policy Notice*, 2025, 11.
[14] Ibid.
[15] United States Code, title 47, section 1702(a)(2)(E) (2024).
[16] Tennessee Department of Economic and Community Development, *BEAD Initial Proposal, Volume 1*, April 5, 2024, 5.

1.5 Certify that the Eligible Entity will retain all subgrantee records in accordance with 2 C.F.R § 200.334 at all times, including retaining subgrantee records for a period of at least 3 years from the date of submission of the subgrant's final expenditure report. This should include all subgrantee network designs, diagrams, project costs, build-out timelines and milestones for project implementation, and capital investment schedule submitted as a part of the application process.

Yes. TNECD certifies that it will retain all subgrantee records in accordance with 2 C.F.R § 200.334[17] at all times, including retaining subgrantee records for a period of at least 3 years from the date of submission of the subgrant's final expenditure report. This includes all subgrantee network designs, diagrams, project costs, build-out timelines and milestones for project implementation, and capital investment schedules submitted as a part of the application process.

Timeline for Implementation (Requirement 3)

3.1 Has the Eligible Entity taken measures to: (a) ensure that each subgrantee will begin providing services to each customer that desires broadband service within the project area not later four years after the date on which the subgrantee receives the subgrant; (b) ensure that all BEAD subgrant activities are completed at least 120 days prior to the end of the Eligible Entity's period of performance, in accordance with 2 C.F.R 200.334; and (c) ensure that all programmatic BEAD grant activities undertaken by the Eligible Entity are completed by the end of the period of performance for its award, in accordance with 2 C.F.R 200.344.

TNECD affirms that it will ensure that each BEAD subgrantee will begin to provide services to customers that desire broadband service not later than four years after the date on which the subgrantee receives the subgrant.

TNECD affirms that it will ensure that all BEAD-funded subgrant activities are completed at least 120 days prior to the end of TNECD's period of performance, in accordance with 2 C.F.R. 200.334[18]. Further, TNECD has established a deployment deadline of December 31, 2028, with the possibility of a one-year extension.

As shown in the table below, TNECD has ensured adherence to the above timeline requirements through the Benefit of the Bargain grant application, the subgrantee agreement, and in monitoring practices. Additionally, these procedures will verify that

[17] *Code of Federal Regulations*, title 2, section 200.334 (2024).
[18] Ibid.

subgrantees that made specific commitments in response to the "speed to deployment" scoring criteria meet the timelines stated in their applications. TNECD affirms that it will ensure the completion of all BEAD activities within the mandated timeframes, including requirements for subgrantee reporting and accountability.

Application	Organizations were required to provide narrative identifying how the proposed project will align with the BEAD NOFO[19] and meet the completion deadline, submit a detailed construction timeline, and complete budget feasibility overview. This content was evaluated by qualified reviewers to confirm the applicant's ability to meet Tennessee's deployment timeline. TNECD incentivized "speed to deployment" in its secondary criteria as points were given to applicants that made a binding commitment to begin service earlier than 2 years from the date the contract is executed. TNECD informed applicants that commitments were subject to contractual penalties in the BEAD Guidebook and in office hours.
Subgrantee Agreement	Includes a project timeline that establishes a binding commitment to provide broadband service to all customers in the project area who request it within four years of receiving the subgrant, and to complete all subgrant activities at least 120 days before the end of TNECD's performance period. Subgrantee agreements specify a deployment deadline of December 31, 2028, with the possibility of a one-year extension.
BEAD Monitoring Plan *(Requirement 4)*	The BEAD Monitoring Plan includes the following key practices to verify that subgrantees meet project timeline requirements: • Conduct desktop reviews and site visits to ensure compliance with BEAD requirements and assess construction progress. • Project status will be gathered through quarterly reporting and a final close-out report. Reports will include all forthcoming NTIA reporting requirements including project status, milestone completion, expenditures, performance testing results, and any changes in scope or schedule. • Penalties will be enforced for milestone-based reimbursement for missed milestones or non-compliance. • 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.

[19] National Telecommunications and Information Administration, *Notice of Funding Opportunity: Broadband Equity, Access, and Deployment Program* (BEAD NOFO), May 2022.

The above procedures are intended to give TNECD adequate time to close out subgrants in an orderly manner before the end of its period of performance. In alignment with 2 C.F.R. 200.334[20], TNECD affirms it will ensure that all BEAD-funded subgrant activities are completed no later than 120 days prior to the end of its performance period.

TNECD also affirms that all programmatic BEAD grant activities undertaken by TNECD will be complete by the end of the period of performance for its award. Accordingly, records will be maintained for each awarded subgrant that includes all information necessary to comply with BEAD Program requirements, federal requirements such as 2 C.F.R. 200, and Tennessee laws and regulations.

Oversight and Accountability Processes (Requirement 4)

4.1 Does the Eligible Entity have a public waste, fraud, and abuse hotline, and a plan to publicize the contact information for this hotline?

Yes. The Tennessee Comptroller's Office's waste, fraud, and abuse hotline number is (1)800-232-5454. Additional details can be found at Fraud, Waste, and Abuse[21].

4.2 Upload the following two required documents:

(1) BEAD program monitoring plan;

(2) Agency policy documentation which includes the following practice:

a) Distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursement basis (which would allow the Eligible Entity to withhold funds if the subgrantee fails to take the actions the funds are meant to subsidize) or on a basis determined by the terms and conditions of a fixed amount subaward agreement; and

b. Timely subgrantee (to Eligible Entity) reporting mandates.

See attachments at the TNECD BEAD Program page.

4.3 Certify that the subgrant agreement will include, at a minimum, the following conditions:

a) Compliance with Section VII.E of the BEAD NOFO, including timely subgrantee reporting mandates, including at least semiannual reporting, for

[20] 2 C.F.R. § 200.334.

[21] Tennessee Comptroller of the Treasury, "Fraud, Waste, and Abuse," accessed August 25, 2025, Tennessee Comptroller of the Treasury website.

the duration of the subgrant to track the effectiveness of the use of funds provided;

b) **Compliance with obligations set forth in 2 C.F.R. Part 200 and the Department of Commerce Financial Assistance Standard Terms and Conditions;**
c) **Compliance with all relevant obligations in the Eligible Entity's approved Initial and Final Proposals, including the BEAD General Terms and Conditions and the Specific Award Conditions incorporated into the Eligible Entity's BEAD award;**
d) **Subgrantee accountability practices that include distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursable basis;**
e) **Subgrantee accountability practices that include the use of clawback provisions between the Eligible Entity and any subgrantee (i.e., provisions allowing recoupment of funds previously disbursed);**
f) **Mandate for subgrantees to publicize telephone numbers and email addresses for the Eligible Entity's Office of Inspector General (or comparable entity) and/or subgrantees' internal ethics office (or comparable entity) for the purpose of reporting waste, fraud or abuse in the Program. This includes an acknowledgement of the responsibility to produce copies of materials used for such purposes upon request of the Federal Program Officer; and**
g) **Mechanisms to provide effective oversight, such as subgrantee accountability procedures and practices in use during subgrantee performance, financial management, compliance, and program performance at regular intervals to ensure that subgrantee performance is consistently assessed and tracked over time.**

Yes. TNECD certifies that the subgrant agreements, at a minimum, will include the above conditions.

Local Coordination (Requirement 5)

5.1 Describe the public comment period and provide a high-level summary of the comments received by the Eligible Entity during the public comment period, including how the Eligible Entity addressed the comments.

The Tennessee Department of Economic and Community Development (TNECD) publicly posted the Final Proposal, including all required CSVs and attachments, on the Tennessee BEAD Program page for a seven-day period. The public comment period

launched on August 28, 2025, and closed at 11:59 p.m. CT on September 3, 2025. At the outset, TNECD notified stakeholders via email and sent a reminder on the final day comments were accepted. In total, TNECD received comments from several respondents, representing a range of stakeholders, all of which were carefully reviewed in accordance with NTIA the Restructuring Policy Notice[22], Final Proposal Guidance for Eligible Entities[23], and applicable state and federal requirements.

Several themes emerged from the comments received. Three respondents requested that TNECD add additional "No BEAD" locations, but TNECD explained that revisions could not be made at this stage. Tennessee had already allowed providers to submit locations with supporting evidence during the summer 2024 Challenge Process, an additional planned location Challenge Process in November 2024, and through public comment periods before and after Round 1 of the BEAD Program. Two respondents questioned the types of awards made; TNECD did not incorporate these comments because award determinations were made in accordance with the Restructuring Policy[24] and NTIA guidance. Additional comments included recommendations to revise contract terms related to timelines and reimbursement structures, which TNECD did not incorporate in order to remain compliant with agency policies, state law, and federal guidance. One respondent also encouraged the use of non-deployment funds for adoption efforts. These funds were already included in the Final Proposal Funding Request and were justified in Requirement 12.

TNECD thanked public comment participants. While no material changes were incorporated into the Final Proposal as a result of the public comment period, the process provided valuable insights and ensured transparency. TNECD appreciates the engagement of stakeholders and remains committed to compliance with NTIA guidance, federal law, and state policy, as well as to maintaining open channels of communication as the BEAD Program moves into implementation.

Challenge Process Results (Requirement 6)

6.1 Certify that the Eligible Entity has successfully completed the BEAD Challenge Process and received approval of the results from NTIA.

Yes.

[22] U.S. Department of Commerce, *BEAD Restructuring Policy Notice*, 2025.
[23] National Telecommunications and Information Administration, *Final Proposal Guidance for Eligible Entities*, version 2.1, July 2025.
[24] U.S. Department of Commerce, *BEAD Restructuring Policy Notice*, 2025.

6.2 Provide a link to a website where the Eligible Entity has publicly posted the final location classification (unserved/underserved/CAIs) and note the date that it was publicly posted.

The final location classification is published on Tennessee's BEAD Program page. The NTIA-approved data was first publicly posted on February 7, 2025.

Unserved and Underserved Locations (Requirement 7)

Coverage of Unserved Locations

7.1 Certify whether the Eligible Entity will ensure coverage of broadband service to all unserved locations within its jurisdiction, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C § 1702(h)(2).

Yes. TNECD will ensure coverage of broadband service to all unserved locations within its jurisdiction, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C § 1702(h)(2)[25].

7.2 If the Eligible Entity does not serve an unserved location because it is either financially incapable or has determined that costs to serve the location would be unreasonably excessive, explain and include a strong showing of how the Eligible Entity made that determination.

7.3 (Optional): If applicable to support the Eligible Entity's response to Question 7.2, provide relevant files supporting the Eligible Entity's determination.

7.4 Certify whether the Eligible Entity will ensure coverage of broadband service to all underserved locations within its jurisdiction, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C § 1702(h)(2).

Yes. TNECD will ensure coverage of broadband service to all underserved locations within its jurisdiction, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C § 1702(h)(2)[26].

7.5 If the Eligible Entity does not serve an underserved location because it is either financially incapable or has determined that costs to serve the location would be unreasonably excessive, explain and include a strong showing of how the Eligible Entity made that determination.

[25] United States Code, title 47, section 1702(h)(2) (2024).
[26] 47 U.S.C. § 1702(h)(2).

7.6 (Optional): If applicable to support the Eligible Entity's response to Question 7.5, provide relevant files supporting the Eligible Entity's determination.

7.7 Certify that the Eligible Entity has utilized the provided reason codes to investigate and account for locations that do not require BEAD funding, that the Eligible Entity will utilize reason codes 1, 2, and 3 for the entire period of performance, and that the Eligible Entity will maintain documentation, following the guidelines provided by NTIA, to justify its determination if there is a reason to not serve any unserved or underserved location on the NTIA-approved final list of eligible locations through a BEAD project. The documentation for each location must be relevant for the specific reason indicated by the Eligible Entity in the fp_no_BEAD_locations.csv file. The Eligible Entity shall provide the documentation for any such location for NTIA review, as required during Final Proposal review or after the Final Proposal has been approved.

Yes. TNECD has utilized the provided reason codes to investigate and account for locations that do not require BEAD funding. TNECD will utilize reason codes 1, 2, and 3 for the entire period of performance, and will maintain documentation, following the guidelines provided by NTIA, to justify its determination when there is a reason to not serve any unserved or underserved locations on the NTIA-approved final list of eligible locations through a BEAD project. The documentation for each location is relevant for the specific reason indicated by TNECD in the fp_no_BEAD_locations.csv file. TNECD shall provide documentation for any such location for NTIA review, as required during Final Proposal review or after the Final Proposal has been approved.

7.8 Certify the Eligible Entity has accounted for all enforceable commitments after the submission of its challenge results, including state enforceable commitments and federal enforceable commitments that the Eligible Entity was notified of and did not object to, and/or federally-funded awards for which the Eligible Entity has discretion over where they are spent (e.g., regional commission funding or Capital Projects Fund/State and Local Fiscal Recovery Funds), in its list of proposed projects.

Yes. TNECD has accounted for all enforceable commitments after the submission of its challenge results, including state enforceable commitments and federal enforceable commitments that TNECD was notified of and did not object to, and/or federally-funded awards for which the Eligible Entity has discretion over where they are spent (e.g.,

regional commission funding or Capital Projects Fund/State and Local Fiscal Recovery Funds), in its list of proposed projects.

Implementation Status of Plans for Cost and Barrier Reduction, Compliance with Labor Laws, Low-Cost Plans, and Network Reliability and Resilience (Requirement 11)

11.1 Provide the implementation status (Complete, In Progress, or Not Started) of plans described in the approved Initial Proposal Requirement 14 related to reducing costs and barriers to deployment.

This requirement is in progress.

11.2 Affirm that the Eligible Entity required subgrantees to certify compliance with existing federal labor and employment laws.

Yes. TNECD affirms that subgrantees were required to certify their compliance with existing federal labor and employment laws in the Benefit of the Bargain application.

11.3 (Optional – Conditional on a 'No' Response to Intake Question 11.2): If the Eligible Entity does not affirm that subgrantees were required to certify compliance with federal labor and employment laws, explain why the Eligible Entity was unable to do so.

11.4 Certify that all subgrantees selected by the Eligible Entity will be required to offer a low-cost broadband service option for the duration of the 10-year Federal interest period.

Yes. TNECD affirms that all subgrantees selected by the Eligible Entity will be required to offer a low-cost broadband service option for the duration of the 10-year Federal interest period.

11.5 (Optional Conditional on a 'No' Response to Intake Question 11.4): If the Eligible Entity does not certify that all subgrantees selected by the Eligible Entity will be required to offer a low-cost broadband service option for the duration of the 10-year Federal interest period, explain why the Eligible Entity was unable to do so.

11.6 Certify that all subgrantees have planned for the reliability and resilience of BEAD-funded networks.

Yes. TNECD certifies that all subgrantees have planned for the reliability and resilience of BEAD-funded networks.

11.7 (Optional – Conditional on a 'No' Response to Intake Question 11.6): If the Eligible Entity does not certify that subgrantees have planned for the reliability and resilience of BEAD-funded networks in their network designs, explain why the Eligible Entity was unable to do so.

Substantiation of Priority Broadband Projects (Requirement 12)

12.1 Describe how the Eligible Entity applied the definition of Priority Project as defined in the Infrastructure Act and the BEAD Restructuring Policy Notice.

Applications were first assessed to determine if the proposed project merited "Priority Broadband Project" status consistent with directives outlined in the Infrastructure Investment and Jobs Act (IIJA) and the BEAD Restructuring Policy Notice[27]. Specifically, projects were evaluated to ensure that the project "provides broadband service at speeds of no less than 100 megabits per second for downloads and 20 megabits per second for uploads, has a latency less than or equal to 100 milliseconds, and can easily scale speeds over time to meet the evolving connectivity needs of households and businesses and support the deployment of 5G, successor wireless technologies, and other advanced services."

To ensure the networks built by applicants can easily scale speeds over time and meet the requirements set forth in 47 U.S.C.§1702(a)(2)(I)(ii)[28], TNECD has adopted the future speed threshold capability as outlined in the FCC's statement in its Section 706 Report, issued on March 14, 2024[29]. In relevant part, this report states that "we also establish a long-term fixed broadband speed goal of 1,000 Mbps, or 1 gigabit per second (Gbps), download speed paired with 500 Mbps upload speed." This same future threshold has further been established in the FCC RDOF program's Gigabit Speed Tier[30]. TNECD also required that future latency not exceed the current standard of 100 milliseconds. This approach was further enforced in BEAD FAQ 13[31] "The Eligible Entity may apply a metric such as 1,000/500 Mbps to determine the 'evolving connectivity needs of households and businesses' under the statutory definition of a Priority Broadband Project and require applicants to submit evidence that the network built by the project could reach this goal by the end of the Federal Interest Period (or extended LEO Capacity subgrant Period of Performance)."

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[27] U.S. Department of Commerce, *BEAD Restructuring Policy Notice*, 2025, 9.
[28] United States Code, title 47, section 1702(a)(2)(I)(ii) (2024).
[29] Federal Communications Commission, *Safeguarding and Securing the Open Internet, Report and Order* (FCC 24-27), March 2024, 2.
[30] *Code of Federal Regulations*, title 47, section 54.805(b)(3), "Rural Digital Opportunity Fund public interest obligations.
[31] National Telecommunications and Information Administration, *BEAD Frequently Asked Questions and Answers*, version 13, August 2025, 61.

TNECD further analyzed the impact of Tennessee's diverse geography on reliability and service quality in alignment with BEAD FAQ 13[32], which states that Eligible Entities may "consider the natural and physical features of a project area (including weather patterns) when determining the suitability of a proposed project." PAUs across the Appalachian Mountains, Cumberland Plateau, and the Great Smoky Mountains present steep elevation changes and rugged terrain that complicate deployment. Likewise, Tennessee's extensive forest canopy introduces line-of-sight barriers that diminish long-term service reliability across BSLs in certain PAUs. TNECD therefore conducted a canopy analysis to assess the natural and physical features of each PAU. TNECD considered project areas with 50% or greater tree canopy obstruction as non-priority.

Lastly, TNECD reviewed the effect of population density on scalability and performance in alignment with BEAD FAQ 13[33], which states that Eligible Entities may "consider the number of people or BSLs in the proposed project area when determining the suitability of a proposed project." In Tennessee's urban and suburban areas, broadband technologies must demonstrate the ability to sustain consistent speeds and low latency for all eligible BSLs simultaneously. Concentrated demand in these environments places greater strain on network resources and can expose capacity limitations. Therefore, the population density of eligible BSLs in a PAU informed TNECD's determination of Priority Broadband Projects.

Subgrantee Selection Certification (Requirement 13)

13.1 Provide a narrative summary of how the Eligible Entity applied the BEAD Restructuring Policy Notice's scoring criteria to each competitive project application and describe the weight assigned to each Secondary Criteria by the Eligible Entity. Scoring criteria must be applied consistent with the prioritization framework laid out in Section 3.4 of the BEAD Restructuring Policy Notice.

In deciding among competing applications, TNECD chose the option with the lowest cost based on minimal BEAD Program outlay. TNECD evaluated program costs according to the cost per passing, dividing the proposed BSLs by the cost to the program. TNECD selected the combination of project proposals with the lowest overall cost to the Program. In making these determinations, the state carefully evaluated how

[32] NTIA, *BEAD FAQs*, Aug. 2025, 44.
[33] Ibid., 44-45.

individual locations influenced total deployment costs to ensure the most economical approach to serving all BSLs. Where multiple applicants proposed to serve different BSLs within the same PAU, TNECD compared cost per passing across applications covering the same general project area, which allowed TNECD to maintain a standard evaluation.

In cases where an application serving the same general project area proposed a project cost within 15% of the lowest-cost proposal received for that same general project area on a per BSL basis, the following secondary scoring criteria was used:

Speed to Deployment. Greater consideration was given to applicants that made a binding commitment to begin service earlier than 2 years from the date the contract is executed. It was required for commitments to include a specific service delivery date that will be subject to contractual penalties. Applicants proposing earlier service provision dates received a competitive advantage in the evaluation process.

Speed to Deployment from Contract Execution Date

- 0 points - within 36 Months
- 2 points - within 33-35 Months
- 5 points - within 28-32 Months
- 8 points - within 25-27 Months
- 10 points - within 24 Months

Speed of Network and Other Technical Capabilities. The speed of networks and other technical capabilities of the technologies proposed by applicants were considered as part of the evaluation process.

Speed of Network – Download Speeds (Mbps)

- 0 points - 100
- 10 points - Greater than 100, but less than 250
- 20 points - Greater than 250, but less than 500
- 30 points - At least 500, but less than 1000
- 40 points - 1000

Speed of Network – Upload Speeds (Mbps)

- 0 points - 20
- 5 points - Greater than 20, but less than 250
- 10 points - Greater than 250, but less than 500

- 20 points - At least 500, but less than 1000
- 30 points - 1000

Other Technical Capabilities. Up to 30 points were awarded to applicants that demonstrated long term scalability measures that ensure proposed technologies are capable of higher speeds in the future. Details regarding planned infrastructure and technology (last mile, middle mile, backhaul, necessary hardware configurations, capacity measures, etc.) necessary to deliver scalable speeds for the applied for project area were taken into consideration. These considerations were made on a PAU by PAU basis. However, applications that did not make these demonstrations received zero points for this criteria.

- Up to 30 points - Yes
- 0 points - No

Preliminary Selected Awardees. 25 points were awarded to preliminarily selected subgrantees from Tennessee's BEAD Round 1.

- 25 points - Yes
- 0 points - No

Environmental and Historic Preservation Documentation (Requirement 14)

14.1 Submit a document which includes the following:

a) **Description of how the Eligible Entity will comply with applicable environmental and historic preservation (EHP) requirements, including a brief description of the methodology used to evaluate the Eligible Entity's subgrantee projects and project activities against NTIA's National Environmental Policy Act (NEPA) guidance. The methodology must reference how the Eligible Entity will use NTIA's Environmental Screening and Permitting Tracking Tool (ESAPTT) to create NEPA project records, evaluate the applicability of categorical exclusions, consider and document the presence (or absence) of Extraordinary Circumstances, and transmit information and draft NEPA documents to NTIA for review and approval.**

b) **Description of the Eligible Entity's plan to fulfill its obligations as a joint lead agency for NEPA under 42 U.S.C. 4336a, including its obligation to prepare or to supervise the preparation of all required environmental analyses and review documents.**

c) **Evaluation of the sufficiency of the environmental analysis for your state or territory that is contained in the relevant FirstNet Regional Programmatic Environmental Impact Statement (PEIS), available at https://www.firstnet.gov/network/environmental-compliance/projects/regional-programmatic-environmental-impact-statements.**

d) **Evaluation of whether all deployment related activities anticipated for projects within your state or territory are covered by the actions described in the relevant FirstNet Regional PEIS.**

e) **Description of the Eligible Entity's plan for applying specific award conditions or other strategies to ensure proper procedures and approvals are in place for disbursement of funds while projects await EHP clearances.**

See attachments at the TNECD BEAD Program page.

Consent from Tribal Entities (Requirement 15)

15.1 Upload a Resolution of Consent from each Tribal Government (in PDF format) from which consent was obtained to deploy broadband on its Tribal Land. The Resolution(s) of Consent submitted by the Eligible Entity should include appropriate signatories and relevant context on the planned (f)(1) broadband deployment including the timeframe of the agreement. The Eligible Entity must include the name of the Resolution of Consent PDF in the Deployment Projects CSV file.

Section is not applicable to Tennessee.

Prohibition on Excluding Provider Types (Requirement 16)

16.1 Does the Eligible Entity certify that it did not exclude cooperatives, nonprofit organization, public-private partnership, private companies, public or private utilities, public utility district, or local governments from eligibility for a BEAD subgrant, consistent with the requirement at 47 U.S.C § 1702(h)(1)(A)(iii)?

Yes. TNECD certifies that it did not exclude cooperatives, nonprofit organization, public-private partnership, private companies, public or private utilities, public utility distract, or local governments from eligibility for a BEAD subgrant, consistent with the requirement at 47 U.S.C § 1702(h)(1)(A)(iii)[34].

[34] United States Code, title 47, section 1702(h)(1)(A)(iii) (2024).

Waivers and Public Comment

17.1 If any waivers are in process and/or approved as part of the BEAD Initial Proposal or at any point prior to the submission of the Final Proposal, list the applicable requirement(s) addressed by the waiver(s) and date(s) of submission. If not applicable to the Eligible Entity, note 'Not applicable.'

Not applicable.

17.2 (Optional): If not already submitted to NTIA, and the Eligible Entity needs to request a waiver for a BEAD program requirement, upload a completed Waiver Request Form here. If documentation is already in process or has been approved by NTIA, the Eligible Entity does NOT have to upload waiver documentation again.

Not applicable.