

South Carolina Broadband Equity, Access, and Deployment (SC BEAD) Program

SC BEAD Program Guidance, Version: 1.0

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Purpose: This document offers guidance for applicants to support the completion of both the Pre-Qualification and Main Application for the SC BEAD Program. This document will be updated as appropriate and based on when various aspects of the program are launched, new guidance is issued, and decision points are made at the federal and state level.

For questions, please consult the FAQs and submit questions at https://arcg.is/1vrXK00

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Introduction and Overview

Guidance Document Version Statement

This document represents **version 1.0** and will be updated as appropriate over the course of time. As the South Carolina Broadband Office launches the main application phase of the SC BEAD program, when new guidance is published from the National Telecommunications and Information Administration (NTIA) and/or from other federal partners this document may change to reflect those updates. <u>This guidance is not intended to duplicate or supplant published guidelines from Pre-Qualification or Main Application phases respectively. It is intended to provide additional context for Applicants as they prepare for submitting required information, data, and associated documentation to the SCBBO as part of the SC BEAD program.</u>

BEAD Requirements Summary

As outlined by the NTIA, the BEAD program requires prospective subgrantees in each state to comply with a set of requirements. Below is a summary of the BEAD requirements. The Program Requirements section in this document details how those requirements relate to the specific submission components of the SC BEAD program.

REQUIREMENT	DESCRIPTION	
General Requirements (BEAD NOFO Section IV.D.1)	 All Eligible Entities shall ensure that prospective subgrantees: Are capable of carrying out activities funded by the subgrant in a competent manner in compliance with all applicable federal, Eligible Entity, and local laws; Have the financial and managerial capacity to meet the commitments of the subgrantee under the subgrant, the requirements of the Program, and such other requirements as have been prescribed by the Assistant Secretary or the Eligible Entity; and Have the technical and operational capability to provide the services promised in the subgrant in the manner contemplated by the subgrant award. 	
Financial Capabilities (BEAD NOFO Section IV.D.2.a)	Prospective subgrantees must demonstrate they will maintain the financial capabilities to carry out the project(s) as prescribed in the BEAD NOFO. This must include a Letter of Credit, audited financial statements, and sustainability / pro forma analyses.	
Managerial Capability (BEAD NOFO Section IV.D.2.b)	Prospective subgrantees must demonstrate they hold the managerial capability and experience to effectively carry out the project(s) as prescribed in the BEAD NOFO. This must include resumes of all key management staff, an organizational chart, and narrative explanation on managerial readiness.	
Technical Capability (BEAD NOFO Section IV.D.2.c)	Prospective subgrantees must demonstrate the technical qualifications and the subgrantee's ability to carry out the project(s) as prescribed in the BEAD NOFO. This includes various documentation including network designs and diagrams, detailed project costs, built-out timelines, a capital investment schedule, and other items.	
Compliance with Laws (BEAD NOFO Section IV.D.2.d)	Prospective subgrantees must demonstrate that they can carry out funded activities in a competent manner in compliance with all applicable Federal, State, Territorial, and local laws. This includes adherence to safety and health requirements for workers.	

REQUIREMENT	DESCRIPTION
Operational Capability (BEAD NOFO Section IV.D.2.e)	Prospective subgrantees must demonstrate operational capability in providing a voice, broadband, and/or electric transmission or distribution service.
Ownership (BEAD NOFO Section IV.D.2.f)	Prospective subgrantees must provide a comprehensive disclosure of their ownership information, adhering to the specifics laid out in 47 C.F.R.§1.2112(a)(1)-(7). This regulation mandates the full disclosure of direct and indirect ownership interests, including details of any parties with a 10% or more stake, the nature of the interest, and the inter-relationships with any FCC-regulated entities.
Other Public Funding (BEAD NOFO Section IV.D.2.g)	Prospective subgrantees, along with their affiliates, must fully disclose all submitted and planned applications of broadband deployment projects funded by public sources.
Fair Labor Practice and Highly Skilled Workforce (BEAD NOFO Section IV.C.1.e)	Prospective subgrantees must demonstrate past compliance with federal labor and employment laws. Prospective subgrantees will demonstrate plans for future compliance and will deliver a workforce plan that will detail their project credentialed delivery team.
Environmental and National Historic Preservation (BEAD NOFO Section VII.D.4)	Prospective subgrantees must comply with National Environmental Policy Act (NEPA) (42 U.S.C. part 4321 et seq.) and National Historic Preservation Act (NHPA) (54 U.S.C. part 300101 et seq.), provide documentation to support a NEPA analysis, take feasible measure to reduce adverse environmental impacts, and obtain appropriate permitting.
Build America, Buy America (BEAD NOFO Section VII.D.6)	Prospective subgrantees must comply with the Build America, Buy America Act, which requires all materials to be produced in the United States unless a waiver is granted. Applicants will provide evidentiary proof of compliance
Cyber Security and Supply Chain Risk (BEAD NOFO Section IV.C.2.c.vi)	Prospective subgrantees must demonstrate flexibility in addressing evolving threats through the provision of a Cybersecurity Risk plan and a Supply Chain Risk Management plan.
Affordability (BEAD NOFO Section IV.C.2.c.i)	Prospective subgrantees must offer at least one low-cost broadband service option (LCBSO) that is consistent with the requirements set forth in the South Carolina Initial Proposal (Volume II 02.12.01).

SC BEAD Pre-Qualification and Main Application

The SCBBO intends to collect information in two phases:

- 1. **Pre-Qualification**, which will capture relevant gating criteria from prospective subgrantees and serve as a prerequisite to a Main Application.
- 2. **Main Application**, which will include detailed application packages submitted on a per project basis from prospective subgrantees that have been successfully gated during the Pre-Qualification phase. Guidelines for the Main Application are forthcoming.

The applications and all requested and/or relevant attachments must be uploaded to the Office of Regulatory Staff (ORS) Citrix ShareFile site under the "BEAD Pre-Qualification" folder. If a prospective subgrantee (hereafter referred to as "Applicant") does not have access to Citrix ShareFile, complete the BEAD Prospective Subgrantee Program Access Form located here <u>https://arcg.is/101ueC2</u> and access will be granted by the SCBBO. Submissions should be submitted on time. In instances where negotiations are required, Pre-Qualification and Main Application may be reopened at the SCBBO's sole discretion for all applicants to ensure a fair, open, and competitive process. See below for all required prequalification sections described in detail.

Purpose of the Pre-Qualification Phase

In accordance with the BEAD Notice of Funding Opportunity (NOFO) Guidelines and the SCBBO approved Initial Proposal Volume II, the Pre-Qualification phase will capture relevant information and gating criteria from prospective subgrantees. This information enables the SCBBO to identify potential issues and/or concerns and prequalify applicants for the SC BEAD program. Applicants should be forthcoming and transparent when providing requested information to allow the SCBBO to properly assess for Pre-Qualification. Further, to the extent applicants identify substantive changes to the information provided in the Pre-Qualification phase, applicants should promptly notify the SCBBO within five (5) business days. The gating criteria considers prospective subgrantee characteristics, such as:

- [Applicant] Is capable of carrying out activities funded by the subgrant in a competent manner and in compliance with all applicable federal, state, and local laws;
- [Applicant] Has the financial and managerial capacity to meet the commitments of the subgrantee under the subgrant, the requirements of the SC BEAD Program, and such other requirements as prescribed by the Assistant Secretary or the State; and
- [Applicant] Has the technical and operational capability to provide the services promised in the subgrant in the manner contemplated by the subgrant award.

Reimbursement for Pre-Award Costs

SCBBO may allow up to \$100,000 reimbursement for actual pre-award costs incurred by the Applicant, assuming the Applicant properly documented and accounted for the pre-award cost in their overall project budget and is awarded a project by the SCBBO. Pre-award costs are incurred at the sole risk of the Applicant and will not be reimbursed by the SCBBO if the proposed project or other eligible activity does not receive an award pursuant to the SC BEAD program. Eligible pre-award costs include development of an Applicant's Workforce Plan, Cybersecurity Plan, Supply Chain Risk Management Plan, Financial Audits, and Preliminary Engineering. Eligible pre-award expenses must be outlined in the Applicant's grant application during the Main Application phase of the SC BEAD Program to be considered for reimbursement as a pre-award cost and associated expense in the event an award is issued by the SCBBO in consultation with NTIA.

Scoring – To Be Conducted During Main Application phase

Submitted applications will be scored on a pre-defined scoring rubric approved by the NTIA in South Carolina's Initial Proposal Volume II. Below is a high-level overview of the scoring criteria.

CRITERIA	WEIGHT	DETERMINATION
Average Cost Per	25	Lowest match of funding requested by Applicant receives full points
Structure and Financial Match Percentage	20	Lowest average cost per structure, which will be calculated based on the total project cost divided by the total of BSLs in the application, receives full points. More expensive average cost per structure amounts will receive a percentage of points relative to the lowest cost for the same ZCTA.
1 Gbps/1Gbps Customer Affordability Plan	25	(Priority Broadband Projects) The lowest service package cost of gigabit symmetric service will receive full points. More expensive service packages will receive a percentage of points relative to the lowest service package cost per month for the same ZCTA, inclusive of all taxes, fees, and charges billed to the customer.
		(Other Last-Mile Broadband Deployment Projects) The lowest service package cost of 100Mbps/20Mbps service will receive full points. More expensive service packages will receive a percentage of points relative to the lowest service package cost per month for the same ZCTA, inclusive of all taxes, fees, and charges billed to the customer.
Fair Labor Practice History		Submit a plan for ensuring compliance with Federal labor and employment law. Any applicant that certifies a record of past compliance with Federal labor and employment law with respect to broadband deployment projects, as supported by submitted information as specified in IPV2 section 2.7.1.
	20	Applicants that cannot certify compliance with Federal labor and employment law with respect to broadband deployment projects within the last three years, including new entrants that have not completed a broadband deployment project in that time frame, shall be eligible for points for producing forward-looking commitments to strong labor and employment standards and protections with respect to BEAD-funded projects.
		Applicant to provide a plan for ensuring compliance with federal labor and employment laws or forward -looking commitments for those who cannot certify compliance as specified in section 2.7.1 below shall receive 10 points.
		Applicants may also achieve additional points (2 points per up to 10 points maximum), to the total category maximum of 20 points, based on including in their workforce plans additional elements as specified below:
		1. Using a directly employed workforce, or subcontractors with a workforce that is based in South Carolina. (As listed in section 2.7.2 in the NOFO)
		2. Use of local hire provisions, or evidence of targeted training and hiring of South Carolina residents in proximity of the project. (Follows closely with item D, in section 2.7.2 of the NOFO)
		3. Use of programs to establish an appropriately credentialed workforce and opportunities for employees to obtain additional occupational training,

		certification, and licensure. (As listed in section 2.7.2 in the NOFO)
		4. Taking measures to prevent misclassifications of workers. (As listed in section 2.7.2 in the NOFO)
		5. Leveraging apprenticeships (Addresses use of an appropriately skilled workforce to support broadband deployment)
		6. Participation in federal workforce training. (To ensure prospective sub- grantees will comply with Federal labor and employment laws)
		Applicants are encouraged to submit a single statewide workforce plan that applies to all applications.
Speed to Deployment	10	The applicant's score will be based on the total number of months from project start to completion. Total number of months will be calculated from a start date listed in the SCBBO guidelines and a project completion date determined by the applicant based on the date the last BSL is provided access in the project. Applicants who commit to completing a project in 48 months will receive zero points.
	A 1% reduction on the match rate requested from the SCBBO will be applied on a per month basis to the ISP if the project is not completed by the project completion date listed in the application.	
Speed to Deployment*		The applicant's score will be based on the total number of months from project start to completion. Total number of months will be calculated from a start date listed in the SCBBO guidelines and a project completion date determined by the applicant based on the date the last BSL is provided access in the project. Applicants who commit to completing a project in 48 months will receive zero points.
		A 1% reduction on the match rate requested from the SCBBO will be applied on a per month basis to the ISP if the project is not completed by the project completion date listed in the application.
	The applicants score will be based on maximum reliable download and upload speeds that can be achieved and the proposed technology. The proposed technology may not have a latency that exceeds 100 milliseconds. In addition, the applicant must document how the proposed technology can add incremental capacity in a cost-effective manner and achieve the speeds proposed.	
Speed of Network and Other		Scores will be determined by the table listed below in which the applicant's maximum reliable download and upload speeds fall into:
Technical	5	1 Gbps/ 1 Gbps: 5 points
Capabilities*		800 Mbps / 800 Mbps: 4 points
		600 Mbps / 600 Mbps: 3 points
		400 Mbps / 400 Mbps: 2 points
		200 Mbps / 200 Mbps: 1 point
		< 100 Mbps / 100 Mbps: 0 points
		Additionally, the point value awarded above will be adjusted based on the

technology proposed, total field scores to not score less than 0:
Cable: 0 points removed
Fixed Wireless: 1 point removed
Satellite: 1.5 points removed

*Note: Only required for selection among other Last-Mile Broadband Deployment Projects. Only subgrantees that successfully complete the pre-qualification application are eligible to participate.

Program Requirements

Note: SCBBO may deny an application if an Applicant's submission is determined incomplete. Only Applicants that successfully complete the Pre-Qualification Application phase will be eligible to submit ZCTA-based project applications for consideration during the Main Application phase of the SC BEAD grant program or be considered for any potential direct negotiations. In addition, Pre-Qualification and Main Application may be reopened at the SCBBO's sole discretion for all applicants to ensure a fair, open, and competitive process.

The following outline types of submission types for the various SC BEAD requirements:

- *Certification* Certifications are formal acknowledgements that an applicant meets the requirement outlined within that SC BEAD requirement section.
- *Confirmation* Confirmations are meant to verify and document the applicant understands key elements of the Pre-Qualification and Main Application. Often, confirmations work as an acknowledgement These confirmations are outlined to verify the Applicant understands key elements associated with SC BEAD funding. Please read each confirmation in full, as seen below.
- *Attachment* Attachments must be uploaded to the SCBBO Citrix ShareFile, within the file structure outlined by SCBBO.
- *Narrative Response* Narrative responses are open-ended response fields for applicants to provide written answers to the requested information.

Note: Prior to submitting your Pre-Qualification application, both the Certification and Confirmation sections should be marked "Yes" or "Agree" to all.

Section 1: General Requirements

The Applicant will be expected to provide the SCBBO with information about their legal entity/organization and key information including registration and identification numbers, primary contacts, and organization structure. This information is critical for gating and ensuring the Applicant has the proper credentials before selection as a subgrantee.

Affidavit

The Applicant must provide a signed copy of the required affidavit (template provided) certifying Pre-Qualification is complete and accurate.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ form</u>.

Section 2: Financial Capabilities

The purpose of this section is to educate prospective applicants of the materials required for submission outlined by the <u>BEAD NOFO Section IV.D.2.a</u> and collect information on prospective applicant's financial capacity. This will enable the SCCBO to evaluate the Applicant's financial capability to meet their obligations if selected as a subgrantee.

Qualifying operating and/or financial reports (if applicable)

Applicants that have only operated electric transmission or distribution services are required to provide qualified operating or financial reports that the Applicant has filed with the relevant financial institution for the relevant time period along with a certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution.

Acceptable submissions for this purpose will be the Rural Utilities Service (RUS) Form 7, Financial and Operating Report Electric Distribution; the RUS Form 12, Financial and Operating Report Electric Power Supply; the National Rural Utilities Cooperative Finance Corporation (CFC) Form 7, Financial and Statistical Report; the CFC Form 12, Operating Report; or the CoBank Form 7; or the functional replacement of one of these reports. See Rural Digital Opportunity Fund Order, 35 FCC Rcd at 719, n. 202.

Model letter of credit for each subgrant agreement

The Applicant must provide a model letter of credit for each subgrant agreement. At the Main Application phase, prospective subgrantees shall be required to 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 standby letter of credit, in the required form, to the prospective subgrantee at the time of Main Application submittal.

As defined by the <u>BEAD Subgrantee Qualification Guidance 2.1.1</u>, the Applicant must produce documentation that meets the following criteria:

Using the SCBBO template model letter of credit, prospective subgrantees must submit a letter from:

- An eligible bank or credit union committing to issue an irrevocable standby letter of credit in the form established by the Eligible Entity; or
- A certified surety on federal bonds committing to issue the prospective subgrantee a performance bond.

Before finalizing any subgrantee agreement, the prospective subgrantee must obtain:

- A standby letter of credit in the form established by the Eligible Entity valued at no less than 10% of the subaward amount; or
- A performance bond acceptable in all respects to the Eligible Entity in a value of no less than 100% of the subaward amount; or

The SCBBO may elect to issue funding on a reimbursable basis for periods of no more than six months and permit subgrantees to maintain a letter of credit or performance bond valued at 10% of the subaward amount.

The SCBBO may elect to permit subgrantees to reduce the amount of the letter of credit or performance bond upon achievement of specific deployment milestones.

Letters of credit, but not performance bonds, must be accompanied by an opinion letter from third-party legal counsel clearly stating, subject only to customary assumptions, limitations, and qualifications, that in a proceeding under Title 11 of the United States Code, 11 U.S.C. § 101 et seq. (the "Bankruptcy Code"), the bankruptcy court will not treat the letter of credit or proceeds of the letter of credit as property of the winning subgrantee's bankruptcy estate under Section 541 of the Bankruptcy Code.

Evidence of funds to cover all project costs

The Applicant will provide evidence of having the necessary funds to cover all project costs that exceed the amount of the grant. Examples may include but not limited to Bank Statements and Year End Financial statements

Section 3: Managerial Capability

The purpose of this section is to educate prospective applicants of the materials required for submission outlined by the <u>BEAD NOFO Section IV.D.2.b</u> and collect information on prospective applicant's managerial capacity. This will enable the SCCBO to evaluate the Applicant's capability to effectively

manage the project and determine readiness of the prospective subgrantee.

Organizational Chart

The Applicant must provide organizational chart(s) detailing all parent companies, subsidiaries, and affiliates.

Managerial Readiness

The Applicant will provide a narrative of relevant organizational management policies and procedures, such as organizational changes, management continuity plans, regulatory compliance, labor, wages, workplace health and safety, and training. These narratives must communicate the policies and procedures currently in place. The narratives must:

- Provide information on recent and upcoming organizational changes including mergers and acquisitions, system changes and anticipated policy changes.
- Describe the Applicant's overall policies and procedures to ensure that any awarded project is completed in compliance with all applicable laws and regulations.
- Describe the Applicant's experience and qualifications of key managements' experience in undertaking projects of similar size and scope.

Information to include about the projects should reference, but is not limited to:

- Total cost of project
- Total connections made and customer adoptions
- Number of fiber miles or number of new serviceable locations
- Geographies/locations served
- Project Timeline from design to connection of first customer
- Point of contact for each project. (Name and Email)

Please refer to the <u>BEAD NOFO Section IV.D.2.b</u> for additional guidance.

Section 4: Technical Capability

The purpose of this section is to educate prospective applicants of the information required for submission outlined by the <u>BEAD NOFO Section IV.D.2.c.</u> This will enable the SCCBO to evaluate if the Applicant has the technical qualifications and experience to fulfill the commitment to construct and operate the project.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ form</u>.

Section 5: Compliance with Laws

The purpose of this section is to educate prospective applicants of the information required for submission outlined by the <u>BEAD NOFO Section IV.D.2.d.</u> This will enable the SCCBO to ensure that prospective subgrantees have a history of compliance with federal, state, and local laws and remain in good standing. Applicants must demonstrate ability to complete the Project in accordance with all applicable laws.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ form</u>.

Section 6: Operational Capability

The purpose of this section is to educate prospective applicants of the information required for submission outlined by the <u>BEAD NOFO Section IV.D.2.e</u>. This will enable the SCCBO to evaluate the Applicant's operational capability to operate the project. Applicants will disclose their history within the telecommunications market.

• <u>BEAD NOFO Section IV.D.2.e</u>: New entrants to the broadband market must describe how they have obtained, through internal or external resources, sufficient operational capabilities. Such evidence may include resumes from key personnel, project descriptions and narratives from contractors, subcontractors, or other partners with relevant operational experience, or other comparable evidence.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ</u> form.

Section 7: Ownership

The purpose of this section is to educate prospective applicants of the materials and disclosure required for submission outlined by the <u>BEAD NOFO Section IV.D.2.f</u>. This will enable the SCCBO to best understand the ownership structure of the legal entity applying for funding. The information requested is informed by the requirements described in <u>47 C.F.R. § 1.2112(a)(1)-(7)</u>. As a starting point, an Applicant may refer to its latest filed FCC Form 602.

The Applicant is required to complete the Ownership Interests Held by Applicant Table (7.2) in the Pre-Qualification Application. Provide details on any FCC-regulated entity or Applicant for an FCC license in which the Applicant, or any of the Owners identified in Table (7.1), owns 10 percent or more of stock whether voting or nonvoting, common or preferred.

• Applicant ownership information: The SCBBO requires that you disclose the parties that have a 10% ownership interest or have the capacity to exercise an equivalent amount of control.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ form</u>.

Section 8: Other Public Funding

The purpose of this section is to educate prospective applicants of the materials required for submission outlined by the <u>BEAD NOFO Section IV.D.2.g</u>. This will enable the SCCBO to understand the Applicant's prospective and awarded funding for the broadband project. Applicants are required to submit all required documents to be considered for funding.

- <u>BEAD NOFO Section IV.D.2.g</u> The Applicant will, at the time of the Main Application disclose any other financial commitments that have been made with any Federal, State, or Local Funds and will update the SCBBO with any new relevant information by completing the template provided by the SCBBO.
- <u>BEAD NOFO Section IV.D.2.g</u> The Applicant will, at the time of the Main Application

disclose any other BEAD grant applications or other financial applications that have been made to other counties and/or States and will update the SCBBO with any new relevant information by completing the template provided by the SCBBO.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents questions should be submitted to the SCBBO through the <u>SC BEAD FAQ form</u>.

Section 9: Fair Labor Practice and Highly Skilled Workforce

The purpose of this section is to educate prospective applicants of the materials required for submission outlined by the <u>BEAD NOFO Section IV.C.1.e</u> and Section IV.C.1.f. This will enable the SCCBO to understand the safeguards that will be in place for employees while at the same time, utilizing a highly skilled workforce. Applicants are required to submit all required documents to be considered for funding.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ</u> form.

Section 10: Environmental and National Historic Preservation

The purpose of this section is to educate prospective applicants of the materials required for submission outlined by the <u>BEAD NOFO Section VII.D.4</u>. This will ensure that Applicants are committed to applicable environmental laws.

Applicants will complete an Environmental Checklist which must correspond with anticipated permit timelines and its potential impact to project schedules. Additional guidance is forthcoming.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ</u> form.

Section 11: Build America, Buy America

The purpose of this section is to educate prospective applicants of the materials required for submission outlined by the <u>BEAD NOFO Section VII.D.6</u> The Applicant will provide a preference for the procurement or use of goods, products, or materials produced in the United States as described in 2 C.F.R. 200.322 and Executive Order 14005 Ensuring the Future is Made in All by All of America's Workers (January 25, 2021), unless otherwise waived by the NTIA Build America Buy America Waivers. The Applicant will provide a narrative, during the pre-qualification phase, describing detailed plans outlining the organization's approach to remain compliant with BABA requirements for proposed BEAD projects.

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ form</u>.

Section 12: Cybersecurity and Supply Chain Risk Management Compliance

The purpose of this section is to educate prospective applicants of the materials required for submission outlined by the <u>BEAD NOFO Section IV.C.2.c.vi.</u>

No further guidance is provided for this section of the grant application. Applicants should review the Guidelines and the <u>SC BEAD FAQ</u> if additional questions remain. If an Applicant needs additional feedback after reviewing these documents, questions should be submitted to the SCBBO through the <u>SC BEAD FAQ form</u>.

Section 13: Affordability

The Applicant must offer at least one Low-Cost Broadband Service Option (LCBSO) that is consistent with the requirements set forth in the <u>SC IPV2 02.12.01</u> and the <u>BEAD NOFO Section IV.C.2.c.i</u>.

Provided below is an excerpt from SCBBO's approved Initial Proposal pertaining to the SCBBO's Low-Cost Broadband Plan for Applicant's supplemental context:

Applicants must identify a LCBSO consistent with the South Carolina Initial Proposal Volume II 02.12.01:

"As required in the BEAD Notice of Funding Opportunity (NOFO), subgrantees receiving BEAD funds to deploy broadband infrastructure must offer a "low-cost broadband service option" that is available to customers for the useful life of the network assets. Without the establishment of an approved low-cost broadband service option, the NTIA will not open to the State of South Carolina its additional allocation of \$546,535,983.05 in BEAD funds. Accordingly, the SC Broadband Office (SCBBO) establishes the low-cost broadband service option below only to avail the State of its additional \$546,535,983.05 in allocated BEAD funds and, the SCBBO is not claiming the right, nor making an attempt, to rate regulate. The SCBBO is establishing this low-cost plan only pursuant to the requirements set forth in the BEAD NOFO as provided in Section 2.c.i. Affordability and Low-Cost Plan Service Obligations for Subgrantees Deploying Network Projects (page 66) to ensure the State may avail itself of the additional BEAD funding allocated by the NTIA for broadband-related activities in South Carolina. Accordingly, the (SCBBO) Office of Broadband defines a low-cost service option as the following:

The applicant offers a service option that meets, at a minimum, the following criteria:

- Is set at a price that is affordable to the eligible population, defined as those eligible for the Affordable Connectivity Program or its successor or within the range of \$30.00 to an amount not to exceed \$75.00. This range is based upon data obtained from the SCBBO's previous ARPA-related grant rounds and conversations with internet service providers regarding feasible plan pricing options that may be offered in broadband expansion award areas. The offerings for lowest cost plans ranged between \$30.00 and \$75.00. In making awards pursuant to BEAD, the Internet Service Provider is not evaluated on the individual components of its low-cost plan, but only whether it offers a qualifying low-cost plan.
 - Upon the completion of five years from the end of this calendar year (December 31, 2029), the SCBBO will review the range of \$30.00 to \$75.00 and assess whether market conditions still support the original low-cost plan range of \$30.00 to \$75.00. If market conditions justify a change to the range either up or down the SCBBO will coordinate with NTIA to make appropriate adjustments.
- Justification on why such option is affordable to the eligible population. The applicant

may establish a low-cost service option below \$30/month.

- The price identified, as well as the provisions identified below, for this service option will be a contractual requirement of awardees for the useful life of the network assets, which is defined as 10 years for the purpose of this section. This price shall be indexed to Consumer Price Index, as outlined by the U.S. Bureau of Labor Statistics.
- Allows the end user to apply the Affordable Connectivity Program benefit subsidy to the service price and makes a demonstrable effort to inform prospective customers of these programs and the steps necessary to enroll and apply the benefit to the service plan.
- Consistently and reliably provides download speeds of at least 100 Mbps and typical upload speeds of at least 20 Mbps.
- Provides typical latency measurements of no more than 100 milliseconds.
- Is not subject to data caps, surcharges, or usage-based throttling, and is subject only to the same acceptable use policies to which subscribers to all other broadband internet access service plans offered to home subscribers by the participating subgrantee must adhere.
- In the event the applicant later offers a low-cost plan with higher speeds downstream and/or upstream, permits Eligible Subscribers that are subscribed to a low-cost broadband service option to upgrade to the new low- cost offering at little to no cost.
- Participation in the Affordable Connectivity Program (ACP), and encouraged to ensure that prospective customers are aware of their participation in the ACP. The applicant is encouraged to participate in any successor broadband subsidy programs should funding for the Affordable Connectivity Program be depleted and the Program not renewed.
- Must be made available to those who [would have] qualif[ied] for the FCC's Affordable Connectivity Program.
- No impose additional eligibility restrictions beyond those applicable to the ACP. In the event that funding for the ACP is not replenished and the National Verifier is no longer available, the SCBBO will defer to NTIA clarification on how low-cost service option eligibility verification should occur."

Designated Contacts

The following contacts are the primary sources for information and management over the duration of the South Carolina BEAD program.

Jim Stritzinger	Michael Herzberger
Director	Deputy Director
South Carolina Broadband Office	South Carolina Broadband Office
South Carolina Office of Regulatory Staff	South Carolina Office of Regulatory Staff
BEAD@ORS.SC.GOV	BEAD@ORS.SC.GOV

Questions

Questions must be submitted using the SCBBO BEAD Comment form available at: South Carolina BEAD FAQ Form (arcgis.com) prior to the close of the Pre-Qualification Period. A Frequently Asked Questions ("FAQ") document will be published with answers to questions. Individual responses will not published website provided. FAQ ORS be An has been on the at: https://ors.sc.gov/broadband/office/investments/state/bead.

Appendix A – Additional Guidance

SITE	LINK
NTIA BEAD Notice of Funding Opportunity	https://broadbandusa.ntia.doc.gov/sites/default/files/2022- 05/BEAD%20NOFO.pdf
NTIA BEAD Frequently Asked Questions	https://broadbandusa.ntia.doc.gov/sites/default/files/2024- 03/Broadband_Equity_Access_Deployment_Program_Frequ ently_Asked_Questions_Version_6.0.pdf
NTIA BEAD Subgrantee Qualifications Evaluation Guide	https://broadbandusa.ntia.gov/sites/default/files/2023- 12/BEAD_Subgrantee_Qualifications_Evaluation_Guide.pdf
NTIA Prevailing Wage Overview	https://broadbandusa.ntia.doc.gov/sites/default/files/2023- 08/Prevailing_Wage_Overview_and_Resources.pdf
Department of Labor Davis-Bacon and	https://www.dol.gov/agencies/whd/government-
Related Acts Resources	contracts/construction
SC BEAD Site	https://ors.sc.gov/broadband/office/investments/state/bead
SC Small and Minority Business Division	https://cma.sc.gov/small-and-minority-business-division
South Carolina Works	https://jobs.scworks.org/vosnet/default.aspx

Appendix B – Definitions

Broadband Serviceable Locations ("BSL") - A broadband serviceable location is defined as "a business or residential location in the United States at which fixed broadband Internet access service is, or can be, installed." A residential BSL includes all residential structures, including structures that are (or contain) housing units or group quarters (as those terms are defined by the United States Census Bureau). A business BSL includes "all non-residential (business, government, non-profit, etc.) structures that are on property without residential locations and that would expect to demand Internet access service."

Eligibility Map – Consistent with the process outlined in the Initial Proposal Volume I, SCBBO completed a Challenge Process based on analysis of the Federal Communication Commission's Broadband Availability Map Fabric v3.2. ISPs, units of local and tribal government, and non-profit organizations were eligible to participate in the Challenge Process. SCBBO will make available the list of unserved and underserved BSLs, along with eligible Community Anchor Institutions, will be made available on Citrix ShareFile in the BEAD "Maps and Data Folder" upon the completion of the post-challenge process outlined in Volume 1 of the Initial Proposal and subsequent approval from the NTIA of the acceptance of BSLs eligible for BEAD funding.

Eligible Entity – The term "Eligible Entity" means the South Carolina Broadband Office (SCBBO).

Reliable broadband service – The term "Reliable Broadband Service" means broadband service that is accessible to a location via:

- fiber-optic technology (BDC technology code 50)
- cable modem/hybrid fiber-coaxial (HFC) technology (technology code 40)
- digital subscriber line (DSL) technology (technology code 10)
- terrestrial fixed wireless technology utilizing entirely licensed spectrum (includes spectrum licensed by rule) or using a hybrid of licensed and unlicensed spectrum (technology codes 71 and 72)

Served – A BSL as defined by the FCC is considered served if standard broadband service at reliable speeds of 100/100 megabits per second ("Mbps") download/upload is available to the residence or business via wire line cable or fiber connection at no additional charge for aid in construction cost (standard hookup fees are excluded from this provision). If the broadband customer is asked or required to bear the additional costs to construct a drop or line to the residence or business to obtain broadband service at reliable speeds of 100/100 Mbps download/upload, then the structure is considered unserved.

Unserved – Any BSL at which standard broadband service at reliable speeds of 100/20 Mbps download/upload is unavailable to the BSL without additional charge for aid in construction cost as of the completion of the Challenge Process. Note, cellular fixed wireless or wire-lined copper connections via dial up (or DSL) connection is considered unserved.

Underserved – Any BSL at which standard broadband service at reliable speeds of greater than Unserved (100/20) but at a speed less than 100/100 Mbps for download/upload, latency greater than or equal to 100 milliseconds, or any location affected by the SCBBO modification (DSL and Cellular Fixed-Wireless)

Partnerships - Any documented collaboration between an Applicant and a third party.

Network Resiliency – Broadband Infrastructure that provides continuous business operation (i.e., highly resistant to disruption and able to operate in a degraded mode if damaged), rapid recovery if failure does occur, and the ability to scale to meet rapidly changing or unpredictable demands.

Priority broadband project: This means a project that will provision service via end-to-end fiber-optic facilities to each end-user premises.