



Broadband Policy & Development
Office of the Governor of the CNMI

INTERNET FOR ALL

Initial Proposal Volume 2

CNMI



Commonwealth of the Northern Mariana Islands
Office of the Governor
Broadband Policy and Development

NTIA acknowledges that formatting throughout the document has been updated in the version that CNMI has posted for public comment, as well as minor additions such as requirement and sub-requirement instructions.

MESSAGE FROM THE OFFICE OF THE GOVERNOR - BROADBAND POLICY AND DEVELOPMENT

Hafa Adai,

The Broadband Policy and Development Office (BPD) of the CNMI is excited to present the preliminary draft of the CNMI's Broadband Equity, Access, and Deployment (BEAD) Initial Proposal Volume II. This proposal signifies a significant step towards a transformative vision aimed at overhauling the CNMI's digital infrastructure. Our ambitious goal is to provide every household with affordable, high-speed internet under the Infrastructure Investment and Jobs Act of 2021 (IIJA). With over \$80 million allocated, the BEAD program represents our commitment to serving a territory that is currently 100% unserved. Our approach centers around comprehensive, hardened, end-to-end fiber network deployment throughout the CNMI.

Volume II of CNMI's Initial Proposal addresses the first, second, fourth, and eighth through to nineteenth requirements of the initial proposal. It also includes the Middle-Class Affordability Plan.

It's worth noting that while each Broadband Office in the States, Puerto Rico, and Washington DC was awarded \$5M for planning activities such as stakeholder engagement and initial proposal drafting, CNMI was granted a smaller sum of \$1.2M for the exact same tasks. Also, while the CNMI will receive over \$80M for implementation of the BEAD program, this amount is less than even the pre-allocation level of \$100M given to every State, Puerto Rico, and Washington DC for the program. Despite these financial constraints, our commitment remains steadfast. We have consistently met all aspects of the BEAD program and plan to maintain this momentum.

Since its inception in May 2023, BPD has participated in various CNMI-centric stakeholder meetings, regional conferences, NTIA hosted stakeholder meetings, and initiated several local coordination efforts. We are currently developing our BEAD 5 Year Action Plan and Digital Equity 5 Year Plan with the purpose of achieving universal broadband access and fostering a dynamic digital environment in CNMI.

Despite current economic challenges, this funding serves as a catalyst for economic revitalization – creating new jobs, attracting new businesses, and promoting digital literacy programs. We firmly believe that by bridging the digital divide, we can significantly bolster our territory's economic resilience.

Our collaboration with community groups, municipal governments, businesses, and service providers has been instrumental in shaping this proposal. We invite all stakeholders to carefully review this Initial Proposal Volume II and share their feedback either via an online form on our website at <https://bpd.cnmi.gov> or through email at cnmi.bpd@gmail.com. We will be accepting public comments for 30 days following this document's release. Your input is essential in refining this plan before its final submission to NTIA for approval.

For any inquiries or clarifications related to the proposal, please contact us at cnmi.bpd@gmail.com. We eagerly anticipate your continued support and collaboration as we embark on this journey to create a digitally inclusive CNMI.



Glen Hunter
Special Assistant to the Governor for Broadband Policy and Development

Initial Proposal Volume II Initial Draft Overview

This document reflects the current draft of the CNMI Initial Proposal Volume II. The purpose of posting this working draft is to get early public input as the CNMI continues to refine the approach. The CNMI will continue to develop this draft over the coming weeks, considering input from various stakeholders, including ISPs, NGOs, government agencies, the general public, and others.

Note regarding potential non-deployment subgrants using BEAD funding:

The CNMI has been allocated \$80 million in BEAD funds, representing less than 0.2% of the total available funds for distribution. The average BEAD funding allocated to each state exceeds \$740 million. Given the existence of 10,331 unserved BSLs and over 100 potential CAIs in the CNMI, we do not anticipate any remaining BEAD funds for Non-Deployment Subgrant purposes.

The inequality in the funding becomes evident when you examine the District of Columbia as an example: despite having only 184 unserved locations, it was allocated over \$100 million. Delaware and Rhode Island, both with approximately 2,000 unserved locations, received about \$107 million each. States with around 10,000 unserved BSLs were each allocated approximately \$150 million, nearly double that of the CNMI.

In assessing the potential costs associated with deploying a CNMI-wide, climate-hardened, end-to-end fiber network, we consulted the NTIA for Eligible Entity Toolkit NPV data, reviewed previous federally funded opportunities, and sought feedback from community stakeholders. Toolkits based on current cost data indicate a shortfall of more than \$5 million in BEAD Funding needed to serve all 10,331 BSLs in the CNMI. A local RDOF Grant awarded years ago estimated a per passing cost of over \$7,000. BPD anticipates that network deployment costs will increase exponentially in the coming year. With the first sub-grants not expected to be awarded until late 2024 or early 2025, it's challenging to estimate how much further the funding shortfall will extend.

Almost all of the CNMI has been designated as "high-cost locations" by the NTIA. Although this designation should provide us with flexibility to waive or reduce match requirements for subgrant applicants, we do not anticipate any subgrant award with less than a 25% match. This strategy is intended to compensate for the anticipated shortfall and achieve a 100% served status by the end of the BEAD program.

BPD will formally request that Congress address the glaring inequality in allotment funding and provide the CNMI with at least an additional \$19 million in BEAD Program funding to put us on par with the rest of America.

Table of Contents

Volume II Initial Proposal Requirements.....	9
2.1 Objectives (Requirement 1).....	9
2.2 Local, Tribal, and Regional Broadband Planning Processes (Requirement 2).....	16
2.3 Local Coordination (Requirement 4).....	18
2.4 Deployment Subgrantee Selection (Requirement 8).....	19
2.5 Non-Deployment Subgrantee Selection (Requirement 9).....	28
2.6 Eligible Entity Implementation Activities (Requirement 10).....	28
2.7 Labor Standards and Protection (Requirement 11).....	29
2.8 Workforce Readiness (Requirement 12).....	31
2.9 Minority Business Enterprises (MBEs)/ Women’s Business Enterprises (WBEs)/ Labor Surplus Firms Inclusion (Requirement 13).....	33
2.10 Cost and Barrier Reduction (Requirement 14).....	33
2.11 Climate Assessment (Requirement 15).....	34
2.12 Low-Cost Broadband Service Option (Requirement 16).....	35
2.13 Middle-Class Affordability Plans.....	37
2.14 Use of 20 Percent of Funding (Requirement 17).....	38
2.15 Eligible Entity Regulatory Approach (Requirement 18).....	39
2.16 Certification of Compliance with BEAD Requirements (Requirement 19).....	40
2.17 Volume II Public Comment.....	41

Volume II Initial Proposal Requirements

2.1 Objectives (Requirement 1)

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

CNMI's overall goals for broadband planning for investment of federal broadband program funds are to:

- (a) **Broadband Program Establishment** - Establish a program through the Broadband Office to manage subgrant applications and implementation efforts that ensure sustainable, robust, reliable, and affordable access to the internet for residents of the CNMI;
- (b) **Ensuring Service and Affordability.** The CNMI Community is "100% Served" by Affordable Broadband;
- (c) **Expanding Digital Inclusion and Digital Equity** - Expand on efforts to enable digital inclusion and digital equity for all residents of the CNMI; and
- (d) **Building Digital Literacy** - Build community capacity to achieve digital literacy including online safety and security training for all CNMI residents through statewide initiatives.

Specific, measurable, achievable, realistic, and measurable objectives to achieve these cross-cutting goals include:

Broadband Program Establishment - By 2025, the CNMI Broadband Policy and Development Office (BPD) is fully staffed and sustainably funded to support ongoing program implementation and five-year plan updates of the 2025-2030 Broadband Plan.

Broadband Service - BPD leads planning and implementation efforts to complete work plan development for priorities identified in the 2023 Five-Year Broadband Plan with a focus on ensuring sustainable efforts that result in improvements of the CNMI's coverage and service level such that by the end of 2024 there is an implementation plan with dedicated funding by 2025 to achieve 100% "broadband served" population by 2028 with a goal of "fully served" by 2030 (100Mb download and 20Mb upload speeds).

Broadband Affordability - BPD leads planning and implementation efforts with a focus on working to define "affordability" of broadband services in the CNMI, collect necessary data, and develop programmatic interventions to ensure equitable and affordable costs that result in improvements of the CNMI's affordability and service level such that by the end of 2024 there is a supporting implementation plan with dedicated

funding by 2025 to achieve 100% “affordability” with sustainable funding for necessary support and / or subsidy programs as needed by 2028.

Expanding Digital Inclusion and Digital Equity - By 2025, BPD and Broadband Stakeholders have expanded on implementation of objectives for Digital Inclusion and Digital Equity reflected in this five-year plan and subsequent updates that lower access costs and improve accessibility which are formalized in a dedicated Digital Equity Plan that is submitted to the Planning and Development Advisory Council for review and inclusion in the 2025 update of the CNMI’s Comprehensive Sustainable Development Plan, with metrics established and baseline data being tracked for plan updates for the next five year update.

Building Digital Literacy - By 2025, BPD and Broadband Stakeholders have expanded on implementation of objectives for Digital Literacy reflected in this five-year plan and subsequent updates that increase community understanding and use of digital tools including providing training and expanding accessibility and support services on the islands of Saipan, Tinian, and Rota, with plan updates submitted to the Planning and Development Advisory Council for review and inclusion in the 2025 update of the CNMI’s Comprehensive Sustainable Development Plan, with metrics established and baseline data being tracked for plan updates for the next five year update.

Goal: Broadband Program Establishment

The CNMI Broadband Policy and Development Office (BPD) is established and fully staffed through the National Telecommunications and Information Administration’s (NTIA) Broadband Equity, Access, and Deployment (BEAD) Program, to implement broadband deployment and equity planning and implementation opportunities.

Performance measures:

- Total FTEs hired and retained for the CNMI Broadband Program
- Total additional grant funding identified, applied for, and obtained

Objectives:

To expand access to more affordable, high-speed internet that connects them to information and to the tools and resources they need to thrive in their jobs, their studies, business growth, or their organizational missions:

- *By or before October 31, 2023, BPD will have an affordable office to house BPD employees.*
 - *Performance Measure: Commercial office space cost savings*
- *By or before October 31, 2023, BPD will have all the necessary staff in place to run and fulfill the BEAD, DE, Capital Projects Fund (CPF), and USDA’s BTA grants as applicable and support establishment of dedicated funding to sustain the office and support subgrant needs of the program.*

- *Performance Measure: Positions filled before October 2023; office funding needs assessed and support mechanisms identified by December 2023*
- *By or before November 2023, Administrative Officer and Human Resources Specialist will have received training for Time Keeping, Munis, EEOC, and other relevant training to assist BPD in all administrative processes.*
 - *Performance Measure: Number of trainings received by administrative personnel*
- *On June 19, 2023, BPD submitted a USDA BTA grant application for a grant writer/technical assistance to support CNMI's efforts to improve accessibility and promote equity in CNMI's persistent poverty communities of Saipan, Tinian, and Rota.*
- *On August 26, 2023, BPD submitted the BEAD 5-year plan to the NTIA portal to support ongoing priority development and project implementation.*
- *By or before February 15, 2024, BPD will submit the Digital Equity 5-year plan to the NTIA portal to support ongoing priority development and project implementation.*
- *By or before December 27, 2023, BPD will submit (after public comment period) the BEAD Initial Proposal to the NTIA Portal initiating funded projects.*
- *By or before June 30, 2024, BPD will submit (after public comment period) the BEAD Final Proposal to the NTIA Portal for remaining funded projects.*
 - *Performance measures: # of stakeholder engagements, public comments, federal review, local coordination meeting, project selection matrix, number of projects funded, number of projects initiated, number of projects implemented*
- *By February 1, 2024, BPD has assessed program needs and submits local funding requests to CNMI government to support staffing and program implementation needs to support sustainable funding needs and address needs that are unmet by federal funding.*
- *By June 30, 2024, remaining unmet needs are identified and efforts to address them are underway through pursuit of appropriate grants and/or public private partnerships or other funding mechanisms or technical support agreements.*
 - *Performance measure: Annual program costs assessment completed and included in 2024 budget request; # of grants obtained, # of staff supported by federal and/or local funds; # of public-private partnerships or Memorandums of Understanding executed to fill capacity gaps and support program sustainability and implementation needs*
- *By 2027 the CNMI Broadband Office reconvenes Broadband Planning stakeholders to review and update this five-year plan.*
 - *Performance measures: # of stakeholder engagements, public comments*
- *By August 30, 2028, BPD will submit the BEAD 5-year plan update to the NTIA portal to support ongoing priority development and project implementation.*
 - *Performance measures: # of stakeholder engagements, public comments, federal review, local coordination meeting, project selection matrix, number of projects implemented*

Goal: Expanding Broadband Service

The CNMI Broadband Policy and Development Office leads planning and implementation efforts to complete work plan development for priorities identified in this 2023 Five-Year Broadband Plan with a focus on ensuring sustainable efforts that result in improvements of the CNMI's coverage and service level such that by the end of 2024 there is an implementation plan with dedicated funding by 2025 to achieve 100% "broadband served" population through broadband serviceable location (BSLs) by 2028 with a goal of "fully served" by 2030 (100Mb download and 20Mb upload speeds). All inhabited areas of the CNMI have established and reliable internet connections available.

Performance measure: % CNMI Population considered "served"

Objectives:

BPD leads planning and implementation efforts to complete work plan development for priorities identified in the 2023 Five-Year Broadband Plan with a focus on ensuring sustainable efforts that result in improvements of the CNMI's coverage and service level such that by the end of 2024 there is an implementation plan with dedicated funding by 2025 to implement priorities to achieve 100% "broadband served" population by 2028 with a goal of "fully served" by 2030 (100Mb download and 20Mb upload speeds).

Priorities and Implementation Support - Prioritizing investments to achieve Broadband goals

- First Mile - To ensure reliable broadband connections in critical areas of the state that lack access to high-speed internet, a first mile connectivity feasibility study shall be conducted to include identification and initial environmental analysis of TransPacific Cable Landing in the CNMI and deployment support. This feasibility study will include assessment of costs and make recommendations for proposal development that will address latency challenges and meet identified accessibility and equity needs.
- Middle Mile - Program development and project implementation shall support Carrier Neutral Network Neutral Internet eXchange Point (IXP) Development and Open CLS Development to support network neutral station deployment to reduce user costs and improve broadband latency and reliability.
- Last Mile - Program development and project implementation shall support improvement of connections between the Service Providers and end users to reduce user costs and improve broadband latency and reliability.
- Remote Area Connectivity (ie: Inhabited Northern Islands) - Identify Broadband Serviceable Locations (BSL) not currently included in the FCC datasets and ensure inclusion in future updates. Determine needed technology to establish

internet connectivity for unserved households located in extremely remote areas. Prioritize internet connectivity for these regions.

- To support expanded service objectives, the BPD will work with the reinvigorated Public Utilities Commission and revisit Public Law 12-39, repealed by Public Law 15-35, forming the Commonwealth Public Utilities Commission to develop and implement service solutions throughout the CNMI.

Goal: Expanding Broadband Affordability

BPD leads planning and implementation efforts to complete work plan development for priorities identified in the 2023 Five-Year Broadband Plan with a focus on working to define “affordability” of broadband services in the CNMI, collect necessary data, and develop programmatic interventions to ensure equitable and affordable costs that result in improvements of the CNMI’s affordability and service level such that by the end of 2024 there is a supporting implementation plan with dedicated funding by 2025 to achieve 100% “affordability” with sustainable funding for necessary support and / or subsidy programs as needed by 2028.

Performance measures: Definition of “affordability” adopted by 100% of BSLs and CAIs; % CNMI Population considered to have “affordable” access to broadband

Objectives:

BPD leads planning and implementation efforts to complete work plan development for priorities identified in the 2023 Five-Year Broadband Plan with a focus on ensuring sustainable efforts that result in improvements of the CNMI’s affordability of broadband services such that by the end of 2024 there is an implementation plan with dedicated funding by 2025 to implement priorities to achieve 100% “broadband served” population by 2028 with a goal of “fully served” with “affordable” access by 2030.

Goal: Expanding Digital Inclusion and Digital Equity

BPD leads planning and implementation efforts to complete work plan development for priorities identified in the 2023 Five-Year Broadband Plan with a focus on ensuring sustainable efforts that result in improvements of the CNMI’s all-inclusive of first-, middle- and last-mile infrastructure, combined with robust, community-based services supporting digital equity and literacy, as well as online security and data management awareness and support for a digitally literate workforce of the future.

Performance measure:

- CNMI’s Five-year Broadband Plan is completed in 2023 and reviewed and updated as needed by 2028 for inclusion in forthcoming updates of the CNMI’s

Resources Report and 2021-2030 Comprehensive Sustainable Development Plan (CSDP)'s 2031-2040 update;

- Total additional grant funding identified, applied for, and obtained
- Number of active entities in CNMI's Community Anchor Institution (CAI) registry
- Number of qualifying CAI projects submitted and funded

Objectives:

5-year Plan - Supporting Broadband Deployment and Equity Planning and Implementation

- *To achieve access to robust, reliable and affordable high-speed Internet bolstered by a dedicated DE planning and prioritized CPF implementation that enables all of our residents to succeed in the digital space*
 - *By 2025 all CAIs in the CNMI will be registered, mapped, and tracked by the Broadband Program so that by 2030 all tracked CAIs will have at least gigabit fiber internet connections available to them at an annual cost no higher than 150 percent the national average on a per Megabit per Second basis.*
 - *By 2027 the CNMI Broadband Office reconvenes Broadband Planning stakeholders to review and update this five-year plan for submission to NTIA by 2028; and*
 - *The CNMI Broadband Office Addresses gross inequalities on Digital Equity (DE), BEAD, and CPF by building a sustainable broadband program that ensures plan development and achievement of critical action items so that by 2030 all residents of Saipan, Tinian, and Rota will have reliable access to the internet through broadband connection or cell service provider in home or at a convenient community anchor institution. Critical action items are identified and furthered through DE planning and priority project implementation.*

Digital Equity - Advancing access, literacy, and equity

- *To expand equity planning and further implementation priorities that advance the following three pillars of digital equity: 1. Access - Affordable, quality broadband for all; 2. Literacy - A baseline of digital competence for all; and 3. Livelihood - Societal systems effectively leveraging digital opportunities to improve lives.*
 - *By 2024, the CNMI Broadband Program supports the development and endorsement of CNMI's Digital Equity Declaration which reflects a definition of "digital equity" that is right-sized for CNMI and supports working group meetings to identify additional implementation opportunities and program needs, with integrated and coordinated support of tele-health deployment with CHCC and tele-education with PSS, NMC, NMTech, and other education partners;*

- *By 2025, long-term goals, mid-term objectives, and short-term action items identified by the CNMI Broadband Program and Digital Equity Working Group are reflected in a targeted DE Plan and incorporated into the 2025 update of the CNMI's Comprehensive Sustainable Development Plan;*
- *By 2026, additional funding to support implementation of priorities identified in the 2025 DE Plan have been submitted to support project implementation from 2026 - 2028; and*
- *By December 2027, unmet needs from the DE Plan are assessed and included in the Five-year Broadband Plan update.*

Goal: Building Digital Literacy and Security

Build community capacity to achieve digital literacy including online safety and security training for all CNMI residents through statewide initiatives that align with school curriculum and community education programs.

Performance Measure: % Adoption as a core curriculum K-12, # of schools participating; # technical instructors that complete “digital literacy” training and certification

Objectives:

- *By December 2023 the CNMI Broadband Office has assessed funding needs and curricula options to work with the CNMI Public School System (PSS) and interested private school partners to include digital literacy coursework development and provide sustainable funding to support curricula implementation in the 2024-2025 school year;*
- *By December 2024, BPD will leverage DE funding for “train the trainer” or other training for technical program curriculum development and capacity building;*
- *By 2025, the CNMI Broadband Office has collaborated with PSS, Northern Marianas College (NMC), and Northern Marianas Technical Institute (NMTech) to further develop digital literacy training support for technical specialists (teachers) to establish “core coursework” for K-12 education as well as support continuing education coursework considering opportunities to promote training on technology and software tools that can assist business efficiencies and growth in the public and private sectors;*
- *By 2026, community-wide literacy trainings are available to fill training gaps that are identified through coursework development with partnering educational and community anchor institutions with regular programming offered annually to build literacy and equity outcomes that safeguard end users and address software and hardware needs to support online security and ensure community competencies in online content and data management;*
- *By December 2027, CNMI Broadband Partners have held at least three qualifying trainings that enhance digital literacy and identify user needs,*

employing a “pre-” and “post-” user training survey to identify and address remaining gaps to further literacy and equity goals that are incorporated as action items as appropriate in the 2028 plan update; and

- *By the year 2028, the CNMI Public School System and NMC/NMTech will improve its infrastructure and instructional technology services to provide equitable digital learning and literacy programs to 100% of K-12 students in an accessible, secure and safe learning environment through the support of highly trained teachers, administrators, and other educational staff.*

Read together, these goals and objectives will further the mandates of the Broadband Office, support ongoing implementation of the Broadband Program, and ensure progress towards the CNMI’s telecommunications accessibility, equity, and literacy goals.

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

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

On Monday, May 23, 2022, the CNMI-Broadband Team, part of the CNMI Office of Planning and Development under the CNMI Office of the Governor, held Public Listening Sessions at the CNMI Multipurpose Center. The primary purpose of this meeting was to listen to public comments, concerns, goals, and aspirations for internet connectivity, digital equity, and broadband-related technologies, activities, and business within the CNMI. This effort re-initiated the broadband planning stakeholder engagement process. Extensive community outreach was conducted to identify relevant stakeholders and develop an initial contact list as well as support initial mapping of potential “community anchor institutions”.

Numerous one-on-one and subject-specific stakeholder calls and meetings continued since the formation of the CNMI-Broadband Team. In April, 2023, the Broadband Policy Development Program was established, creating the Broadband Policy and Development Office (BPD) through the appointed Special Assistant. Additional meetings with local and regional stakeholders have been ongoing, and the Broadband Special Assistant has also been in close communication with program support staff and leadership from NTIA and other implementation support partners at the national level.

On Friday, July 7, 2023, BPD convened a stakeholder follow-up meeting to discuss goals and priorities identified in the plan and obtain additional feedback, and weekly stakeholder meetings as well as one-on-one meetings continued to support the development of this plan and support priority implementation actions. BPD continues to

study our network conditions, engage with our institutions and businesses, and to communicate with the public.

Ongoing engagement efforts include:

- CNMI Stakeholder Meetings: Holding weekly communications with all CNMI stakeholders.
- Semi-Annual Rota and Tinian Stakeholder Meetings: Twice a year the BPD physically visits the communities of Rota and Tinian for face to face stakeholder engagements.
- Pacific Territories Stakeholder Meetings: Broadband Brunch meetings with all stakeholders throughout the Pacific Region. Conducted by the NTIA FPO.
- Annual Broadband/Digital Equity Fiesta: BPD Annual Event bringing together all stakeholders for a day of festivities and outreach events.
- Annual Chamber of Commerce Presentation
- Annual Rotary Club Presentation
- Annual Lions Club Presentation
- BPD Website and social media sites launched for engagement purposes.
- Marianas Broadband Outreach: Holding monthly communications with institutions like schools, libraries, hospitals and community centers; providing Federal Subsidy consulting for our institutions; community outreach to our residents; and, partnering with other agencies on internet-related technical and work initiatives.
- Broadband Mapping: Working to build comprehensive public maps and data about internet service for our local community, our peer territories and Insular Areas, and our federal partners.

Together these efforts will support the CNMI Broadband Office to continue work to identify and engage broadband stakeholders and form the CNMI Broadband Working Group that will co-develop work plans and strategic plan updates to meet the vision, goals, and objectives reflected in this plan.

2.3 Local Coordination (Requirement 4)

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

The CNMI Broadband Policy and Development Office was established by Directive 2023-003 on April 21, 2023, with current activities primarily focused on program development and implementation. The mandates of the Broadband Program encompass developing strategies, projects, and plans supported by sufficient research, data collection, outreach, and training. These efforts aim to transform the Commonwealth's internet infrastructure, improving its reliability, affordability, accessibility, and speed. The office receives assistance and cooperation from the Department of Finance, the Office of Information Technology, the Office of Planning and

Development, the Department of Commerce, and other relevant executive departments and agencies. This includes the principal executives and heads of public corporations and autonomous agencies. Together, we strive to consolidate and coordinate all Commonwealth resources related to the upgrade of broadband infrastructure and services in the Northern Mariana Islands.

These ongoing efforts support the goals of continued engagement with stakeholders in both the public and private sectors. The focus is on developing strategic plans for improved broadband services. Consultations held with members of the legislature, mayors of municipal governments, members of municipal councils, utilities, healthcare providers, educators, businesses, the agricultural sector, fisheries sector, tourism sector, public safety entities, nonprofit organizations, consumers, community leaders, and broadband service providers.

In addition to the stakeholder meetings outlined above in section 2.2 (requirement 3), the BPD has launched a website to keep the community informed about broadband efforts. The website provides updates on various broadband program announcements and displays the BEAD Five Year Action Plan. It also features an online form for general comments from the community. The website will also be used for public comments on the BEAD Initial Proposal.

The BPD has held individual discussions with various entities overseeing covered populations and has conducted numerous direct meetings with Telecommunications Providers since the inception of the BEAD Program. Meetings with potential CAI locations have also been ongoing. Details of these engagements can be found on the attached Local Engagement Tracker.

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

See Attachment ***Local_Coordination_Documentation_Tracker_2023.xlsx***

2.3.2. Text Box: *Describe the formal tribal consultation process conducted with federally recognized Tribes, to the extent that the Eligible Entity encompasses federally recognized Tribes. If the Eligible Entity does not encompass federally recognized Tribes, note “Not applicable.”*

Not applicable.

2.3.2.1. Optional Attachment: *As a required attachment only if the Eligible Entity encompasses federally recognized Tribes, provide evidence that a formal tribal*

consultation process was conducted, such as meeting agendas and participation lists.

Not applicable.

2.4 Deployment Subgrantee Selection (Requirement 8)

Deployment Projects Subgrantee Selection Process & Scoring Approach

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

BPD's plan comprises various elements intended to foster a fair, open, and highly competitive award process with broad participation. It also includes rules that fully implement all subgranting Accountability Procedures as mandated by NTIA. These procedures encompass disbursement, claw-back rights, subgrantee reporting, and ongoing monitoring.

Overview of planned Subgrantee Selection Process

The following is BPD's planned Subgrantee Selection Process for ensuring a fully fiber broadband network for 100 percent of all CNMI locations that are currently unserved or underserved, as well as unserved or underserved Community Anchor Institutions.

BPD will initiate a Subgrantee Application Process, followed by the receipt and scoring of subgrant applications for fiber-to-the-premises network deployment. BPD's analysis suggests that if an adequate competitive dynamic is created for the application process, the BEAD funds will likely be sufficient to finance fiber-to-the-premises deployment to all unserved and underserved locations in the CNMI.

This approach is grounded on the economics of fiber deployment and operations as well as the financial contributions that applicants are expected to commit through a match. Given this analysis and BPD's strong preference for fiber-to-the-premises as the superior communications infrastructure, BPD intends to restrict its initial round of BEAD subgrant funding to end-to-end fiber deployment projects.

If it becomes necessary to establish an Extremely High-Cost Per Location Threshold (EHCLT) or if the initial funding round doesn't result in commitments to deploy to all unserved and underserved addresses in the CNMI, BPD will consider alternative technologies.

Application Intake Process

Once the BPD has completed the BEAD challenge process and the NTIA has approved Volume II of the Initial Proposal, the BPD will execute the final deduplication of BSLs. Following this, it will publish a list of unserved and underserved BSLs eligible for grants, along with CAIs identified for 1Gbps provisioning. At this stage, Project Funding Areas will be created using the process outlined below. It should be noted that the BPD will not entertain any challenges to the Project Funding Areas or BSLs post this point.

The results of the Challenge Process, the BSLs eligible for grants, the identified CAIs, and the Project Funding Areas will all be posted for a period of 30 calendar days before the grant application period commences. During this time, the BPD will host a virtual session to address any queries related to the posted information.

When it comes to defining Project Funding Areas (PFAs), the BPD welcomes comments on boundary definitions. Currently, the BPD is considering two options for defining PFAs: BlockGroup [53 PFAs] or Tract [21 PFAs] grouping from the NTIA Subgrant Selection Tool.

Project Area	# Areas BEAD Eligible	Avg. # Eligible BSLs	Avg. # BSLs
Municipality	3	3,357	3,444
Tract	21	480	492
BlockGroup	53	190	195
Block	713	14	14
BSL	10,072	1	1

Subgrantee Grant Application Process

BPD will open the Subgrantee Application Process for BEAD Funding no less than 30 calendar days following the publishing of Project Funding Areas. Prior to and throughout this application period, BPD will issue any required clarifying guidance outlined in this Initial Proposal, new or clarifying guidance from the NTIA, or in response to queries received during the application process itself to streamline project development and clarify requirements for applicants. All clarifications and updates will be posted to the BPD website.

The BEAD Subgrantee Application Process will remain open for applications for 45 calendar days. No later than 10 business days following this submission deadline, BPD will post all applications and submitted materials for each application on the BPD webpage as submitted. Any information included with the BEAD subgrant application deemed confidential by the applicant must be individually (by page or electronic file) marked as confidential. All protections

offered by the CNMI Open Government Act (OGA) to prevent disclosure will be applied. These exceptions can be found in 1 CMC §§ 9901 – 9916. Individual Non-Disclosure Agreements (NDAs) may also be executed with BPD if so desired. To prevent delays to any Subgrantee Application Process, any NDAs must be requested no less than 45 days prior to the beginning of the BEAD Subgrantee Application process. The responsibility to request an NDA and to seek completion of that NDA rests with the applicant seeking the Agreement.

Once the submission window has closed, BPD will review the applications to ensure all required documentation has been submitted. Any missing or incomplete information will be documented, and one written request will be sent to the applicant requesting cure within three calendar days. Failure to provide the required documentation will result in rejection.

Grant applications will be evaluated against the BEAD Scoring Rubric by BPD staff or their subcontractors. After initial reviews are completed for each Project Funding Area, the results shall be combined by BPD and recommendations for each proposal in a Project Funding Area shall be made. BPD shall perform due diligence on every application to confirm the proposal, timelines, and service milestones are reasonable, and that the provider is capable of successful delivery. If an existing award commitment (i.e., from state general funds or another federal infrastructure program) is found within a Project Funding Area, or if a new award commitment from state general or another federal infrastructure program is made during the subgrantee process, all applications for that Project Funding Area will be notified and given 14 calendar days to resubmit, withdraw, or attest that no BEAD funds will be used for BSLs covered by the previous commitment. Based upon the availability of funding, if there is only one eligible application for a Project Funding Area, it shall be awarded.

Grant award winners and unsuccessful applicants will be notified by BPD when allowed by the NTIA.

Each applicant applying under BEAD will be required to complete a technical application narrative to satisfy the requirements outlined in this document and the BEAD NOFO that are specifically related to Project Funding Area design, technology commitments, redundancy and business continuity plans, speeds offered, latency expectations, equipment providers and inventory management, staffing and workforce readiness, service plans and pricing, service and billing commitments, and timelines for deployment by specific progress milestones. The technical components of applications are required for Project Funding Areas across the CNMI and can be templated for the applicant unless the applicant wishes to change their narrative responses for different Project Funding Areas. This process avoids requiring applicants to complete application narratives for each proposal. Along with the narrative component of the application, applicants

must submit capital, operating cost, and revenue estimates to serve each specific Project Funding Area. BPD will provide a template to streamline and coordinate this process. Applicants must outline the requested dollar amount to separately serve all unserved locations, underserved locations, and unserved or underserved Community Anchor Institutions in that Project Funding Area, as well as the matching funds slated to be contributed to the build. This allows BPD, in the case of a funding shortfall, to prioritize awards based on unserved locations without revisiting proposals.

BPD established a fair, open, equitable, and competitive subgrantee selection process with adequate safeguards to protect the integrity of the BEAD program, including measures against collusion, bias, and conflicts of interest.

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

BPD's scoring rubric is consistent with NTIA's rules, which specify three primary criteria that together must account for 75 percent of scoring, as well as secondary criteria that are based on CNMI's own public policy priorities. BPD will begin its evaluation of proposals by ensuring that the Applicant provided all required materials. Incomplete proposals will not be considered. Following a determination of completeness, BPD will review and evaluate the proposals based on the following criteria, which can add up to a total score of 100.

Primary criteria

Minimal BEAD program funds outlay: Up to 50 points Applications will be scored based on cost-effectiveness, relative to the number of unserved and underserved locations in the Project Funding Area. BPD will also consider and award points for Applicants who are willing to commit to above the 25% minimum matching funds required by BEAD.

Applicants should be mindful that the cost is for fiber to the premises. In other words, there will be no additional funding for a long driveway. If given an award, Applicants will be required to build the network all the way to the customer's door. All costs, including the drop to the door of the house, should be built into the binding cost proposal.

Applicants will need to certify that they understand their cost commitment is binding, and that after pre-award negotiations occur, BPD will not be able to award any additional funds for long driveway drops or other unexpected costs. Applicants will be encouraged to build in a contingency line item into their budget planning. Applicants will be encouraged to account for future cost increases in supply and workforce, as no additional funding will be given to any Applicant

once the award is made and default due to poor cost planning may have serious legal and financial repercussions on the defaulting Applicant.

Affordability: Up to 15 points will be awarded based on the monthly price of a 1Gbps symmetrical service plan. Application will receive a maximum 15 points for committing to a price of \$250/month. They will receive 7.5 points for \$500/month and no points for \$1000+/month

Fair Labor Practices: Applicants will receive up to 10 points. Up to 4 points for not having any violations. Up to 6 points for meeting all 6 of the NTIA requirements laid out in section 2.8.

Secondary criteria

Speed to deployment: Up to 9 points

Number of service years in the Marianas: Up to 10 points

Match outlay: Up to 6 points

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

See Attachment

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

Based on cost projections, we anticipate that the funding available under the BEAD program, in conjunction with subgrantee matches, will cover deployment costs for all unserved and underserved community anchor institutions lacking broadband access, as defined by the BEAD program. The definitive total of required investments for achieving universal broadband access in CNMI will be finalized once BEAD subgrant applications are submitted by applicants, following the challenge and application process. If concerns arise about the availability of funds to bridge the remaining gaps in broadband access after this point, BPD may need to modify the subgrant process to ensure network deployment to all locations that are unserved, underserved, or are Community Anchor Institutions, as defined by the BEAD program.

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

Not Applicable.

2.4.5. Text Box: *The proposed subgrantee selection process is expected to demonstrate to subgrantees how to comply with all applicable Environmental and Historic Preservation (EHP) and Build America, Buy America Act (BABA) requirements for their respective project or projects. Describe how the Eligible Entity will communicate EHP and BABA requirements to prospective subgrantees, and how EHP and BABA requirements will be incorporated into the subgrantee selection process.*

The CNMI is deeply committed to the public policy purposes of environmental and historic preservation. BPD plans to highlight the criticality of these requirements for potential Applicants during the application workshops and in the various application materials—and will require that all Applicants certify their intention to comply with all related requirements in the prequalification phase of the BEAD grant program. BPD will also require Applicants to certify that they have no history of failure to comply with environmental and historic preservation requirements, to the extent applicable.

Any Applicant that cannot certify a track record of full compliance will be required to provide detailed narrative and documentation regarding its histories of challenges or noncompliance. In Addition, BPD intends that it will actively use its subgrantee monitoring program post-award to verify that Applicants are indeed compliant with these requirements.

As for BABA, BPD will inform all subgrant awardees of the current Pacific Territories waiver from BABA but encourage them to make every effort to Build America, Buy America whenever possible.

Last-Mile Broadband Deployment Project Areas

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

When it comes to defining Project Funding Areas (PFAs), the BPD welcomes comments on boundary definitions. Currently, the BPD is considering two options for defining PFAs: BlockGroup [53 PFAs] or Tract [21 PFAs] grouping from the NTIA Subgrant Selection Tool.

Project Area	# Areas BEAD Eligible	Avg. # Eligible BSLs	Avg. # BSLs
Municipality	3	3,357	3,444
Tract	21	480	492
BlockGroup	53	190	195
Block	713	14	14
BSL	10,072	1	1

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

If no proposal, or no viable proposal, is received for a given Project Funding Area (PFA), BPD plans to implement any or all of the following processes, depending on the circumstances:

- BPD will begin negotiations with one or more applicants who have applied for adjacent areas to determine if other applicants would be willing to assume commitments to fund these locations, based on costs negotiated between the applicant and BPD.
- BPD may also choose to negotiate with one or more applicants to maximize the chances of finding solutions for these locations.
- Depending on circumstances, BPD may opt to conduct a second (and possibly third) competitive process to formally attract applicants for these locations.

During any negotiation period, BPD reserves the right to make necessary modifications to subgrant applications after consulting with NTIA. Potential alterations may include aerial deployment or a combination of underground and aerial non-fiber deployment, a hybrid of non-fiber and fiber, waiving some or all of the 25% matching fund requirement, or modifications to PFA.

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

Not applicable.

Extremely High Cost Per Location Threshold

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

BPD expects to have sufficient funding from the BEAD allocation and subgrantee match requirement to deploy an end-to-end fiber network to all unserved, underserved, and CAI locations. Following the initial subgrant selection process, it may be necessary for BPD to establish an Extremely High-Cost Per Location Threshold (EHCPLT) if a lack of eligible applications is received in one or more PFAs or if there is an overall shortage of available funding for received applications to serve all unserved and underserved locations with fiber to the premises. Any decision on the threshold will be purely cost-based and will be made after the initial round of funding applications. At this point, BPD will be able to determine if the BEAD allocation is sufficient to rely solely on end-to-end fiber network deployment. If a threshold is set, it will accommodate well-designed applications for state funding from previous years that were not funded due to the higher costs of building the networks, which made them uncompetitive for available funding.

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

- a. The process for declining a subgrantee proposal that exceeds the threshold where an alternative technology is less expensive.*
- b. The plan for engaging subgrantees to revise their proposals and ensure locations do not require a subsidy.*
- c. The process for selecting a proposal that involves a less costly technology and may not meet the definition of Reliable Broadband.*

Should the need to set an EHCPLT arise, BPD will then request non-priority applications for the BSLs in over the threshold, using the same selection criteria as priority applications (see 2.4.1 above).

Deployment Subgrantee Qualifications

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

- a. *Detail how the Eligible Entity will require prospective subgrantees to certify that they are qualified to meet the obligations associated with a Project, that prospective subgrantees will have available funds for all project costs that exceed the amount of the grant, and that prospective subgrantees will comply with all Program requirements, including service milestones. To the extent the Eligible Entity disburses funding to subgrantees only upon completion of the associated tasks, the Eligible Entity will require each prospective subgrantee to certify that it has and will continue to have sufficient financial resources to cover its eligible costs for the Project until such time as the Eligible Entity authorizes additional disbursements.*
- b. *Detail how the Eligible Entity plans to establish a model letter of credit substantially similar to the model letter of credit established by the FCC in connection with the Rural Digital Opportunity Fund (RDOF).*
- c. *Detail how the Eligible Entity will require prospective subgrantees to submit audited financial statements.*
- d. *Detail how the Eligible Entity will require prospective subgrantees to submit business plans and related analyses that substantiate the sustainability of the proposed project.*

BPD is committed to ensuring that applicants seeking to deploy network facilities undergo thorough vetting and meet the minimum qualifications for financial capacity as stated in the BEAD NOFO.

BPD will incorporate response requirements for Section 2.4.11.a-d into the subgrant application, and these responses will be assessed during the application process. It is BPD's responsibility to ensure that all potential subgrantees are informed about these requirements through the methods mentioned in the detailed subgrant application process. Applicants who fail to meet the minimum requirements specified in this section of the subgrant application will not be eligible for BEAD funding.

- a. BPD will require prospective subgrantees to certify by an authorized officer of the prospective subgrantee and be approved by their governing board that the Prospective Subgrantee:
 - Is qualified to meet all obligations associated with a project
 - Has available funds for all project costs that exceed the amount of the grant
 - Will comply with all program requirements including service milestones

BPD will only disburse funds to a prospective subgrantee when they complete service milestones and their associated tasks for each Project Funding Area.

BPD will require, prior to disbursements, the prospective subgrantee to certify by an authorized officer of the prospective subgrantee and approved by their governing board that the:

- Prospective Subgrantee has available funds to cover its eligible costs until BPD authorizes additional disbursements upon completion of service milestones and their associated tasks

BPD will follow federal and state requirements for disbursement of funds.

- BPD requires a letter of credit or any acceptable alternative approved by NTIA for each proposed project application. Once NTIA releases the appropriate administrative information, BPD, advised by the CNMI Attorney General's Office, will draft a letter of credit or the acceptable alternative for all prospective subgrantees. Substitutions to the letter of credit, including internal funding commitments or third-party, non-prospective subgrantee funding, are not allowed unless approved by NTIA, though they may be used to secure a letter of credit. Only a letter of credit or an alternative prescribed by the NTIA will be acceptable for the prospective subgrantee application.

Note: BPD is formally proposing to the NTIA that subgrantees should be allowed to secure performance bonds equivalent to 100% of the total subgrant request for which they are applying, as an alternative to the Letter of Credit or other demonstrations of creditworthiness. BPD is inviting potential subgrantees to propose other alternatives to the Letter of Credit requirement during the public comment period. BPD will review these alternatives and consult with NTIA to determine their official acceptance as valid alternatives.

- BPD will require subgrantees to submit financial statements from the prior fiscal year that are audited by an independent certified public accountant. 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, with a certification that it will provide financial statements from the prior fiscal year that are audited by an independent certified public accountant as soon as it is made available to the subgrantee.
- BPD will require applicants to submit business plans and related analyses that substantiate the sustainability of the proposed project. This can be provided in the form of pro forma statements or analyses, inclusive of cash flow and balance sheet projections and should include at least three years of operating cost and cash flow projections post targeted completion of project.

BPD will integrate these requirements into the subgrantee selection process through their inclusion in contract negotiation records, subgrant agreement terms and conditions, and subgrant monitoring program requirements. Any subgrant application that fails to meet the minimum qualifications for financial capability, as detailed on pages 72-73 of the BEAD NOFO, will not be eligible for BEAD funding. BPD will not authorize any subgrant for the deployment or upgrade of network facilities unless it determines that the submitted documents demonstrate the prospective subgrantee's financial capability in relation to the proposed project.

2.4.11.1. *Optional Attachment:* *As an optional attachment, submit application materials related to the BEAD subgrantee selection process, such as drafts of the Requests for Proposals for deployment projects, and narrative to crosswalk against requirements in the Deployment Subgrantee Qualifications section.*

Not applicable

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

- a. Detail how the Eligible Entity will require prospective subgrantees to submit resumes for key management personnel.*
- b. Detail how it will require prospective subgrantees to provide a narrative describing their readiness to manage their proposed project and ongoing services provided.*

BPD is committed to ensuring that applicants seeking to deploy network facilities undergo thorough vetting and meet the minimum qualifications for managerial capability requirements as outlined in the BEAD NOFO.

Applicants will be required to submit resumes for all key management personnel, along with any necessary project organizational chart(s) and detailed corporate relationships, including all parent companies, subsidiaries, and affiliates.

Each applicant should also provide a narrative describing their readiness to manage a broadband services network. The narrative should detail the experience and qualifications of key management for undertaking this project, their experience with similar projects, recent and upcoming organizational changes such as mergers and acquisitions, and relevant organizational policies.

BPD will not approve any subgrant for the deployment or upgrading of network facilities unless it determines that the submitted documents demonstrate the applicant's managerial capability for the proposed project. These requirements will be incorporated into the subgrantee selection process through contract negotiation records, subgrant agreement terms and conditions, and subgrant monitoring program requirements.

Applications that do not meet the minimum qualifications for managerial capability as outlined on pages 73-74 of the BEAD NOFO will not be considered for BEAD funding.

- 2.4.13. Text Box:** *Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for technical capability as outlined on page 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity response may reference those to outline alignment with requirements for this section. The response must:*
- a. Detail how the Eligible Entity will require prospective subgrantees to certify that they are technically qualified to complete and operate the Project and that they are capable of carrying out the funded activities in a competent manner, including that they will use an appropriately skilled and credentialed workforce.*
 - b. Detail how the Eligible Entity will require prospective subgrantees to submit a network design, diagram, project costs, build-out timeline and milestones for project implementation, and a capital investment schedule evidencing complete build-out and the initiation of service within four years of the date on which the entity receives the subgrant, all certified by a professional engineer, stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the Project.*

BPD is committed to ensuring that applicants seeking to deploy network facilities undergo thorough vetting and meet the minimum qualifications for technical capabilities as outlined in the BEAD NOFO.

Applicants must provide certification to BPD, attesting to their technical qualifications to complete and operate the project. They must also prove their capability to carry out the funded activities competently, including the use of a skilled and credentialed workforce.

BPD requires all applicants to submit a network design, diagram, project costs, build-out timeline, milestones for project implementation, and a capital investment schedule. This information should evidence complete build-out and the initiation of service within four years of the date on which the entity enters into a contract. All this must be certified by a professional engineer, stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations served by the project.

BPD will not approve any subgrant for the deployment or upgrading of network facilities unless it determines that the submitted documents demonstrate the applicant's technical capabilities for the proposed project. These requirements will be incorporated into the subgrantee selection process through contract negotiation records, subgrant agreement terms and conditions, and subgrant monitoring program requirements.

Applications that fail to meet the minimum qualifications for managerial capability as outlined on page 74 of the BEAD NOFO will not be considered for BEAD funding

- 2.4.14. Text Box:** *Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for*

compliance with applicable laws as outlined on page 74 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity response may reference those to outline alignment with requirements for this section. The response must:

- a. Detail how the Eligible Entity will require prospective subgrantees to demonstrate that they are capable of carrying out funded activities in a competent manner in compliance with all applicable federal, state, territorial, and local laws.*
- b. Detail how the Eligible Entity will require prospective subgrantees to permit workers to create worker-led health and safety committees that management will meet with upon reasonable request.*

BPD is committed to ensuring that applicants seeking to deploy network facilities are thoroughly vetted and meet the minimum qualifications concerning compliance with applicable laws as outlined in the BEAD NOFO.

Applicants must demonstrate that they can carry out funded activities in a competent manner, adhering to all relevant Federal, CNMI, and local laws. To establish this, applicants are required to submit a narrative that the BPD can place on record.

In order to ensure compliance with occupational safety and health requirements, BPD will mandate that applicants allow workers to form worker-led health and safety committees, which management will meet with upon reasonable request. BPD will not approve any subgrant for the deployment or upgrading of network facilities unless it determines that the submitted documents demonstrate the applicant's ability to comply with all applicable laws for the proposed project.

These requirements will be incorporated into the subgrantee selection process through contract negotiation records, subgrant agreement terms and conditions, and subgrant monitoring program requirements. Applications that do not meet the minimum qualifications or fail to illustrate the ability to execute funded activities competently, in compliance with all applicable federal, CNMI, and local laws as outlined on page 74 of the BEAD NOFO, will not be considered for BEAD funding.

NOTE: *the BPD acknowledges that at the time of drafting this Initial Proposal, NTIA is considering input on any exemptions from the Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards that might help facilitate the implementation of the Broadband Equity, Access and Deployment (BEAD) Program. To account for this uncertainty, BPD will adopt the final guidance as published by NTIA.*

- 2.4.15. Text Box:** *Describe how the Eligible Entity will ensure any prospective subgrantee deploying network facilities meets the minimum qualifications for operational capability as outlined on pages 74 – 75 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD*

subgrantee selection process, the Eligible Entity response may reference those to outline alignment with requirements for this section. The response must:

- a. Detail how the Eligible Entity will require prospective subgrantees to certify that they possess the operational capability to qualify to complete and operate the Project.*
- b. Detail how the Eligible Entity will require prospective subgrantees to submit a certification that they have provided a voice, broadband, and/or electric transmission or distribution service for at least two (2) consecutive years prior to the date of their application submission or that they are a wholly owned subsidiary of such an entity and attest to and specify the number of years the prospective subgrantee or its parent company has been operating.*
- c. Detail how the Eligible Entity will require prospective subgrantees that have provided a voice and/or broadband service, to certify that it has timely filed Commission Form 477s and the Broadband DATA Act submission, if applicable, as required during this time period, and otherwise has complied with the Commission's rules and regulations.*
- d. Detail how the Eligible Entity will require prospective subgrantees that have operated only an electric transmission or distribution service, to submit qualified operating or financial reports, that it has filed with the relevant financial institution for the relevant time period along with a certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution.*
- e. In reference to new entrants to the broadband market, detail how the Eligible Entity will require prospective subgrantees to provide evidence sufficient to demonstrate that the newly formed entity has obtained, through internal or external resources, sufficient operational capabilities.*

BPD is committed to ensuring that applicants seeking to deploy network facilities are thoroughly vetted and meet the minimum qualifications for operational capabilities as outlined in the BEAD NOFO.

- a. Prospective subgrantees are required to provide details including, but not limited to, the following:
 - Years of experience providing internet service
 - Current subscribers (households, businesses, and community anchor institutions)
 - Completed federally funded deployment projects, including their source of funding and completion timeframe
 - Penalties paid by the prospective subgrantee, a subsidiary or affiliate of the prospective subgrantee or the holding company of the prospective subgrantee in relation to deployment projects

- The number of times a prospective subgrantee has been a defendant in a criminal proceeding or civil litigation relevant to deploying broadband infrastructure
 - Any defaults on a federal or state obligation to deploy broadband infrastructure by the prospective subgrantee, along with a summary if applicable.
- b. If a prospective subgrantee has provided voice, broadband, and/or electric transmission or distribution service for at least two consecutive years prior to application submission or is a wholly-owned subsidiary of such an entity, it must submit a certification attesting to these facts. This certification should specify the number of operational years of the prospective subgrantee or its parent company.
 - c. In case the prospective subgrantee has provided voice and/or broadband service, it must certify having timely filed Commission Form 477s and the broadband DATA Act submission (if applicable), while also maintaining compliance with the Commission's rules and regulations. Alternatively, any pending or completed enforcement action, civil litigation, or other matter where compliance with the commission's rules or regulations was failed or alleged to have been failed should be explained.
 - d. For those who have operated only an electric transmission or distribution service, it is required to submit qualified operating or financial reports that it has filed with relevant financial institutions for the relevant time period. A certification that the submission is an accurate copy of the reports provided to the financial institution is also necessary.
Alternatively, a prospective subgrantee should explain any pending or completed enforcement action, civil litigation, or other matter in which it failed to comply or was alleged to have failed to comply with the commission's rules or regulations.
 - e. New entrants to the broadband market must provide sufficient evidence demonstrating that the newly formed entity has secured sufficient operational capabilities through internal or external resources. Such evidence may include resumes from key personnel, project descriptions from contractors, subcontractors or other partners with relevant operational experience or equivalent evidence.

BPD will review all these required documents with qualified personnel; if required, additional staff or contractor support will be sourced for appropriate capacity and expertise.

These requirements will be integrated into the subgrantee selection process via contract negotiation records, subgrant agreement terms and conditions, and subgrant monitoring program requirements. Applications that fail to meet these minimum qualifications or fail to illustrate their operational capability as outlined on pages 74 - 75 of the BEAD NOFO will not be considered for BEAD funding.

- 2.4.16. Text Box:** *Describe how the Eligible Entity will ensure that any prospective subgrantee deploying network facilities meets the minimum qualifications for providing information on ownership as outlined on page 75 of the BEAD NOFO. If the Eligible Entity opts to provide application materials related to the BEAD subgrantee selection process, the Eligible Entity response may reference those to outline alignment with requirements for this section. The response must:*
- a. Detail how the Eligible Entity will require prospective subgrantees to provide ownership information consistent with the requirements set forth in 47 C.F.R. § 1.2112(a)(1)-(7).*

BPD is committed to ensuring that prospective subgrantees seeking to deploy network facilities meet the minimum qualifications for providing information on ownership, as outlined in the BEAD NOFO.

BPD will require prospective subgrantees to provide ownership information consistent with the requirements set forth in 47 C.F.R. § 1.2112(a)(1)-(7) including:

1. List the real party or parties in interest in the applicant or application, including a complete disclosure of the identity and relationship of those persons or entities directly or indirectly owning or controlling (or both) the applicant;
2. List the name, address, and citizenship of any party holding 10 percent or more of stock in the applicant, whether voting or nonvoting, common or preferred, including the specific amount of the interest or percentage held;
3. List, in the case of a limited partnership, the name, address and citizenship of each limited partner whose interest in the applicant is 10 percent or greater (as calculated according to the percentage of equity paid in or the percentage of distribution of profits and losses);
4. List, in the case of a general partnership, the name, address and citizenship of each partner, and the share or interest participation in the partnership;
5. List, in the case of a limited liability company, the name, address, and citizenship of each of its members whose interest in the applicant is 10 percent or greater;
6. List all parties holding indirect ownership interests in the applicant as determined by successive multiplication of the ownership percentages for each link in the vertical ownership chain, that equals 10 percent or more of the applicant, except that if the ownership percentage for an interest in any link in the chain exceeds 50 percent or represents actual control, it shall be treated and reported as if it were a 100 percent interest; and
7. List any FCC-regulated entity or applicant for an FCC license, in which the applicant or any of the parties identified in paragraphs (a)(1) through (a)(5) of this section, owns 10 percent or more of stock, whether voting or nonvoting, common or preferred. This list must include a description of each such entity's principal business and a description of each such entity's relationship to the applicant (e.g., Company A owns 10 percent of Company B (the applicant) and 10 percent of Company C, then Companies A and C must be listed on Company B's

application, where C is an FCC licensee and/or license applicant). (b) Designated entity status. In addition to the information required under paragraph (a) of this section, each applicant claiming eligibility for small business provisions, or a rural service provider bidding credit shall disclose the following: (1) On its application to participate in competitive bidding (i.e., shortform application (see 47 CFR 1.2105)):

- i. List the names, addresses, and citizenship of all officers, directors, affiliates, and other controlling interests of the applicant, as described in § 1.2110, and, if a consortium of small businesses or consortium of very small businesses, the members of the conglomerate organization;
- ii. 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;
- iii. 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;
- iv. List separately and in the aggregate the gross revenues, computed in accordance with § 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;
- v. 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 § 1.2110(f)(4); and
- vi. 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.

These requirements will be integrated into the subgrantee selection process via contract negotiation records, subgrant agreement terms and conditions, and subgrant monitoring program requirements. Applications that fail to meet these minimum qualifications or fail to illustrate their operational capability as outlined on page 75 of the BEAD NOFO will not be considered for BEAD funding.

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

- a. *Detail how it will require prospective subgrantees to disclose for itself and for its affiliates, any application the subgrantee or its affiliates have submitted or plan to submit, and every broadband deployment project that the subgrantee or its affiliates are undertaking or have committed to undertake at the time of the application using public funds.*
- b. *At a minimum, the Eligible Entity shall require the disclosure, for each broadband deployment project, of: (a) the speed and latency of the broadband service to be provided (as measured and/or reported under the applicable rules), (b) the geographic area to be covered, (c) the number of unserved and underserved locations committed to serve (or, if the commitment is to serve a percentage of locations within the specified geographic area, the relevant percentage), (d) the amount of public funding to be used, (e) the cost of service to the consumer, and (f) the matching commitment, if any, provided by the subgrantee or its affiliates.*

BPD is committed to ensuring that prospective subgrantees seeking to deploy network facilities meet the minimum qualifications for providing information on other public funding, as outlined in the BEAD NOFO. Numerous federal and state publicly funded programs are listed in BPD's Initial Proposal, Volume 1, Requirement 3. BPD has identified prospective applicants who are recipients of these public funds. Moreover, BPD will survey local government entities regarding any broadband deployment projects funded for locally funded broadband initiatives.

- a. BPD will require each prospective subgrantee to disclose, for itself and for its affiliates, any application the subgrantee or its affiliates have submitted or plan to submit, and every broadband deployment project that the subgrantee or its affiliates are undertaking or have committed to undertake at the time of the application using public funds.
- b. BPD shall require the disclosure, for each broadband deployment project, of:
 - The speed and latency of the broadband service to be provided (as measured and/or reported under the applicable rules)
 - The geographic area to be covered
 - The number of unserved and underserved locations to be served (or, if the commitment is to serve a percentage of locations within the specified geographic area, the relevant percentage)
 - The amount of public funding to be used
 - The cost of service to the consumer
 - The matching commitment, if any, provided by the subgrantee or its affiliates.

These requirements will be integrated into the subgrantee selection process via contract negotiation records, subgrant agreement terms and conditions, and subgrant monitoring program requirements. Applications that fail to meet the minimum qualifications for

providing information on other public funding as outlined on pages 75 - 76 of the BEAD NOFO will not be considered for BEAD funding.

2.5 Non-Deployment Subgrantee Selection (Requirement 9)

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

The CNMI has been allocated \$80 million in BEAD funds, representing less than 0.2% of the total available funds for distribution. The average BEAD funding allocated to each state exceeds \$740 million. Given the existence of 10,331 unserved BSLs and over 100 potential CAIs in the CNMI, we do not anticipate any remaining BEAD funds for Non-Deployment Subgrant purposes.

The inequality in the funding becomes evident when you examine the District of Columbia as an example: despite having only 184 unserved locations, it was allocated over \$100 million. Delaware and Rhode Island, both with approximately 2,000 unserved locations, received about \$107 million each. States with around 10,000 unserved BSLs were each allocated approximately \$150 million, nearly double that of the CNMI.

In assessing the potential costs associated with deploying a CNMI-wide, climate-hardened, end-to-end fiber network, we consulted the NTIA for Eligible Entity Toolkit NPV data, reviewed previous federally funded opportunities, and sought feedback from community stakeholders. Toolkits based on current cost data indicate a shortfall of more than \$5 million in BEAD Funding needed to serve all 10,331 BSLs in the CNMI. A local RDOF Grant awarded years ago estimated a per passing cost of over \$7,000. BPD anticipates that network deployment costs will increase exponentially in the coming year. With the first sub-grants not expected to be awarded until late 2024 or early 2025, it's challenging to estimate how much further the funding shortfall will extend.

Almost all of the CNMI has been designated as "high-cost locations" by the NTIA. Although this designation should provide us with flexibility to waive or reduce match requirements for subgrant applicants, we do not anticipate any subgrant award with less than a 25% match. This strategy is intended to compensate for the anticipated shortfall and achieve a 100% served status by the end of the BEAD program.

BPD will formally request that Congress address the glaring inequality in pre-allotment funding and provide the CNMI with at least an additional \$19 million in BEAD Program funding to put us on par with the rest of America.

2.5.2. Text Box: Describe the Eligible Entity's plan for the following:

- a. How the Eligible Entity will employ preferences in selecting the type of non-deployment initiatives it intends to support using BEAD Program funds.
- b. How the non-deployment initiatives will address the needs of residents within the jurisdiction.
- c. The ways in which engagement with localities and stakeholders will inform the selection of eligible non-deployment activities.
- d. How the Eligible Entity will determine whether other uses of the funds might be more effective in achieving the BEAD Program's equity, access, and deployment goals.

Should any BEAD funding remain after all unserved and underserved BSLs are provided for, and CAIs with a desire for 1Gbps symmetrical service are adequately catered to, the BPD may consider awards for non-deployment activities as follows:

- a. Specific criteria for evaluating applications for subgrants will be developed later in close coordination with the Digital Equity Planning and Capacity Grant Program. The preferences for selecting non-deployment initiatives that the BPD intends to support with BEAD Program funds will align with the Digital Equity 5-Year Plan. In this plan, the BPD aims to establish priorities for Digital Equity funding. All CNMI residents face barriers such as inadequate broadband availability, challenges of affordability, limitations in device accessibility, and gaps in foundational digital skills. The lack of technical support, awareness of cybersecurity, and confidence in navigating digital resources only exacerbates these disparities. As a result, crucial functions like completing job applications, accessing online DMV services, submitting necessary documentation for employment and social services, accessing educational resources, querying about public services, researching health information access, and sustaining social connections all become more challenging.
- b. The populations covered—defined in the Digital Equity Act as aging individuals, individuals with disabilities, rural residents, English language learners, racial/ethnic minorities, low-income households, veterans, and incarcerated individuals—are disproportionately affected by the economic and societal costs of the digital divide. All CNMI residents belong to one or more of these NTIA-defined covered population groups. Non-deployment activities identified as eligible in the BEAD NOFO and aligned with the Digital Equity 5-Year Plan will address adoption and digital inclusion-related needs that the BPD identified during the needs assessment process. Non-deployment initiatives will help residents access the internet, afford a monthly residential broadband service, acquire a connected device, and gain the digital skills and support needed to work, learn, and thrive safely and securely. All non-deployment activities will be adapted to meet the needs of the community receiving funding.
- c. BPD is currently developing the CNMI Digital Equity 5-Year Plan, the primary deliverable of the Digital Equity Act Planning Grant. The plan will synthesize the

results of extensive local coordination, stakeholder engagement and research on the digital divide into an implementation strategy to address identified gaps with funding for digital opportunity and non-deployment programs and will inform the recommended approach to closing the digital divide in the CNMI.

- d. BPD is currently engaged with countless local governments, non-profits, community organizations, and residents across the CNMI to ensure a wide array of input is included in the Digital Equity planning process. These efforts will continue as the BPD works to develop non-deployment programs under BEAD and to conduct outreach for the Digital Equity 5-Year Plan. BPD will rely on input from stakeholders and partners to determine how best to use remaining BEAD funds to effectuate the goals of the BEAD program.

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

Almost all of the CNMI has been designated as "high-cost locations" by the NTIA. Although this designation should provide us with flexibility to waive or reduce match requirements for subgrant applicants, we do not anticipate any subgrant award with less than a 25% match. This strategy is intended to compensate for the anticipated shortfall and achieve a 100% served status by the end of the BEAD program.

BPD will formally request that Congress address the glaring inequality in pre-allotment funding and provide the CNMI with at least an additional \$19 million in BEAD Program funding to put us on parity with the rest of America.

Through the Subgrantee Selection Process, BPD will create Project Funding Areas covering all unserved and underserved locations in the CNMI. Until all unserved and underserved BSLs are served — through BEAD or other funding sources— BPD will not award subgrants to any non-deployment activities.

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

If by chance some BEAD funding does still remain after all unserved and underserved BSLs are served, and CAIs desiring 1Gbps symmetrical service are adequately provisioned, BPD may consider awards for non-deployment activities.

BPD will follow a process similar to that of the Subgrantee Selection Process,

BPD shall ensure any prospective subgrantee:

1. Can carry out activities funded by the subgrant in a competent manner and in compliance with all applicable federal, state, and local laws

2. Has the financial and managerial capacity to meet the commitments of the subgrant, program requirements, and any other requirements prescribed by the Assistant Secretary or the Eligible Entity
3. Has the technical and operations capability to provide the services committed to in the subgrant and award. To be eligible for an award, KOBD will require prospective subgrantees for non-deployment activities to:
 - a. Provide two (2) years of acceptable historical performance in similar projects
 - b. Certify their operational and technical capabilities to hit service milestones, compete and operate the project in a competent manner, and use an appropriately skilled and credentialed workforce
 - c. Provide a verifiable plan to cure any shortfall to the proposed project plan
 - d. Certify enough funds are available to cover the entire grant amount or the eligible reimbursable costs for the project, whichever is greater
 - e. Acquire a letter of credit or other acceptable for of creditworthiness approved by the NTIA
 - f. Submit resumes for key management personnel for the project
 - g. Provide a narrative of the entity's readiness to manage the proposed project and any ongoing services provided
 - h. Submit two (2) years of audited financial statements
 - i. Submit a business plan, and related financial analyses, to substantiate the long term sustainability of the proposed project

Disbursement of funds for non-deployment activities will only occur upon verified completion of milestones and tasks laid out in the subgrant and award.

2.6 Eligible Entity Implementation Activities (Requirement 10)

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

The BPD possesses the capability to manage initiatives and perform activities associated with the BEAD program without resorting to subgrant distribution. These efforts can be classified into two categories: administrative tasks and non-deployment activities pertaining to digital equity. Important to note, BPD will not undertake any deployment activities as an Eligible Entity without a subgrant process.

The proposed administrative tasks that BPD aims to implement, excluding subgrant issuance, consist of:

- a. Overseeing the BEAD subgrant application and execution process.
- b. Conducting outreach activities for potential subgrantees, including webinars.
- c. Managing subgrant agreement procedures, contract finalization, and fund disbursement.
- d. Monitoring subgrantee performance, reporting, and ensuring compliance.
- e. Evaluating program effectiveness and executing public outreach schemes.

- f. Closing out the program and maintaining continual stakeholder engagement.
- g. Designing and executing job training and apprenticeship programs, inclusive of coordinating with the workforce development working group and potential employers (particularly BEAD subgrantees).
- h. Ensuring synergy and coordination with the Digital Equity Program.

These pursuits form the backbone of BPD's role. Should deployment activities be finalized, any remaining funds may be allocated for Eligible Entity non-deployment activities. Given its state-wide purview and the duty to supervise the BEAD program, BPD is ideally positioned to act as a facilitator, establish connections to broaden the scope and effect of broadband and digital equity initiatives, and guarantee that the BEAD program fulfills its intended goals while maintaining public accountability.

Details about non-deployment activities will be provided in the CNMI Digital Equity Five-Year Plan. In this plan, BPD will delineate potential non-deployment activities to be financed through State Digital Equity Capacity Grant (SDECG) funds. BPD may directly perform some of these tasks, while others might require subgrants. Depending on available funding post deployment to unserved locations and community anchor institutions, BPD could further bolster non-deployment tasks performed by BPD and intended to be financed by SDECG.

Non-deployment initiatives that BPD aims to execute without subgrant issuance include:

- a. Assigning digital navigators.
- b. Encouraging ACP awareness and enrollment.
- c. Engaging public and community on digital equity matters, involving reports, dashboards, and presentations.
- d. Evaluating program performance.

BPD acknowledges that a single funding source won't bridge the digital divide. Hence, it will harness funding from multiple sources to execute various initiatives, including those aforementioned. Interweaving funding from BEAD, if available post addressing unserved locations and CAIs, with other funding sources can amplify program outcomes. In certain instances, BPD is already executing or plans to execute some non-deployment activities independently. Adding BEAD Program funds, if available, will empower BPD to scale up and widen the impacts of existing programs.

2.7 Labor Standards and Protection (Requirement 11)

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

- a. *Prospective subgrantees' record of past compliance with federal labor and employment laws, which:*
 - i. *Must address information on these entities' compliance with federal labor and employment laws*

- iii. Should include written confirmation that the applicant 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.
- b. Applicants' plans for ensuring compliance with federal labor and employment laws, which must address the following:
 - i. How the applicant will ensure compliance in its own labor and employment practices, as well as that of its contractors and subcontractors, including:
 - i. 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
 - ii. 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.

During the competitive subgrantee selection process, BPD will make the determination that information submitted suffices for the purposes of the federal BEAD requirements on the basis of completeness, unless otherwise noted in this document.

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

- a. *Using a directly employed workforce, as opposed to a subcontracted workforce;*
- b. *Paying prevailing wages and benefits to workers, including compliance with Davis-Bacon and Service Contract Act requirements, where applicable, and collecting the required certified payrolls;*
- c. *Using project labor agreements (i.e., pre-hire collective bargaining agreements between unions and contractors that govern terms and conditions of employment for all workers on a construction project);*
- d. *Use of local hire provisions;*
- e. *Commitments to union neutrality;*
- f. *Use of labor peace agreements;*
- g. *Use of an appropriately skilled workforce (e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded);*
- h. *Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure); and*
- i. *Taking steps to prevent the misclassification of workers.*

BPD is deeply dedicated to ensuring that subgrantees, contractors, and subcontractors adhere to stringent labor standards and protections. BPD will mandate that potential subgrantees provide a detailed narrative outlining the measures they will implement to ensure all members of their project workforce possess the necessary credentials. An effective compliance plan with federal labor and employment laws might include an applicant's commitment to robust labor standards and protections for the project workforce (including contractors and subcontractors). This must involve:

- a. Using a directly employed workforce, as opposed to a subcontracted workforce;
- b. Paying prevailing wages and benefits to workers, including compliance with Davis-Bacon and Service Contract Act requirements, where applicable, and collecting the required certified payrolls;
- c. Using project labor agreements (i.e., pre-hire collective bargaining agreements between unions and contractors that govern terms and conditions of employment for all workers on a construction project);
- d. Use of local hire provisions;
- e. Commitments to union neutrality;
- f. Use of labor peace agreements;
- g. Use of an appropriately skilled workforce (e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers, particularly those underrepresented or historically excluded);
- h. Use of an appropriately credentialed workforce (i.e., satisfying requirements for appropriate and relevant pre-existing occupational training, certification, and licensure); and
- i. Taking steps to prevent the misclassification of workers

2.8 Workforce Readiness (Requirement 12)

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

- a. *A description of how the Eligible Entity will ensure that subgrantees support the development and use of a highly skilled workforce capable of carrying out work in a manner that is safe and effective;*
- b. *A description of how the Eligible Entity will develop and promote sector-based partnerships among employers, education and training providers, the public workforce system, unions and worker organizations, and community-based organizations that provide relevant training and wrap-around services to support workers to access and complete training (such as child care, transportation, mentorship, etc.), to attract, train, retain, or transition to meet local workforce needs and increase high-quality job opportunities;*
- c. *A description of how the Eligible Entity will plan to create equitable on-ramps into broadband-related jobs, maintain job quality for new*

and incumbent workers engaged in the sector; and continually engage with labor organizations and community-based organizations to maintain worker voice throughout the planning and implementation process; and

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

The CNMI Broadband Policy and Development Office (BPD) aims to support a highly skilled, diverse, and inclusive workforce through close collaboration with the CNMI Department of Labor and educational institutions within the CNMI. Key strategies include leveraging apprenticeship programs, initiating career pathway programs with comprehensive support services, and fostering sector-based partnerships. The BPD also prioritizes maintaining job quality and continuous skill development in the broadband sector, involving labor organizations and community-based organizations in planning and implementation. To ensure opportunities from the BEAD Program and other broadband funding programs reach a diverse pool of workers, policies promoting diversity and inclusion will be implemented.

- a. To ensure that subgrantees support the development and use of a highly skilled workforce, BPD will work closely with the CNMI Department of Labor and educational institutions. We will leverage apprenticeship programs and other workforce development programs to develop a pipeline of skilled workers. These programs provide practical training in a manner that is safe and effective. Our goal is to foster a workforce that is not only highly skilled but also diverse and inclusive.
- b. The BPD aims to develop and promote sector-based partnerships among employers, education and training providers, the public workforce system, unions, worker organizations, and community-based organizations. We plan to initiate career pathway programs that provide relevant training and wrap-around services such as childcare, transportation, and mentorship. These programs are designed to attract, train, retain, or transition workers to meet local workforce needs and increase high-quality job opportunities. Our approach is centered on collaboration, aiming to meet the needs of the local community and the broadband sector.
- c. The BPD is committed to creating equitable on-ramps into broadband-related jobs. We plan to maintain job quality for new and incumbent workers engaged in the sector through targeted training and continuous skill development programs. Regular engagement with labor organizations and community-based organizations will be a cornerstone of our strategy, allowing us to maintain worker voice throughout the planning and implementation process.
- d. To ensure that job opportunities created by the BEAD Program and other broadband funding programs are available to a diverse pool of workers, our office will implement policies that promote diversity and inclusion. We will work closely with the CNMI Department of Labor and educational institutions to reach out to a

broad spectrum of potential candidates. By doing so, we aim to ensure that these opportunities are accessible to all, irrespective of their background or experience level.

2.8.2. Text Box: *Describe the information that will be required of prospective subgrantees to demonstrate a plan for ensuring that the project workforce (including contractors and subcontractors) will be an appropriately skilled and credentialed workforce. These plans should include the following:*

- a. The ways in which the prospective subgrantee will ensure the use of an appropriately skilled workforce, e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers;*
- b. The steps that will be taken to ensure that all members of the project workforce will have appropriate credentials, e.g., appropriate and relevant pre-existing occupational training, certification, and licensure;*
- c. Whether the workforce is unionized;*
- d. Whether the workforce will be directly employed or whether work will be performed by a subcontracted workforce; and*
- e. The entities that the proposed subgrantee plans to contract and subcontract with in carrying out the proposed work.*

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

- a. The job titles and size of the workforce (FTE positions, including for contractors and subcontractors) required to carry out the proposed work over the course of the project and the entity that will employ each portion of the workforce;*
- b. For each job title required to carry out the proposed work (including contractors and subcontractors), a description of:*
 - i. Safety training, certification, and/or licensure requirements (e.g., OSHA 10, OSHA 30, confined space, traffic control, or other training as relevant depending on title and work), including whether there is a robust in-house training program with established requirements tied to certifications, titles; and*
 - ii. Information on the professional certifications and/or in-house training in place to ensure that deployment is done at a high standard.*

To ensure the successful implementation of our projects to the highest standards, the BPD requests the following information from potential subgrantees:

- a. **Workforce Skill Assurance:** Please provide details on how you plan to ensure that your workforce possesses the necessary skills for the project. This may involve the use of Registered Apprenticeships, joint labor-management training programs, or other initiatives aimed at enhancing the skills and capabilities of all workers.
- b. **Credential Verification:** Please outline the measures you will take to confirm that all members of your project workforce hold the necessary credentials. This could involve verifying prior occupational training, certification, or licensure relevant to the project.
- c. **Union Status:** Please indicate whether your workforce is unionized. This information is crucial for understanding labor relationships and potential impacts on project timelines or negotiations.
- d. **Employment Structure:** Please specify whether your workforce will be directly employed or if the work will be carried out by a subcontracted workforce. Understanding the structure of your workforce helps us anticipate potential project management complexities.
- e. **Contractual Entities:** Please list the entities you plan to contract and subcontract with in executing the proposed work. This is vital in understanding your project's ecosystem and for due diligence purposes.

Furthermore, if your project workforce or any subgrantee, contractor, or subcontractor's workforce is not unionized, we require additional information about the non-union workforce:

- a. **Job Titles and Workforce Size:** Please provide details on the job titles and size of the workforce required for the proposed work over the duration of the project (including contractors and subcontractors). Also specify which entity will employ each segment of the workforce.
- b. **Job Description:** For every job title required for the proposed work (including contractors and subcontractors), please provide:
 - i. **Safety Training Requirements:** Describe any safety training, certification, and/or licensure requirements (e.g., OSHA 10, OSHA 30, confined space, traffic control, etc.). Also indicate whether you have a comprehensive in-house training program with established requirements tied to certifications and titles.
 - ii. **Professional Certifications and Training:** Provide information on any professional certifications and/or in-house training procedures in place to ensure that deployment is executed to a high standard.

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

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

BPD is dedicated to ensuring that minority businesses, women-owned business enterprises (WBEs), and labor surplus area firms are actively recruited, utilized, and retained when possible. We are steadfastly committed to promoting diversity and inclusion in all aspects of our operations, including procurement and contracting processes. Our strategy comprises multiple facets to ensure the inclusion of Minority Business Enterprises (MBEs), Women's Business Enterprises (WBEs), and Labor Surplus Firms.

Our approach will include:

- **Outreach and Recruitment:** We will proactively seek out MBEs, WBEs, and Labor Surplus Firms for potential opportunities within BPD. This effort will involve attending trade shows, conducting information sessions, and forging partnerships with local chambers of commerce and other business organizations to identify potential collaborators.
- **Vendor Education:** We offer resources to assist these firms in comprehending how to conduct business with BPD. These resources encompass workshops on the bidding process, contract management, and other pertinent topics.
- **Contracting Policies:** We will establish policies that promote the use of MBEs, WBEs, and Labor Surplus Firms whenever feasible. This may include integrating diversity goals into our larger subgrant applications.
- **Data Tracking and Evaluation:** To ensure the success of our efforts, BPD will monitor our progress in engaging MBEs, WBEs, and Labor Surplus Firms. BPD will collect data on the number of subgrants awarded to these businesses, the financial value of these contracts, and the overall percentage of our procurement spending allocated to these firms. This data will be regularly evaluated to pinpoint areas for improvement.

By deploying this comprehensive strategy, BPD is confident in our ability to successfully recruit, utilize, and retain minority businesses, women-owned business enterprises, and labor surplus area firms in our subgrant activities.

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

- a. *Placing qualified small and minority businesses and women's business enterprises on solicitation lists;*
- b. *Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;*
- c. *Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women's business enterprises;*
- d. *Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;*

- e. *Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and*
- f. *Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors.*

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

- a. Placing qualified small and minority businesses and women’s business enterprises on solicitation lists;
- b. Assuring that small and minority businesses, and women’s business enterprises are solicited whenever they are potential sources;
- c. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority businesses, and women’s business enterprises;
- d. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women’s business enterprises;
- e. Using the services and assistance, as appropriate, of such organizations as the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
- f. Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors.

2.10 Cost and Barrier Reduction (Requirement 14)

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

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

Established less than six months ago in May 2023, the BPD is dedicated to reducing costs and barriers to deployment. As we bolster our staff and engage more fully in local coordination efforts, we plan to adopt several measures to achieve this objective:

- a. **Promoting the Use of Existing Infrastructure** - We prioritize maximizing the use of our existing infrastructure to prevent unnecessary expenses. This strategy not only cuts costs but also minimizes potential disruptions from new constructions. As part of this approach, we aim to facilitate relationships between subgrant awardees and entities such as CUC, DPW, and other government bodies that manage the existing infrastructure.
- b. **Adopting Dig-Once Policies** - In our commitment to efficiency, BPD has embraced dig-once policies. This means that we undertake all necessary installations or modifications in one go whenever we perform any construction or infrastructure upgrades, thereby eliminating repeated disruptions and reducing future costs. The CNMI currently does not have a dig-once law; however, BPD will collaborate with CNMI lawmakers to incorporate dig-once policies into our local law.
- c. **Streamlining Permitting Processes** - BPD has started working diligently with stakeholders to simplify our permitting processes. By making these procedures more efficient, we aim to cut administrative costs and hasten deployment times. We are in discussions with permitting agencies to implement dashboards and templates even before subgrant awards to prevent common delays.
- d. **Streamlining Cost-Effective Access to Poles, Conduits, Easements** - BPD plans to finalize and execute strategies to simplify access to essential infrastructure elements such as poles, conduits, and easements. Our goal is to negotiate cost-effective arrangements and ease the process of gaining access to these resources.
- e. **Simplifying Rights of Way and Imposing Reasonable Access Requirements** - BPD is simplifying rights of way procedures and imposing reasonable access requirements. Our initiatives are designed to eliminate potential barriers and make the deployment process as seamless as possible.

By implementing these strategies, we are confident that we can significantly reduce costs and barriers to deployment, thereby enhancing the effectiveness and efficiency of our operations.

2.11 **Climate Assessment (Requirement 15)**

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

- a. *Identify the geographic areas that should be subject to an initial hazard screening for current and projected future weather and*

climate-related risks and the time scales for performing such screenings;

- b. Characterize which projected weather and climate hazards may be most important to account for and respond to in these areas and over the relevant time horizons;*
- c. Characterize any weather and climate risks to new infrastructure deployed using BEAD Program funds for the 20 years following deployment;*
- d. Identify how the proposed plan will avoid and/or mitigate weather and climate risks identified; and*
- e. Describe plans for periodically repeating this process over the life of the Program to ensure that evolving risks are understood, characterized, and addressed, and that the most up-to-date tools and information resources are utilized.*

The Northern Mariana Islands (CNMI) Broadband Office has undertaken an exhaustive evaluation of potential climate hazards and strategies for their mitigation. This assessment specifically focuses on the forthcoming underground Fiber-to-the-Home (FTTH) network, funded by the BEAD program, targeting the islands of Saipan, Tinian, and Rota.

a. Geographic Conditions and Hazard Evaluations

Located in the Pacific Ocean, the islands of Saipan, Tinian, and Rota in the CNMI are exposed to unique weather and climate-related risks. To account for these risks impacting the FTTH network, the regions will be subjected to bi-annual hazard screenings. These screenings will consider both current and future risk factors.

b. Anticipated Weather and Climate Threats

The predominant hazards forecasted for these islands include typhoons and a rise in sea level. Such conditions may lead to increased soil saturation and potential flooding, posing challenges to the stability of our underground infrastructure.

c. Risks to Emerging Infrastructure

The BEAD program's funding will facilitate the development of an underground FTTH network in Saipan, Tinian, and Rota. However, this infrastructure faces possible threats from soil erosion and saturation due to extreme weather conditions. Over the following two decades, these elements could interrupt service or inflict physical damage to the infrastructure.

d. Mitigation Strategies

The FTTH network will be installed underground to naturally defend against the high wind speeds associated with typhoons. Additionally, we'll employ moisture-resistant materials and protective casings for the fiber cables to lessen

the effects of soil saturation. Regularly scheduled maintenance checks will also be utilized to ensure sustained resilience against these risks.

e. Periodic Reassessment

A reassessment of our strategies and potential risks is scheduled every five years. By leveraging the most up-to-date tools and information resources available, we aim to maintain the robustness of our underground FTTH network against evolving climate conditions throughout the BEAD program's lifespan.

In addition to these strategies, the climate assessments for the Northern islands of the CNMI will also consider concerns regarding potential satellite network deployment. This added layer of precaution will ensure that all possible communication infrastructure options remain viable and resilient against the changing climate conditions.

2.11.1.1. *Optional Attachment:* *As an optional attachment, submit any relevant reports conducted within the past five years that may be relevant for this requirement and will be referenced in the text narrative above.*

No Attachments

2.12 Low-Cost Broadband Service Option (Requirement 16)

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

- a. All recurring charges to the subscriber, as well as any non-recurring costs or fees to the subscriber (e.g., service initiation costs);*
- b. The plan's basic service characteristics (download and upload speeds, latency, any limits on usage or availability, and any material network management practices);*
- c. Whether a subscriber may use any Affordable Connectivity Benefit subsidy toward the plan's rate; and*
- d. Any provisions regarding the subscriber's ability to upgrade to any new low-cost service plans offering more advantageous technical specifications*

For residents to benefit from broadband networks built with BEAD funding, it's crucial that the services remain reasonably priced. This is the rationale behind BPD's strong recommendation for applicants to confirm that any services provided via BEAD-funded networks are financially accessible for CNMI residents. As outlined in the BEAD Notice of Funding Opportunity (NOFO), recipients of BEAD funds for broadband infrastructure

development must provide a "low-cost broadband service option". This option ought to be available to customers throughout the network assets' lifespan. BPD aims to implement the low-cost broadband service option as detailed below and as described in the BEAD NOFO and BEAD Initial Proposal Guidance.

The proposed service option is as follows:

The service option is priced affordably for the eligible population, defined as those eligible for the Affordable Connectivity Program (ACP) or its successor. The applicant must provide BPD with a detailed justification for the affordability of the service option for the eligible population. This should include a market analysis demonstrating that the service option is reasonably affordable for the average ACP-eligible household. Failure to demonstrate that this low-cost service option is affordable could lead to BPD requesting additional information to justify its affordability. The identified and BPD accepted price, along with the provisions below, will be a contractual requirement for awardees for the life span of the network assets, defined as 20 years for this purpose.

The service option provisions:

- a. Allows end users to apply the Affordable Connectivity Benefit subsidy to the service price.
- b. Provides typical download speeds of at least 100 Mbps and typical upload speeds of at least 20 Mbps.
- c. Guarantees typical latency measurements of no more than 100 milliseconds.
- d. Is not subject to data caps, surcharges, or usage-based throttling, adhering only to the same acceptable use policies as all other broadband internet access service plans offered to home subscribers by the participating subgrantee.
- e. In case the provider later offers a low-cost plan with higher speeds downstream and/or upstream, it allows eligible subscribers subscribed to a low-cost broadband service option to upgrade to the new low-cost offering at no cost.

2.12.2. *Check Box: Yes, BPD will require all subgrantees to participate in the Affordable Connectivity Program or any successor program?*

Yes, all BPD subgrantees must participate in the Affordable Connectivity Program, or any successor program, for the lifespan of the BEAD funded network.

2.13 *Middle-Class Affordability Plans*

2.13.1. Text Box: *Describe a middle-class affordability plan that details how high-quality broadband services will be made available to all middle-class families in the BEAD-funded network's service area at reasonable prices. This response must clearly provide a reasonable explanation of how high-quality broadband services will be made available to all middle-class families in the BEAD-funded network's service area at reasonable prices.*

The affordability of broadband services from BEAD-funded networks for middle-class households is a priority for the BPD. The affordability of internet service plans for middle class households is addressed by the following program elements:

- BEAD Proposal Scoring Criteria

The Office's primary means of ensuring affordability for the middle class is the weight of affordability in the scoring criteria established in this proposal. Affordability will comprise 15% of the scoring criteria the Office will use to evaluate proposals to serve a location under the BEAD program. In addition to these requirements, the BPD adopts the following recommendations and requirements below to promote affordability for the middle class.

- Low-Cost Service Option

Providers participating in the BEAD program are required to offer to eligible customers the Low-Cost Service Option defined in this Proposal. Broadband service providers are encouraged to ensure that broadband services offered to prospective customers in the BEAD-awarded area are affordable and reasonably accessible to middle class households.

- Shift Drop Costs

Subgrant participation rules will make clear that drops and network equipment are eligible BEAD costs and should be built into subgrant proposals to avoid inflated subscriber prices. Subgrantees will not be allowed to shift drop and installation costs to the consumer on a BEAD-funded project

2.14 Use of 20 Percent of Funding (Requirement 17)

2.14.1. Text Box: *Describe the Eligible Entity's planned use of any funds being requested, which must address the following:*

- If the Eligible Entity does not wish to request funds during the Initial Proposal round, it must indicate no funding requested and provide the rationale for not requesting funds.*
- If the Eligible Entity is requesting less than or equal to 20 percent of funding allocation during the Initial Proposal round, it must detail the amount of funding requested for use upon approval of the Initial Proposal, the intended use of funds, and how the proposed use of funds achieves the statutory objective of serving all unserved / underserved locations.*

- c. *If the Eligible Entity is requesting more than 20 percent (up to 100 percent) of funding allocation during the Initial Proposal round, it must detail the amount of funding requested for use upon approval of the Initial Proposal, the intended use of funds, how the proposed use of funds achieves the statutory objective of serving all unserved / underserved locations, and provide rationale for requesting funds greater than 20 percent of the funding allocation.*

BPD is advocating for the allocation of 100% of the Broadband Equity, Access, and Deployment (BEAD) funding to our region. In an urgent call to action, it's important to highlight that all Broadband Serviceable Locations and Community Anchor Institutions in the CNMI are currently unserved - a fact that emphasizes our need to expedite network deployment in our community. Our local industry, government, and community partners are keenly prepared to initiate the application of these funds and bring essential infrastructure to our completely unserved community.

Our local internet service providers, along with our government, possess the necessary experience in navigating state and federal funding programs. They also have the technical know-how needed to deploy the broadband networks to these unserved areas promptly – even ahead of the BEAD Program’s timeline for Final Proposal approval.

Additional funding is expected to be available after funding is obligated to extend broadband networks to all unserved and underserved locations, as well as unserved Community Anchor Institutions. To implement these Non-Deployment Programs as defined in the BEAD NOFO, BPD is undergoing an extensive internal and external capacity-building exercise through the State Digital Equity Planning Grant Program by identifying need areas in broadband affordability and adoption and developing stakeholder networks and programs to address these gaps in digital opportunity.

This staged approach – that of delivering funding to all locations without qualifying broadband access prior to funding other programs to address digital opportunity – achieves the statutory objective of prioritizing these areas.

2.14.2. *Financial Data Entry: Enter the amount of the Initial Proposal Funding Request. If not requesting Initial Proposal funds, enter '\$0.00.'*

\$80,796,709.02

2.14.3. *Check Box: Certify that the Eligible Entity will adhere to BEAD Program requirements regarding Initial Proposal funds usage. If the Eligible Entity is not requesting funds in the Initial Proposal round and will not submit the Initial Proposal Funding Request, note “Not applicable.”*

Yes, BPD will adhere to BEAD Program requirements regarding Initial Proposal funds usage.

2.15 Eligible Entity Regulatory Approach (Requirement 18)

2.15.1. Text Box:

- a. *Disclose whether the Eligible Entity will waive all laws of the Eligible Entity concerning broadband, utility services, or similar subjects, whether they predate or postdate enactment of the Infrastructure Act that either (a) preclude certain public sector providers from participation in the subgrant competition or (b) impose specific requirements on public sector entities, such as limitations on the sources of financing, the required imputation of costs not actually incurred by the public sector entity, or restrictions on the service a public sector entity can offer.*
- b. *If the Eligible Entity will not waive all such laws for BEAD Program project selection purposes, identify those that it will not waive (using the Excel attachment) and their date of enactment and describe how they will be applied in connection with the competition for subgrants. If there are no applicable laws, note such.*

To the best of BPD's knowledge, the CNMI does not have any laws that (a) prevent specific public sector providers from participating in the subgrant competition for BEAD funding, or (b) impose particular requirements on public sector entities, such as restrictions on funding sources, the necessity to impute costs that the public sector entity has not actually incurred, or limitations on the services that a public sector entity can provide.

2.15.1.1. Optional Attachment: *As a required attachment only if the Eligible Entity will not waive laws for BEAD Program project selection purposes, provide a list of the laws that the Eligible Entity will not waive for BEAD Program project selection purposes, using the Eligible Entity Regulatory Approach template provided.*

Not applicable

2.16 Certification of Compliance with BEAD Requirements (Requirement 19)

2.16.1. Check Box: *Certify the Eligible Entity's intent to comply with all applicable requirements of the BEAD Program, including the reporting requirements.*

Yes, BPD will comply with all applicable requirements and reporting requirements of the BEAD Program.

2.16.2. Text Box: *Describe subgrantee accountability procedures, including how the Eligible Entity will, at a minimum, employ the following practices outlined on page 51 of the BEAD NOFO:*

- a. *Distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursable basis (which would allow the Eligible Entity to withhold funds if the subgrantee fails to take the actions the funds are meant to subsidize);*
- b. *The inclusion of clawback provisions (i.e., provisions allowing recoupment of funds previously disbursed) in agreements between the Eligible Entity and any subgrantee;*
- c. *Timely subgrantee reporting mandates; and*
- d. *Robust subgrantee monitoring practices.*

BPD will put in place stringent procedures to ensure subgrantee accountability. Our process aligns with the practices outlined in the BEAD NOFO.

- a. **Reimbursable Funding Distribution:** For all deployment projects, we will distribute funds to subgrantees on a reimbursable basis. This system enables the Eligible Entity to withhold funds if a subgrantee fails to execute the actions for which the funds were intended.
- b. **Inclusion of Clawback Provisions:** Our agreements with all subgrantees will include clawback provisions. These stipulations will allow for the recoupment of funds previously disbursed, further safeguarding the financial integrity of our projects.
- c. **Timely Subgrantee Reporting Mandates:** We will enforce strict reporting timelines for all our subgrantees. These mandates will ensure that we receive timely updates on project progress and can promptly address any issues that may arise.

The following required progress reports will include:

- Broadband Monthly Report
 - This report, due every 30 days, provides a summary of the project's status.
- Closeout Report
 - Upon completion of construction, the subgrantee needs to submit this report to confirm that all contractual obligations have been fulfilled.
- Post Conditional Closeout Reports
 - These reports are required at the 6-month and 12-month marks after closeout. They must include the number of subscribers and speed test results.

Subgrantees who fail to meet a reporting deadline will be marked as non-compliant. Until rectification, no remittance requests or other requests will be approved.

Alongside progress reports, the Office of Broadband will monitor projects using compliance reviews to ensure alignment with applicable state and federal guidelines and regulations.

- d. **Robust Subgrantee Monitoring Practices:** Lastly, we will have robust monitoring practices in place for all our subgrantees. This includes regular check-ins, project reviews, and audits to ensure that all activities align with our expectations and standards.

We believe these procedures will ensure high levels of accountability, thereby maintaining the quality and effectiveness of our broadband deployment projects.

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

Yes, BPD will account for and satisfy authorities relating to civil rights and nondiscrimination in the selection of subgrantees.

2.16.4. Check Box: *Certify that the Eligible Entity will ensure subgrantee compliance with the cybersecurity and supply chain risk management requirements on pages 70 - 71 of the BEAD NOFO to require prospective subgrantees to attest that:*

Cybersecurity

- 1) The prospective subgrantee has a cybersecurity risk management plan (the plan) in place that is either: (a) operational, if the prospective subgrantee is providing service prior to the award of the grant; or (b) ready to be operationalized upon providing service, if the prospective subgrantee is not yet providing service prior to the grant award;*
- 2) The plan reflects the latest version of the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity (currently Version 1.1) and the standards and controls set forth in Executive Order 14028 and specifies the security and privacy controls being implemented;*
- 3) The plan will be reevaluated and updated on a periodic basis and as events warrant; and*
- 4) The plan will be submitted to the Eligible Entity prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the Eligible Entity within 30 days.*

Supply Chain Risk Management (SCRM)

- 1) The prospective subgrantee has a SCRM plan in place that is either: (a) operational, if the prospective subgrantee is already providing service at the time of the grant; or (b) ready to be operationalized, if the prospective subgrantee is not yet providing service at the time of grant award;*
- 2) The plan is based upon the key practices discussed in the NIST publication NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry and related SCRM guidance from NIST, including NIST 800-161, Cybersecurity Supply Chain Risk*

Management Practices for Systems and Organizations and specifies the supply chain risk management controls being implemented;

- 3) The plan will be reevaluated and updated on a periodic basis and as events warrant; and*
- 4) The plan will be submitted to the Eligible Entity prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the Eligible Entity within 30 days. The Eligible Entity must provide a subgrantee's plan to NTIA upon NTIA's request.*

Yes, BPD hereby certifies that it will take all necessary affirmative steps to ensure compliance with the cybersecurity and supply chain risk management requirements on pages 70 - 71 of the BEAD NOFO to require applicants.

2.17 Volume II Public Comment

2.17.1. Text Box: *Describe the public comment period and provide a high-level summary of the comments received during the Volume II public comment period and how they were addressed by the Eligible Entity. The response must demonstrate:*

- a. The public comment period was no less than 30 days; and*
- b. Outreach and engagement activities were conducted to encourage feedback during the public comment period.*

To be completed after the public comment period.

2.17.2. Optional Attachment: *As an optional attachment, submit supplemental materials to the Volume II submission and provide references to the relevant requirements. Note that only content submitted via text boxes, certifications, and file uploads in sections aligned to Initial Proposal requirements in the NTIA Grants Portal will be reviewed, and supplemental materials submitted here are for reference only.*

Not applicable