# Oklahoma BEAD Grant Program Subgrantee Selection Process

## **Questions and Responses**

This FAQ is an evolving document. Information might be modified or eliminated in later iterations. The latest version should be used exclusively.

This FAQ was developed as a broad public resource and is intended to be strictly informational. The answers contained in this FAQ will not include complete information as the questions posed do not provide complete information. This document may be consulted as a reference but should not be relied5 on for a complete assessment. The OBO encourages potential applicants to consult their legal counsel in finding answers to these questions.

Updated: 8:00 am CT, February 20, 2025

### **Request for Information (RFI) Process**

1. Can the OBO clarify how the Net Present Value will be determined for the creation of NETs?

The net present value will be determined through the Request for Information as well as cost modeling data.

CostQuest defines their Net Present Values as, "20-year NPV of Greenfield investment assuming a cash flow of 70% take rate on \$75 ARPU, 4-year ramp of construction and subscription, operating expenses, income taxes, and replacement capital."

Read CostQuest's definitions at this link.

2. What is the difference between Net Present Value (NPV) and Cost per location?

Net Present Value factors in construction cost, as well as potential subscription revenue for an internet service provider and other business financial information [as read in the above answer].

Cost per location is based on the cost to build service to each location.

3. During the BEAD application process, will an ISP be able to apply for a partial NET, i.e., not all of the locations in the NET?

No, during the application process ISPs will be required to apply for each NET as a whole. If an ISP wants to split a pre-determined NET, this needs to be done during the RFI process.

4. Is the price listed for the NET the amount available to provide service within that NET?

The dollar amount listed for the NET(s) represents an estimated value when factoring in construction costs and projected revenue (see questions 1 & 2). It is not a cost per passing.

The Request for Information window is an opportunity for ISPs to inform our office whether the values listed are accurate, according to their own estimates.

5. Why are most NETs showing a negative NPV on the interactive map?

The remaining available locations have an estimated negative NPV. Refer back to Questions 1 & 2 for the definition of NPV.

6. Can an ISP recommend the removal of a location from a NET or removal of a location from the entire list of eligible locations? (Example: locations that should not be considered broadband serviceable locations such as, barns, storage sheds, or rocks)

ISPs may recommend locations be moved between NETs however, locations may not be removed from NETs as this was the use case of the Challenge Process.

7. If an ISP does not express interest in a NET during the RFI process, can it still apply for the NET during the application process?

Yes, an ISP may still apply. However, it is highly recommended that ISPs indicate their interest during the RFI process.

8. When reviewing the NETs.csv, one might contain 7 locations but when compared to the locations.csv, the number of locations listed are not compatible. Why is that?

In order to see the total number of locations within each NET, ISPs must download the locations.csv and the cais.csv.

9. How does an ISP map the locations that are provided for download?

Both the locations.csv and cais.csv have fabric ID numbers associated with Version 4 of the CostQuest Fabric Dataset. In order to map the locations available for downloading, an ISP is required to have a CostQuest license.

10. If an ISP would like to recommend the split of a NET into multiple NETs, and would then be interested in one of the resulting NETs, is it sufficient to submit the one RFI form for the NET split? Or does an ISP also need to submit an RFI form for partial interest in the original NET?

The ISP should submit both a request to sever as well as an interest form.

11. How should an ISP handle CAIs included in the NETS that already have fiber?

Please note this in your RFI response.

12. What kinds of information would the OBO consider as potentially justifying a request to split or modify a proposed NET?

Examples of this could include cost information, narrative justification, or blueprint or mapping materials.

13. What information, if any, is available to allow a commenter to calculate the NPV for the proposed split/modified NET?

The commenter should utilize their own data to recalculate the NPV for modified NETs.

14. How will the NPV for a NET will be used in the process of choosing the winning bidder for that NET?

The NPV is not a scored criterion.

15. If an ISP is splitting a NET in the RFI, can it be split into more than two NETs? (Example: 1 NET → 5 NETs)

Absolutely. Feel free to split NETs in the best ways for you to provide service.

16. Can changes in the NPV calculation and/or the estimated subsidy requirement for a currently proposed NET or modified NET impact the EHCPLT that OBO assigns to location(s) within that NET?

Yes, this can impact the EHCPLT.

17. Are ISPs expected to perform the analysis consistent with any or all of the published CostQuest assumptions i.e., 20-year NPV, 4-year construction ramp-up, 70% take rate and \$75 per month ARPU?

The NPVs that have been suggested by the OBO are based on the criterion listed above. If an ISP wishes to adjust the NPV, please indicate which portions of the analysis have been changed to determine the new NPV.

18. Does the \$75 ARPU include any assumptions regarding a sub-grantee's "affordability" commitments as described in BEAD Volume II, including assumptions regarding customer eligibility rates and service pricing commitments?

No assumptions are included.

19. Are ISPs expected to provide support for costs assumptions utilized to calculate NPVs, including expected construction costs and O&M costs?

While support documentation is not required, it is appreciated. However, ISPs must provide sound reasoning, in a narrative form, outlining the reasoning for the change.

20. How should companies comply with the RFI process requirement to provide a "CSV file that lists locations from the NET that are able to connect"?

A csv file with a list of locations and their corresponding NET ID is available on the RFI <u>landing</u> <u>page</u>.

21. Once NTIA has approved the OBO's challenge data, will the NETs be subject to a second RFI process?

No, the OBO will make adjustments as necessary while integrating the RFI data post NTIA approval.

#### **Pre-Qualification**

22. Will Oklahoma have a pre-qualification process for BEAD Subgrantee Selection?

Please refer to Oklahoma's Volume 2 section 02.04.11.

23. Does the OBO have templates for the non-conflicts of interest attestation and the non-collusion statement?

No, this is just a certification, no template or information will be required.

24. Can the OBO please clarify which document is required for Question 16, "provide documentation of your state business registration." Will a certificate of good standing suffice?

Please provide a copy of your registration with the Oklahoma Secretary of State's Office.

25. What is the deadline for submitting the pre-qualification application?

The deadline for submitting the pre-qualification application will be sometime in April. Once subgrantee selection begins, an exact date will be determined.

26. Would an organization with broadband construction projects dating from 2022 meet the two-year service requirement?

Yes, this would be within the two-year requirement.

27. If an organization has a relationship to provide service with an ISP, does the ISP need to be the primary applicant?

The entity who will be building out the infrastructure and who will be acting as the service provider will be considered the "Lead Organization."

28. If multiple companies and ISPs form a consortium and want to apply as a consortium, would there be one lead applicant representing the entire consortium?

Yes, there is one lead organization, which should be applying for the BEAD program. This organization should be the ISP that will be building and managing the internet service.

29. Could individual organizations also apply on their own outside of the consortium?

Yes, an ISP may apply with a consortium and independently.

30. What legal structure would the consortium require? Can it be an association with a memorandum of understanding among members?

The OBO would like to review the legally binding agreement between the consortium entities. Entities may redact as needed.

#### **Subgrantee Selection Process**

31. Do organizations registering for the Oklahoma BEAD portal need an FCC Registration Number (FRN)?

Yes. An FRN is required to register for the Oklahoma BEAD portal.

32. Will there be an updated location map for unserved BSLs before the BEAD subgrantee selection process or only after the NETs are defined?

There will be an updated official list of locations posted to the OBO website once the post challenge results have been approved by NTIA.

33. Can a Tribal nation partner with an ISP to submit a grant application?

Yes, a tribal entity may partner with an ISP to submit a BEAD application. The lead organization must be the applying entity, both for pre-qualification and subgrantee selection.

34. Can a Tribal consortium submit a grant application?

If the tribal consortium plans on serving the locations with their own ISP or partners with an ISP to service the locations, they may submit an application.

35. Is the OBO going to host Q&A sessions for the BEAD program or should all questions be directed to BEAD@broadband.ok.gov?

All questions should be directed to the <u>BEAD@broadband.ok.gov</u> email. At this time, no webinars are scheduled.

36. Regarding bonds for the BEAD program, are they required to be from T-Listed insurers, or will non-T-Listed insurers be allowed?

Treasury-Listed, or T-Listed, Insurers will be required for bonds permitted by the BEAD program. Language for this requirement can be found here.

37. During the BEAD application process, can NETs that span multiple counties (Counties A, B and C) be combined into a subproject?

Yes, they may be combined.

38. Can an ISP designate in the severability matrix that it will only serve NETs in Counties B and C if also awarded the NETs in County A?

Yes, ISPs should include any and all severability matrixes.

39. Does a Tribal government planning to submit a BEAD application need a business license with the Oklahoma Secretary of State?

No, a business license is not required for a Tribal Government with the Oklahoma Secretary of State.

40. Must a Tribal government register as a vendor with the State of Oklahoma?

Vendor Registration with the State of Oklahoma has several functions, chief among them is that it is the method used to effect payment to subgrantees.

41. Would the Tribal government sign up as a supplier, bidder, or payee?

The registering entity should list themselves as a supplier.

42. If a Tribal Government and an LLC associated with a Tribal Government decide to apply together, which entity can be the lead applicant?

The entity with an active FCC Registration Number (FRN).

43. Will the process to apply to serve CAIs be a separate process than the process to apply for unserved and underserved locations? (If an ISP will be required to apply for each NET as a whole, will that ISP be required to apply for the unserved, underserved, and CAI locations within the NET, or only the unserved and underserved locations?)

No, the CAI locations are included in unserved and underserved locations within NETs.

44. Can an ISP propose to serve a NET using multiple technologies? (e.g. some locations served with HFC and some served with Fiber)

An applicant must submit an application indicating only one technology type. However, an applicant may submit an application for an alternative technology utilizing a new application in the correct candidate pool.

45. Will applicants that are tribal governments be required to submit a Letter of Credit or a bond to the OBO? Is there a tribal waiver option similar to other NTIA grants?

Please see the <u>link</u> to the NTIA guidance discussing the Letter of Credit waiver.

46. Can 3 ISPs (ISP A, ISP B, ISP C) form a consortium, put in an application for 3 NETs under the lead organization (ISP A) and upon getting the Grant each ISP builds one NET and provides service in that NET? (ISP A will submit the application and will be responsible for all reporting but each ISP will individually do their own build and provide services in their NET.)

Yes, this would be acceptable, as long as the lead applicant understands that they assume the responsibility of the award, regardless of partnerships.

47. Will you confirm what version of the BDC data you are using and if the number of available locations will be reduced before applications begin?

The National Broadband Map Broadband Availability data used is dated 05/28/2024. Once NTIA has approved the OBO's challenge data, an updated list will be posted to the website.

48. Which technology types will be allowed to apply for BEAD funding?

Please see page 24 of Oklahoma's approved BEAD Volume 2.