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INTERNET FOR ALL GUAM

Office of Infrastructure Policy and Development
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INITIAL PROPOSAL Vol. II

U.S. Department of Commerce

National Telecommunications and Information Administration

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Internet For All

2.1 Objectives (Requirement 1)

2.1.1 Vision

Powered by the Bipartisan Infrastructure Law (BIL) and the momentum of the National Telecommunications and Information Administration's (NTIA) Broadband, Equity, Access and Deployment (BEAD) and Digital Equity programs, we're setting a clear mission for Guam. We aim to ensure every islander enjoys accessible, affordable, and reliable high-speed internet, strengthening our ties to the broader digital world while reinforcing our role in America's defense. As we navigate this journey, we're committed to narrowing a digital divide that currently feels as expansive as the Pacific itself.

For Guamanians, the 'digital divide' isn't a distant concept; it's a tangible disadvantage resulting from our remote location, the high cost of internet access, and the missed opportunities these factors create. This divide poses a significant obstacle to equal opportunities across various aspects of life, spanning education, healthcare, and employment. It particularly impacts K-12 students who lack access to crucial developmental tools available to their peers in better-connected areas. In today's world, where remote work and digital literacy are not just possibilities but essential components of daily life, the unavailability of immediate and affordable high-speed internet places our entire community at a competitive disadvantage.

We will achieve this vision by doing the following:

1. Invest only in broadband infrastructure solutions that contribute to internet resilience, sustainability, and–where possible–upgradability.
2. Ensure long-term, affordable gigabit access for all community anchor institutions that serve Guam's people and culture.
3. Promote infrastructure investments and internet policies that ensure a continuously healthy and well-regulated marketplace for participating network service providers.
4. Invest in digital equity activities that improve digital literacy and accessibility, high-tech economic opportunities, digital health, digital citizenship, and digital preservation and dissemination of indigenous culture for all Guamanians.
5. Develop strategies to bridge the digital divide that denies citizens full access to services, information, and opportunities due to economic disparities in the community.

6. Promptly investigate, analyze, and report to Guam's people regarding the technical, economic, and social factors that affect their internet access, affordability, and safety.

The primary obstacle to internet access in Guam is affordability. Internet pricing on the island is significantly higher than typical in American households, affecting both basic and premium service levels. In terms of performance, Guam suffers from subpar average upload and download speeds when benchmarked against national standards[1], coupled with extensive areas receiving inadequate service. Additionally, Guam still experiences latency, disrupting the routine use of contemporary, real-time applications. Such technological shortcomings threaten to impede Guam's advancement as these applications become more integral to global economic systems and the daily lives of Guamanians[2].

The BEAD program defines a population as 'Served' with affordable internet access greater than 100 Mbps download, 20 Mbps upload, and sub-100 ms latency. Today, this basic level of service is out of reach for most Guamanians – this is no longer acceptable and must be addressed.

We plan to enhance our internet infrastructure by leveraging local initiatives, forging public-private collaborations, and seeking further opportunities with the National Telecommunications and Information Administration (NTIA) and other federal agencies. Our goal is to work in tandem with the Department of Defense, ensuring that our strategies align with Guam's distinctive security environment. As the United States' most remote territory, Guam serves as a critical strategic military base, playing a pivotal role in America's national security posture within the Indo-Pacific region.

Following Typhoon Mawar's passage through Guam, the island experienced significant disruptions in carrier services. It's important to take steps to ensure better resilience and reliability in such services in the future to prevent similar occurrences. The Leon Guerrero-Tenorio Administration envisions a Guam where affordable qualifying internet service is soon available for all residents. A Guam with anchor institutions that can serve their communities with gigabit internet and the programming made possible through that internet capacity. A Guam that leads the Pacific in digital equity and opportunities for its people and digitization to help its native language and culture last for many generations. A Guam with low-latency internet and communications service can withstand whatever natural disasters the physical climate may unleash or threats caused by the global political environment.

By realizing this vision, Guam will be safer, more secure, and more successful as we move towards unparalleled technological advancements in broadband. It is worth

[1] https://www.speedtest.net/global-index/united-states#fixed
[2] https://www.gigaspaces.com/blog/amazon-found-every-100ms-of-latency-cost-them-1-in-sales

noting within the context of our federal partners that the well-being of Guam is one of the most cost-effective measures by which the United States can enhance its security position in the world.

Governor Lourdes A. Leon Guerrero, described it succinctly, “Infrastructure is Defense.” In the aftermath of Guam’s recent Typhoon Mawar disaster, the criticality of all Guam infrastructure–including its broadband infrastructure–has never been more clear. As America rapidly shifts its national defense priorities to deliver an unprecedented military build-up on the island, Guam’s government has had to reassess and reorder its own infrastructure priorities – both to mesh with the defense build-up itself, as well as to plan for new modes of resilience for the local population. The island's experience following Typhoon Mawar means new evaluations and priorities will be necessary.

In the heart of the Pacific, Guam grapples with challenges that no other U.S. state faces. By leveraging funds from the Bipartisan Infrastructure Act, including the NTIA’s BEAD and Digital Equity programs, we are determined to establish a pioneering digital infrastructure that addresses these unique challenges and meets the evolving needs of our community. Recognizing our singular position and the necessity to innovate makes our ambition clear: to ensure affordable, resilient, and state-of-the-art internet access for all, now and in the future. By confronting and addressing these unparalleled challenges head-on, we are setting the stage for Guam to emerge as a beacon in this region, a leader and mentor of digital innovation and resilience, charting a course others may follow.

This plan's ambition matches our aspirations for the people of Guam. While our outlined strategies might evolve, our unwavering belief remains that we can and will achieve our goals.

The answers to the questions posed by Official Guidance are found within the document but are summarized here.

A. How will Guam develop broadband investment and deployment strategies for unserved and underserved areas?

In Guam, we're mapping the future, one broadband connection at a time. We're not just drawing lines on a map; we're redrawing the blueprint for connectivity. Our approach is simple yet strategic: use what we know about our land and our people. We ensure no community is left in the digital dark by dissecting Guam into manageable project areas via census tracts. This method isn't just about laying cables but laying down the foundations for equitable access.

We dive deep with geographic analyses and stakeholder voices, pinpointing where the need is greatest and where the impact will be most profound. It's not just about where

we can build, but where we should. The vision is a competitive, choice-rich broadband landscape.

B. How will Guam leverage all resources, including BEAD Program funding and support from other federal, state, or territory, and local programs and binding commitments from Internet providers, to achieve the Eligible Entity's broadband deployment goals?

Guam will leverage various funding sources, including BEAD Program funding, support from other federal, state, or local programs, and commitments from Internet providers to achieve broadband deployment goals. Our approach involves a rigorous scoring process for subgrantee selection, prioritizing the unserved, informed decision-making through mapping and data, and ensuring funding aligns with tangible results to bridge the digital divide and invest in future opportunities.

C. How will Guam develop and strengthen partnerships with community stakeholders to identify opportunities for an Eligible Entity to support and coordinate broadband deployment and equity initiatives?

Our mission is to turn stakeholders into partners and aspirations into actions. This journey involves everyone—providers, businesses, and community leaders—coming together to light up the broadband map of Guam. Through targeted outreach, informative webinars, and enticing incentives, we're building a coalition of the willing, ready to tackle the challenges of broadband deployment head-on.

This collaborative effort is grounded in public-private partnerships, demand aggregation, and a flexible solicitation process.

D. How will Guam enhance economic growth and job creation by promoting sector-based partnerships among employers and education providers?

Guam will enhance economic growth and job creation by fostering partnerships between employers and education providers, leveraging broadband for innovation and learning. This vision aims to create a vibrant digital economy where sector-based collaborations thrive, driving opportunity for all.

2.2 Broadband Planning Process (Requirement 2)

We are fully committed to enhancing internet services in Guam. Our strategy is more than a plan; it's a pledge driven by the belief in the transformative power of connectivity. Balancing all islanders' input with data-driven evidence, we approach our mission with unwavering resolve. In the face of challenges, our focus on accessibility, affordability, and quality remains steadfast, without preference. We will not waver in our pursuit of a connected and empowered Guam.

By prioritizing building out fiber-to-home connections, understanding the importance of the 'last mile' build-outs, requiring undergrounding projects, and embracing innovative solutions that may arise, we are committed to ensuring that every Guamanian has access.

Evidence-Based Decision Making: In the spirit of continuous improvement and data-driven decision-making, our approach to enhancing access, affordability, and speed of internet services in Guam is firmly rooted in evidence. We are committed to ensuring that robust data and analysis justify any strategic adjustments. Our past experiences underscore the importance of accurate and comprehensive information to prevent Guam from being overlooked. As such, should we consider a different direction in our service enhancement efforts, we will engage in a transparent process with full disclosure. Any potential changes will be meticulously evaluated to ascertain their alignment with the realities of Guam's internet service needs and to ensure they truly serve the best interests of our people.

To comprehensively understand Guam's broadband landscape, we have collaborated with the FCC, NTIA, and various local agencies. Our approach has involved a detailed analysis of fabric data, including its use, challenges, and different versions, to accurately depict the state of broadband in Guam.

Additionally, we have conducted more than 50 meetings with representatives from all local carriers, which has been instrumental in gathering insights. Our engagement has extended to local public institutions, including fruitful discussions with the Guam Community College and, particularly, with the University of Guam's information technology department.

Seeking broader insights, we have also connected with industry experts across the Pacific. These interactions include sessions with the Hawaii Broadband Office and the University of Hawaii. Moreover, we have participated in weekly technical assistance sessions with the NTIA and engaged with counterparts in broadband offices across U.S.

Territories, notably CNMI and American Samoa, as well as Alaska, to gather diverse perspectives and best practices.

Community Input: Decisions around these critical areas must involve robust community input. The people of Guam must have a say in shaping their internet services, and this community perspective will ensure that decisions align with real-world needs and priorities.

Our approach to gathering community input includes leveraging our web and social media platforms, alongside direct engagement with residents through various town halls across Guam. These town halls, held in northern, central, and southern villages, have proven invaluable. They not only serve to inform the public about the BEAD program but, more importantly, facilitate open discussions where residents share their experiences. These include insights on service quality, internet costs, interactions with carriers, and personal aspirations for the future of high-speed internet in terms of service, affordability, reliability, and speed. Our commitment is to visit as many villages as possible and to make presentations at community centers, especially to address senior citizens.

The role of village mayors in this process is crucial. Their involvement enhances attendance and contributes to the success of these events. Mayors help create an environment where attendees feel comfortable speaking candidly, providing historical and current perspectives on broadband development in their communities. Their input has been vital in identifying areas needing extra attention and articulating the needs of those unable to attend.

This village-level coordination has significantly influenced our decisions regarding the program's deployment and non-deployment aspects. The insights gained from these interactions also underscored the need for the pre-challenge modifications outlined in Initial Proposal Vol. 1.

Partnerships:
From the outset, we've engaged carriers in individual, confidential discussions to ensure that our action plan is as informed as possible. We understand the competitive nature of their businesses and have created spaces for candid feedback. Rest assured, their voices are heard, and their contributions to Guam are respected; an equitable plan also demands that community stakeholders have an equal seat at the table.

This effort is not a zero-sum game where one party's gain is another's loss. Victory, in this context, is universally improved access to fast, reliable, and affordable internet, regardless of location or income level. The goal is to foster a climate of collaboration and

transparency, aligning all stakeholders in a concerted effort to elevate the digital quality of life for the people of Guam.

Seeking More Funding to Support ACP:
Guam has made significant progress in securing funding for high-speed internet adoption through BEAD and Digital Equity, but our efforts don't stop here. The Broadband Office is actively pursuing additional resources to promote the Affordable Connectivity Program (ACP).

Recently, the Broadband Office received notification of an allocation of $383,000 in funding from the Federal Communications Commission (FCC) to enhance the promotion of the ACP. Despite outreach efforts by internet service providers to reach eligible Guamanians, we have only seen 1,409 ACP subscribers (as of this writing, November 2023), which is among the lowest figures in the nation and falling significantly short of the number of eligible residents.

Our objective is to use these funds to guarantee that households eligible for this benefit are thoroughly informed about their qualification status through their respective carriers.

Alignment with Guam's Priorities: The BEAD strategy must align with Guam's unique selection of priorities, reflecting its specific context and challenges. This alignment ensures the plan is tailored to Guam's situation, making a more effective and community-driven approach to decision-making in these critical areas to ensure that changes are made judiciously and that they truly serve the people of Guam.

Unserved and Underserved Locations:
Unserved Areas are now strictly defined as locations lacking access to reliable wired, wireless, or satellite broadband service at speeds of at least 25 Mbps download and 3 Mbps upload. This definition is in strict accordance with the BEAD program's standards, ensuring that our focus is sharply tuned to areas in most critical need of broadband infrastructure.

Underserved Areas are identified as locations where broadband services are available but do not meet the threshold speeds of 100 Mbps download and 20 Mbps upload. This revision streamlines our approach to upgrading infrastructure in areas with some level of service but not yet at the level that supports full participation in the digital economy.

Consideration of Alternative Eligible Uses

Our focus must be on genuinely assessing the available speeds and affordable access of the community. Collaborations with local institutions, community involvement, and transparent decision-making must guide the allocation of funds. We also see other projects best handled by concurrent Digital Equity Capacity grants, proposed and transparently procured without business influence.

Hierarchy of Projects

Cooperative approaches that involve community engagement, transparent processes, and prioritizing human welfare over technical and business interests are essential. The primary emphasis must be on the people of Guam, their real needs, and the existing gaps in service, rather than relying on possibly misleading data and focusing solely on technical aspects. Cooperation, community engagement, and a focus on affordability must be at the forefront of any proposals and actions.

By remaining focused on affordability, cooperation, and community engagement, we ensure that every proposal and action we take is best for Guam.

In our steadfast pledge to Guam, we focus on genuine community needs, prioritizing access, affordability, and quality of internet service. We are confident that our partners agree. We proceed without preference, guided by evidence and transparency, to ensure that we meet Guam's unique challenges head-on.

2.3 Local Coordination (Requirement 4)

2.3.1 Under the Governor's Office, the Broadband Office actively collaborates with various government agencies, local entities, and institutions for BEAD broadband planning and deployment. Throughout each Stakeholder Engagement phase, the Office has consulted partners, coordinating communication and document reviews as needed.

A key focus has been collaboration with Guam's internet carriers, seeking industry-specific insights and fostering ongoing, constructive dialogues despite sometimes differing viewpoints. This partnership approach is rooted in the belief that collaboration is essential for meaningful progress, and addressing digital equity challenges requires collective efforts from various stakeholders, including carriers, government bodies, educational institutions, and cultural preservation agencies.

The Broadband Office's outreach has been adaptable and responsive, meeting partners through various means like virtual meetings, in-person gatherings, and media platforms. Emphasizing transparency and two-way communication, the Office has

facilitated open dialogues through discussions, fact-finding sessions, and information-sharing events, recognizing the interconnectedness of various sectors.

The stakeholder engagement process was divided into three phases: Initial Data Gathering, Action Plan Consensus Building, and Ongoing Communications over the BEAD course. The first phase involved collecting data and insights from key stakeholders, including community anchor institutions. The second phase focused on building consensus for an action plan that reflects the needs of underserved communities, involving collaborative dialogues and incorporating stakeholder feedback. The final phase, ongoing communications, maintains dialogue with stakeholders, assesses the program's effectiveness, and adapts strategies based on real-time feedback.

Each phase includes tailored engagement activities, emphasizing a journey toward a connected and equitable future through collective action, diverse voices, and shared commitment.

The Guam Broadband Office employs various communication methods to promote awareness of the BEAD program and maintain transparency. The Office has already conducted many listening sessions, including village town halls coordinated with village mayors. We've also live-streamed these events to our Facebook page and promoted them through various social media and our website, Broadband.Guam.Gov.

The Office has engaged with unserved, underserved, and underrepresented communities primarily through the development of the Guam Digital Equity Plan. The Office's key efforts to involve these communities in BEAD planning include engagement with groups representing low-income populations, racial and ethnic minorities, people with disabilities, aging populations and other traditionally underrepresented groups.

This coordination has informed the development of the Office's Initial Proposal and the Five-Year Plan. The proposal and plan reflect robust stakeholder engagement and iterative development to balance the interests of local governments, broadband providers, non-profits, and community organizations. An example of this is the scoring criteria developed by the Office for evaluating deployment proposals, which incorporate stakeholder feedback.

The Office of Infrastructure Policy and Development's dedication to crafting broadband deployment strategies that reflect the needs of Guam's communities is evident in our detailed approach to incorporating feedback. Two specific instances exemplify how we've translated community and carrier insights into actionable policy adjustments.

Example 1: Invocation of the DSL Exception

Feedback regarding the critical need for improved performance, enhanced resiliency, and sustainable broadband solutions was a recurring theme in our discussions with both local stakeholders and carriers. Resident concerns were particularly pointed regarding areas currently served by outdated DSL technology, where the lack of speed and reliability starkly hinders economic growth and access to essential services.

In response to these concerns, our office decisively invoked the DSL exception within our BEAD program implementation. This strategic decision allows us to prioritize upgrades from DSL to more advanced and resilient broadband technologies, ensuring that these communities are not left behind in our digital transformation efforts. It's a direct reflection of our commitment to not only listen but act on the feedback we receive, emphasizing the importance of performance, resiliency, and sustainability in our broadband infrastructure.

Example 2: Open Access addition to scoring

The insights gained from community and carrier feedback directly influence our strategic priorities and decision-making processes. Most notably, this process informs the development of our scoring criteria for BEAD funding applications, ensuring that projects align with the community's most pressing needs and the overarching goals of the BEAD program. By prioritizing projects that address identified concerns, we can better target resources to where they will have the most significant impact.

Moreover, modifications to the challenge process reflect our commitment to transparency and responsiveness. By taking into account the feedback received, we ensure that our processes are fair, equitable, and aligned with the community's best interests. This approach enhances the effectiveness of our broadband deployment efforts and strengthens the trust and collaboration between the government, service providers, and the communities we serve.

These examples illustrate our office's dynamic approach to policy formation, where community feedback directly shapes our strategies and decisions. By addressing concerns about performance, resiliency, and sustainability through the DSL exception and refining our scoring system to incorporate Open Access input without compromising competition, we underscore our commitment to a broadband deployment plan that is both responsive and inclusive. Through such measures, we aim to build a robust, equitable digital infrastructure in Guam that reflects our community's needs and aspirations.

2.3.1.1 Covered Households

Since there are many covered households in Guam, identifying and mapping our key stakeholders involved a significant emphasis on collaborating with individual mayor's offices and the Mayor's Council of Guam (MCOG). As local authorities and representatives of their communities, they are instrumental in connecting with marginalized and underrepresented households. Their involvement provides legitimacy and local context to the project. We have and will continue to establish a clear communication line with each mayor's office and the Mayor's Council, briefing them about the project objectives the targeted households, and seeking their support and involvement. They have played a critical role in organizing town hall meetings and getting the word out about the BEAD, Digital Equity, and Affordable Connectivity Programs.

The MCOG and individual mayoral offices have served as primary channels for our communication strategy. They helped to disseminate information about the project and its benefits to their communities, particularly the covered households.

The Implementation Phase involved close collaboration with the mayor's offices and the Mayor's Council of Guam to encourage and facilitate stakeholder feedback. The Office has worked with these offices to address feedback and make necessary adjustments in the project planning and execution.

2.3.2 Tribal

Not Applicable

2.3.3 Aging Individuals

During the initial identification phase, we focused on the unique needs of aging individuals in Guam, working with Guam's State Office on Aging (GSOA) through the Division of Senior Citizens (DSC), Guam Department of Public Health and Social Services. The Division and healthcare providers, senior community centers, and family caregivers were identified as crucial stakeholders due to their direct connections and understanding of the aging demographic. Given their expertise and resources, our collaboration with the DSC was invaluable in pinpointing the specific challenges that aging individuals face in accessing broadband services. We will continue to organize town hall meetings, forums, and visits to senior community centers in partnership with these entities, ensuring that the voices and concerns of aging individuals are incorporated into the project.

During the Implementation Phase, the project team will collaborate with DSC and the mayors' offices to facilitate and encourage feedback from the aging population. Regular meetings and feedback loops with officials in senior community centers will serve as

avenues for gathering suggestions and concerns. This feedback will then guide ongoing improvements to the project, ensuring that it effectively caters to the specific needs of aging individuals and promotes digital inclusion.

2.3.3 Incarcerated Populations

In the initial identification phase, our focus was on understanding and addressing the digital needs of incarcerated individuals to promote digital equity. We have collaborated and will continue to work closely with key partners, including the Guam Department of Corrections (DOC), the Judiciary of Guam, the Guam Department of Youth Affairs, and regional advocacy organizations. These stakeholders are essential for gaining insights into the unique online access challenges faced by incarcerated individuals. Our collaborative efforts have revealed that their needs include access to educational materials, legal resources, online communication with family, and mental health services.

During the Implementation Phase, we will intensify our collaboration with these stakeholders to actively gather and integrate feedback from the incarcerated population. We will employ a variety of methods, including ongoing dialogues with correctional and advocacy organizations, to ensure their perspectives are considered and their concerns are addressed. This feedback will be crucial for continually refining and adapting our program. Our goal is to effectively promote digital equity among incarcerated individuals in Guam, thereby creating an environment that supports their rehabilitation and personal development.

Department of Youth Affairs

The Department of Youth Affairs (DYA) operates Guam's only juvenile detention center. We have observed the lasting impact of unequal treatment on youth and their families. A significant number of these young individuals involved in the juvenile justice system do not have access to modern technology, such as internet connectivity, in their homes. Bridging this digital divide could offer them equal opportunities for success, positively altering their futures. Our objectives include enhancing internet access at all DYA facilities. This improvement will enable online access to standard school classrooms, ensuring a smooth transition back to regular school settings for this vulnerable group.

2.3.4 Veterans

Veterans’ entities are critical stakeholders due to their direct connections and deep understanding of veterans' unique needs and challenges. Our outreach has found that specific digital equity needs for veterans include access to reliable and affordable internet access, online mental health resources, telemedicine services, employment opportunities, and digital literacy training. By leveraging these institutions' reach and

insights, we identified several impactful ways to improve online access and digital equity for veterans.

During the Implementation Phase, the project team will continue working closely with these key stakeholders to gather feedback from veterans. Through mechanisms such as community meetings and direct communication channels within these organizations, we can gather insights to improve the project continuously. This feedback will guide adjustments to the project, ensuring it effectively addresses the specific needs of veterans in Guam and promotes digital equity. By providing veterans with reliable online access, we can facilitate their reintegration into civilian life and help them leverage the digital resources they need to thrive.

2.3.5 Individuals with Disabilities

In the initial phase of the Broadband Equity Access and Deployment project in Guam, we engaged with critical stakeholders—the Guam Department of Integrated Services for Individuals with Disabilities (DISID) and the Guam Legal Services Corporation—Disability Law Center (GLSC-DLC). These institutions are fundamental in advocating for the rights and services of individuals with disabilities. Together, we explored this community's unique digital needs, including considerations for assistive technologies, enhanced accessibility in online platforms, and custom digital literacy programs.

During the Proposal Phase, we will collaboratively develop a robust communication strategy that underscores the essential role of digital equity for individuals with disabilities. This strategy will highlight the transformational impact of broadband access in diverse areas such as telemedicine, online education, social connectivity, and employment. The identified institutions will be vital partners in ensuring our messaging is effectively conveyed and understood by the community. We will prioritize accessible formats and universal design principles in our communication materials.

In the Implementation Phase, we will sustain our collaboration with the identified institutions, leveraging their expertise to gather and interpret feedback from the disabled community. Our feedback mechanisms will prioritize accessibility, employing methods such as virtual consultations and feedback forms. The insights obtained will steer ongoing refinement of the project, ensuring it remains beneficial and relevant for individuals with disabilities. Our end goal is to create a more inclusive and equitable digital environment in Guam, serving the needs of all its residents.

2.3.6 Individuals with a Language Barrier

During the initial identification phase, the Broadband Equity Access and Deployment project team liaised with officials and students from the Guam Department of Education

(DOE), the University of Guam, and the Guam Community College. Communication with these institutions and the populations they serve is crucial to address language barriers experienced by Guam's diverse population.

During the Implementation Phase, feedback from the community will be pivotal. The project team will make material available in multiple languages, ensuring a wide range of perspectives are taken into account. The insights gained from this feedback will inform the ongoing refinement of the project, guaranteeing that it effectively meets the unique digital equity needs of Guam's linguistically diverse population. Ultimately, the project aims to provide inclusive online access, bridging the digital divide and creating a digital landscape that serves all residents of Guam.

2.3.7 Racial or Ethnic Minority Groups

To effectively develop a digital equity plan for ethnic and racial minorities in Guam, the Guam Broadband Office took a comprehensive approach, starting with demographic analysis and technology gap assessment. Key steps included identifying stakeholders within these communities and forming partnerships with local leaders, organizations, and influencers. Listening sessions with different focus groups, conducted in various languages, were crucial for understanding specific needs and concerns. Communication of material has been multilingual and culturally sensitive, utilizing effective channels like social media for outreach.

The plan's implementation involves drafting policies that improve technology access, enhance digital literacy, and ensure affordable internet connectivity, incorporating community feedback into policy formulation. Initiatives like pilot programs, and broadband infrastructure development for underserved populations are pivotal. Continuous feedback, regular evaluations, and adaptability are key for measuring impact and refining strategies.

2.3.8 Rural Individuals

All Guam residents, businesses, and institutions are considered rural by the United States Department of Agriculture. While this means that there will not be a particular focus on rural individuals with respect to data-gathering activities and general stakeholder engagement, it also presents an opportunity for the Guam Office of Infrastructure Policy and Development Broadband Team to communicate with all entities about specific broadband and digital equity opportunities available–from USDA and other federal partners–due to that rural characterization. During ongoing communications, the team will continue to communicate new opportunities for rural entities and individuals to the public as part of its overall dissemination of information.

2.3.9 Local Coordination Tracker

In developing Guam's proposals and ongoing efforts, we have embraced a comprehensive approach that involved the community at every level. We have facilitated village town hall and stakeholder meetings not just as forums for speaking but as platforms for listening and true dialogue. This is where the community's voice was heard loud and clear, guiding us toward a BEAD program plan that serves their needs.

Engagement with special interest groups is an ongoing commitment. These meetings are less about presentation and more about conversation—delving into the community's concerns and aspirations to inform our strategies.

Collaboration with ISPs is also critical. Our work with them is founded on transparent dialogue and shared objectives, ensuring that the services provided meet the standards of affordability, reliability, and speed that Guam deserves.

Coordination with government agencies is similarly integral. We're joining forces to cut through red tape and make certain that our collective resources are being used efficiently and effectively for the benefit of all.

We're also taking the initiative to engage directly with the public at local events, including village town halls, stakeholder meetings, and conferences, gathering feedback and building trust. These aren't just fleeting interactions but meaningful exchanges that enrich our plan with diverse perspectives.

In every interaction, we're guided by a sense of service and a commitment to deliver lasting, meaningful improvements to Guam's internet landscape.

We want to set the bar for connectivity in Guam and do it with diligence, integrity, and a keen sense of responsibility.

2.4 Deployment Subgrantee Selection (Requirement 8)

2.4.1 Deployment Projects Subgrantee Selection Process & Scoring Approach

The Office of Infrastructure Policy and Development (Broadband Office) is committed to a transparent, competitive, and equitable subgrantee selection process for BEAD deployment projects, emphasizing integrity, fairness, and compliance.

Ensuring a Competitive and Fair Process:

Broadband Office ensures fairness by publishing application requirements and scoring criteria in advance, requiring standardized application formats for impartial evaluation, and implementing a blind review process to maintain objectivity.

Role of Subject Matter Experts (SMEs):

SMEs are selected for their expertise and ethical standards. They are tasked with scoring applications based on a detailed rubric that distinguishes between high and low scores across various criteria, ensuring a consistent and impartial evaluation.

Role of the Procurement Officer:

The Procurement Officer is instrumental in guiding the Broadband Office through the procurement process, ensuring compliance with laws, implementing anti-collusion measures, overseeing clear communication, and managing the execution of RFPs and contracts. Their responsibilities include:

- Adherence to Procurement Regulations: Ensuring all steps, from RFP issuance to contract execution, comply with procurement laws and standards.
- Anti-Collusion Measures: Ensuring all protocols to prevent collusion, ensuring a level playing field for all applicants.
- Proper Communication: Managing stakeholder communications to maintain transparency and clarity throughout the process.
- Execution of RFPs and Contracts: Overseeing the RFP process and contract execution to ensure legal soundness and alignment with project goals.

Transparent Definition of Project Areas:

The delineation of project areas is a critical aspect of our broadband deployment strategy. To achieve this, we have chosen to primarily utilize pre-existing census tracts

as outlined in the Eligible Entity Planning Toolkit (EEPT) as the foundation for our project areas. Several key considerations drive this decision, all aimed at optimizing the planning, execution, and effectiveness of our broadband expansion initiatives.

1. Manageability: By using pre-existing census tracts as the basis for project areas, we ensure that the scope of each area remains manageable. Census tracts provide a logical and well-structured framework for breaking down the geographical coverage of our broadband projects. This approach allows us to allocate resources efficiently, monitor progress effectively, and implement targeted interventions where needed. Managing project areas within reasonable bounds enables us to maintain control over project timelines and costs.

2. Comprehensive Inclusion: Our commitment to achieving universal broadband access requires that we leave no stone unturned. By adopting census tracts as project areas, we can rest assured that our proposals encompass all unserved, underserved, and community anchor institutions within those tracts. This comprehensive approach is crucial for identifying and addressing the full spectrum of broadband access disparities. It ensures that no segment of our target population is inadvertently excluded from the benefits of our broadband expansion efforts.

3. Consistency and Fairness: Using census tracts as the basis for project areas promotes consistency and fairness in our deployment strategy. Each census tract is a well-defined geographical unit with consistent boundaries, making applying uniform criteria and standards across all project areas easier. This consistency fosters transparency and equity in the allocation of resources, ensuring that all communities within the selected tracts receive a fair opportunity for improved broadband access.

4. Data Availability: Census tracts are associated with a wealth of demographic and socioeconomic data that can inform our decision-making process. Leveraging this data allows us to tailor our broadband deployment strategies to each project area's specific needs and characteristics. It helps us identify areas with the greatest need for broadband access and allocate resources accordingly, thereby maximizing the impact of our initiatives.

5. Accountability and Reporting: Using census tracts as project areas enhances our ability to track progress and report results accurately. The well-defined boundaries of census tracts facilitate clear delineation of project boundaries and facilitate the measurement of key performance metrics within each area. This accountability ensures that we can provide transparent and credible reporting to our stakeholders, including regulatory authorities and the public.

In summary, the choice to define project areas primarily using pre-existing census tracts is a strategic decision rooted in practicality, comprehensiveness, consistency, data-driven decision-making, and accountability. It reflects our commitment to delivering equitable and effective broadband solutions that leave no community behind in our pursuit of universal broadband access.

- Geographic Analysis: Using geographic information systems (GIS) and consulting expertise, we will map the current state of broadband access and identify unserved and underserved areas.

- Stakeholder Input: We will continue to gather input from local communities, businesses, and other stakeholders to understand the specific needs and priorities for broadband services in each area.

Safeguarding Against Bias and Collusion:

Measures such as blind reviews, conflict of interest disclosures, and independent audits are in place to prevent bias and collusion, supported by clear, regular communication to keep all stakeholders informed.

Structured Timelines and Application Process:

A clear timeline guides applicants through the process, with a simplified application approach requiring a single narrative and detailed cost estimates. This structured approach ensures all applicants are evaluated fairly and equitably.

Through this comprehensive process, the Broadband Office guarantees that BEAD funds are allocated effectively and efficiently to projects that significantly contribute to Guam's broadband infrastructure, adhering to the highest standards of fairness, equity, and transparency.

Informing Potential Subgrantees about Participating

We are committed to implementing a multifaceted outreach strategy designed to ensure all potential applicants are well-informed about the subgrantee selection process and subgrant opportunities. Our approach is centered on accessibility, inclusivity, and comprehensive engagement to foster widespread participation. The following outlines our planned activities:

1. Email Outreach: We will utilize a targeted email campaign to reach potential applicants, including existing telecommunications providers, new entrants,

non-profits, and other relevant organizations. This campaign will include periodic updates about the application process, key deadlines, and links to resources for additional information.

2. Stakeholder Meetings: Regular meetings with key stakeholders, including local government officials, community leaders, and industry representatives, will be convened to discuss the BEAD program's objectives and solicit feedback on the application process. These meetings will serve as a platform for direct engagement and partnership building.

3. Online Resources and Public Notice Portal: Our broadband program website will be updated to include a dedicated section for the BEAD program, featuring a comprehensive suite of resources such as application forms, guidelines, scoring criteria, and a timeline. We will also utilize the Guam Public Notice portal to detail how to submit applications, ensuring a streamlined and transparent process.

4. Public Announcements and Press Releases: To reach a broader audience, we will issue public announcements and press releases through local media outlets and social media channels. These communications will highlight key milestones in the application process and encourage potential applicants to participate.

5. Technical Assistance Sessions: To support potential applicants through the process, we will offer technical assistance sessions. These sessions will provide an opportunity for one-on-one guidance on specific aspects of the application, such as the technical requirements, financial projections, and documentation.

6. Community Outreach: Engaging directly with communities across Guam, we will conduct outreach efforts to raise awareness about the BEAD program and its potential impact. This will include presentations at community centers, local councils, and other public forums.

7. Feedback Loop: An open channel for feedback will be established to gather insights and suggestions from potential applicants and other stakeholders. This feedback will be used to continuously improve the outreach and application process.

Through this comprehensive outreach strategy, we aim to ensure that all potential applicants are fully informed, supported, and encouraged to participate in Guam's efforts to enhance broadband infrastructure through the BEAD program. Our goal is to foster a competitive and inclusive selection process,

leading to the successful implementation of projects that will significantly contribute to closing the digital divide in Guam.

2.4.1b: 365 Day or less process: Your organization pledges to complete the entire subgrantee selection process within a year following approval, adhering to a clear, well-defined timeline. This commitment includes:

Preparation and Publicity: Beginning immediately upon completion of the challenge process, the initiative kicks off with the public announcement of available subgrants and the issuance of detailed Requests for Proposals (RFPs).
Extensive Application Window: An application period of approximately 30 days is provided to ensure broad participation and thorough preparation by potential subgrantees.
Detailed Evaluation: Following the application period, a comprehensive review of all submissions is conducted over 14-30 days, involving a panel of experts to ensure each proposal meets the specified criteria and project goals.
Thorough Negotiation and Awarding: The final selection and contract negotiations are completed over the subsequent 14-30 days, with contracts awarded and feedback provided to all participants to foster transparency.
Implementation Oversight: The process concludes with the monitoring of project implementations to ensure compliance with contractual terms, with ongoing checks and balances throughout the remaining duration of the year.

This streamlined yet robust approach guarantees that all subgrantees are selected within the stipulated 365-day time frame from final approval or sooner.

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:

The Broadband Office ensures that our prioritization and scoring process strictly adheres to the BEAD NOFO requirements, emphasizing a transparent and equitable evaluation of proposals for both Priority Broadband Projects and Other Last-Mile Projects. Our approach meticulously balances cost-efficiency and speed of deployment within the federal guidelines.

Priority Broadband Projects
Priority Broadband Projects are defined as projects that provision service exclusively through end-to-end fiber-optic facilities to each end-user premises. These projects are preferred because they ensure the highest quality broadband service and future-proof connectivity. Priority Broadband Projects are particularly emphasized for their ability to

easily scale speeds over time to meet evolving connectivity needs and support the deployment of future services.

Other Last-Mile Projects
When Priority Broadband Projects are not feasible due to specific criteria such as extremely high costs per location or other compelling reasons, we evaluate **Other Last-Mile Projects**. These projects aim to meet the program's connectivity goals but may utilize a variety of technologies, including terrestrial fixed wireless technology using licensed or a hybrid of licensed and unlicensed spectrum, as well as satellite technologies. Other Last-Mile Projects are evaluated based on their potential to significantly improve service quality and access, especially in unserved and underserved areas.

Evaluation Criteria
In evaluating both types of projects, priority is given to those that demonstrate not only an immediate impact on connectivity but also long-term sustainability, labor compliance, and proactive local community engagement by the awardee. We apply a scoring system rooted in quantifiable metrics, ensuring every application is assessed with fairness and precision. Proposals that reflect affordability, fair labor practices, and robust local engagement receive higher scores.

Commitment to Oversight
This process is underpinned by a commitment to continuous oversight, guaranteeing that our methods evolve alongside the needs of the communities we serve. By adhering to these principles, the Broadband Office remains focused on achieving a transformative impact on Guam's digital landscape, setting a precedent for responsibility and efficiency. Through such rigor, we ensure that all projects, whether Priority Broadband or Other Last-Mile, align with our vision of comprehensive digital equity and access.

Consistency
Whether a Priority Deployment Project or Other Last-Mile Deployment, identical procedures will be used for submission, evaluation, and awarding of projects.

2.4.2.1 Scoring Rubric

Priority Broadband Projects

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:

Total Possible Score: 100
Scoring criteria requirements:

- BEAD-required Primary Criteria must be 75% of the total possible points
- BEAD-required Secondary Scoring and Locally-added Additional Scoring Criteria are limited to 25% of total possible points.

Primary Criteria. In deciding among competing Priority Broadband Projects or Other Last-Mile Projects covering the same location or locations, Eligible Entities must give the greatest weight (e.g., substantial points or credits) to the following criteria:

Guam will determine the Cost Efficiency per location using CostQuest Data integrated within the NTIA's Planning Toolkit. This toolkit overlays multiple data sources, providing a comprehensive analysis of costs associated with broadband deployment across different areas. The process involves:

1. Data Analysis: Using existing sources of detailed geographic and demographic data for each project area. This includes the Guam Census, Poverty Mapping, FCC Broadband Fabric, and Visual Maps.
2. Cost Analysis: Using CostQuest Data to estimate the build costs for each location within the project area.
3. Comparison: Using the estimated cost from the above data in RFPs to assess efficiency of a proposal..

Scope:
Cost efficiency will be determined by project area, specifically by census tract, rather than by averaging the cost for the entire territory of Guam. This approach ensures that each project area's unique characteristics and challenges are accounted for, allowing for a more accurate and fair assessment of cost efficiency.

Guam will determine cost efficiency by using the metrics in the Eligible Entity Planning Toolkit (which is derived from released cost quest data), averaging the Net Present Value across each project area, which may be conglomerations of adjoining census tracts

with similar geography, service levels as described in the National Broadband Map data from Dec. 2023, and demographics as derived from the Guam Census.
Guam will be using NPVs from the Dec. 2023 map vintage to determine all cost efficiency per location. Any updates to the NTIA's Planning Toolkit after this date will not affect the evaluation of applications submitted before the cut-off date.

Primary Criteria 76 Maximum Points

1. **Minimal BEAD Program Outlay– 30 points**

Description: To meet the goals of the program, applicants will be awarded greater points by decreasing the total BEAD funding required to complete the project by increasing their match beyond the 25% required, without a waiver, committing additional private funds, or identifying other investments which will reduce the amount of BEAD funds requested. The total amount of BEAD funding required (inclusive of the committed matching funds) to complete the project area in the application will compile the total projected cost for any Project Funding Area. Specific points will be awarded based on the total cost to serve a proposed funding area, assuming that qualifying technologies are applied in the design and that the subgrantee meets all requirements described in the grant program.

Scoring: The most cost-efficient applications determined by evaluating the total BEAD funding requested (inclusive of at least 25% matching funds) to provide broadband access to a defined Project Funding Area will receive maximum points under this section (30). The highest total BEAD funding requested to provide access to that same area will receive zero points. All applications that fall between the highest and lowest cost will receive points that are proportionately applied.

<u>Minimum BEAD Outlay</u>

Max Avail Pts.	**30**	**Lowest total cost to serve**
Min Avail Pts.	**0**	**Highest total cost to serve**

All applications falling between the highest and lowest cost to serve will have points assigned proportionately

2. **Sustainability & Resiliency— 20 Points**

We are allowing only two sustainable technology options for priority project deployment: Buried Fiber and Aerial Fiber. This scoring acknowledges both the need for aerial fiber and the sustainability benefits of buried fiber.

Scoring:

Buried fiber will score higher than aerial fiber in our sustainability scoring rubric due to its superior environmental resilience and longevity, particularly given Guam's high susceptibility to typhoons. The underground placement of fiber is less vulnerable to storm damage, reducing the need for frequent repairs and replacements, which contributes to lower environmental impact over time. All applications that fall between the highest and lowest percentage of buried fiber planned will receive points that are proportionately applied.

Sustainability

Max available points - 20 for Highest percentage of buried fiber
Min Points - 0 for Lowest use of buried fiber
All applications falling between the highest and lowest percentage of buried fiber planned will have points assigned proportionately

Affordability 15 Points

Description: An affordable price to subscribers for 1Gbps/1Gbps symmetrical service set at a $70, or less, monthly rate, inclusive of all taxes, fees, and monthly charges billed to the customer.

Scoring: An application will receive 15 points if the cost of 1Gbps/1Gbps symmetrical service is less than or equal to $70.00 per month, including all taxes, fees, and monthly charges billed to the customer. A sliding scale will be used to score applications that provide 1Gbps/1Gbps symmetrical services for more than $70.00 per month, including all taxes, fees, and monthly charges billed to the customer.

Monthly Service Cost 1Gbps/1Gbps	Points
≤$70.00	15 Points
$70.01 -$99.99	10 Points
$100.00 - $109.99	6 Points
$110.00 - $119.9	3 Points
>$120.00	0 Points

Fair Labor Practices– 11 points

Description**:** The Broadband Office will prioritize applicants who provide attestation by an officer of the company or evidence of plans to comply with federal labor and employment laws and of plans to solicit, recruit, and retain minority-owned enterprises and women-owned enterprises (MBEs/WBEs). Additional consideration will be given to applicants that include plans or actual results that reflect their commitment to workplace safety and training.

Failure to provide these commitments and plans shall result in zero points applied to the application. Applicants without a verifiable record of compliance with labor and employment law may mitigate this fact by making specific, forward-looking commitments to strong labor and employment standards and protections with respect to BEAD-funded projects.

Scoring: Applications that provide all the required information and certify they will comply with existing labor requirements outlined in the BEAD Notice of Funding Opportunity (NOFO) will receive 10 points. Points will be allocated based on the information submitted for each element of the fair labor category. Applications that provide no response will receive 0 points.

Fair Labor Requirements	**Points**
Attestation or Evidence of Compliance	6 Points
Plans or results related to workplace safety	5 Points

Secondary Criteria for Priority Broadband Projects

Speed to Deployment– 9 Points

Description: Applications that commit to the deployment of a network and provide services to each BSL within the Project Funding Area within four years from the date of the grant agreement with the Broadband Office.

Scoring: Speed to deployment will be scored on a sliding scale based on the timeline(s) for completed deployment within a Project Funding area, as demonstrated in the table below. Additionally, service milestone(s) must be committed within the applications and will measure progress made throughout the project period. These service milestones will be audited by the Broadband Office quarterly and will be used to determine responses to requests for periodic disbursement payments by the subgrantee. Payments will not be authorized unless committed service milestones are met.

The uncertainty in supply chains, workforce challenges, and compliance with federal regulations imposed by the BEAD program are challenges that are shared by all providers. Thus, each application has the same opportunity to prepare for them. To

ensure fair and equitable assessments, projects shall be scored along the following timelines:

Time	Points
0-1 years contract award to project close out	9 Points
>1 but ≤2 years contract award to project close out	8 Points
>2 but ≤ 3 years contract award to project close out	5 Points
> 3 but ≤ 4 years contract award to project close out	2 Points
> 4 years	0 Points

Speed of Network and Network Resilience in Response to Climate-Induced Disasters:

Description: Applications that propose to use technologies that exhibit scalability with lower future investment.

Scoring: Capital assets with longer usable lives and scalability will score higher on this sliding scale, even if they have higher costs.

Technology Attribute	Maximum Points
Speed of Network	3 Points
Network Resilience in Response to Climate-Induced Disasters:	3 Points

Speed of Network and Scalability: 3

Objective: The objective of this criterion is to incentivize the deployment of broadband networks that not only meet but significantly exceed the minimum speed requirements set forth by the BEAD program, thereby enhancing the quality and future-proofing of broadband services provided to the community.

Scoring Allocation:

3 Points: Projects that propose network speeds at least 50% above the BEAD program's minimum requirements will receive the maximum points. This tier rewards exceptional performance, encouraging applicants to aim for technological excellence and superior service delivery.

2 Points: Projects offering speeds that are 25-49% above the minimum required speeds are awarded two points, recognizing substantial enhancements over the basic criteria that contribute to better user experiences and greater service reliability.

1 Point: Proposals that exceed the minimum required speeds by 10-24% receive one point. This level is designed to acknowledge moderate improvements that provide tangible benefits to users compared to the baseline standard.
0 Points: No points are awarded for merely meeting the minimum speed requirements, as compliance with these standards is expected of all projects.

Detailed Assessment:
The assessment of this criterion will utilize detailed geographic and demographic data to ensure the scoring reflects not only the technical capabilities of the proposed service but also its alignment with the specific needs and characteristics of the project area. This will include analysis of the potential impact on local development, user engagement, and long-term service sustainability.

Evaluation Method:
Proposals will be evaluated based on the detailed technical specifications provided in the application, including documented evidence of the network's capability to achieve and maintain the proposed speeds. This may include technical plans, pilot results, or verified projections from similar previous projects.

Note: All applicants are required to submit comprehensive data supporting their claims regarding network speeds and scalability. This information should be detailed enough to allow for accurate verification against the scoring criteria as outlined above.

Network Resilience in Response to Climate-Induced Disasters:
3 Points: Awarded to applicants that provide comprehensive evidence of a fully diverse and survivable network design. This includes:
Fully redundant routing with automatic failover mechanisms.
Design features that ensure continuous service availability even in adverse conditions.

2 Points: Awarded to applicants whose network design includes significant elements of diversity and redundancy, but may lack comprehensive failover mechanisms or full coverage of all network areas. Key features might include:
•Partially redundant pathways that mitigate but do not eliminate potential service disruptions.

1 Point: Granted to applicants that demonstrate basic consideration for network resilience, featuring minimal diversity and redundancy. Such designs might include:
Limited use of redundant elements, providing some enhancement to network resilience but lacking robustness in automatic failover or complete network coverage.

0 Points:

Given when an applicant fails to adequately address network resilience, such as relying on a single fiber spur or lateral design without any form of redundancy or diversity in routing.

Additional Criteria: 9 Points

OPEN ACCESS

NTIA encourages Eligible Entities to adopt selection criteria promoting subgrantees' provision of open access wholesale last-mile broadband service for the life of the subsidized networks, on fair, equal, and neutral terms to all potential retail providers at reasonable or just rate.

Scoring:

Based on a commitment to including a working percentage of open access fiber.

Attribute	Points
>30% Availability of fiber installation for wholesale access	9
10-29% Availability of fiber installation for wholesale access	5
1-9% Availability of fiber installation for wholesale access	3

Detail how the prioritization and scoring process will be conducted.

The following process will be applied to competing proposals:

Openness:

The RFP, evaluation criteria, and scoring rubric will be publicly available on Guam's government website. Public forums will be held to answer questions from potential subgrantees.

Conflicts of Interest:

A conflict-of-interest policy will be implemented, requiring panelists and all government personnel involved in the selection process to disclose any potential conflicts (e.g., financial ties to a proposer) and recuse themselves from related evaluations. This policy will be made public and potential subgrantees will be encouraged to report any perceived conflicts.

Arbitrary Decisions:

All decisions will be documented with clear justifications based on the scoring rubric. Scores will be reviewed by a designated oversight body to ensure consistency and

adherence to the criteria. This oversight body will be composed of impartial government officials.

Adherence to Guam Law Regarding Fair Procurement practices
This includes public laws regarding competitive sealed bids, scoring procedures, negotiations, and awards.

> "§1101. Purpose. The purpose of the Guam Procurement Regulations, hereinafter referred to as the Regulations, is to provide standard policies and procedures governing the procurement, management, control, and disposal of supplies, services, and construction for the territory in conformity with 5 GCA Chapter 5, hereinafter referred to as the Guam Procurement Act."
> *(https://go.opengovguam.com/app/webroot/userfiles/files/2GAR%281%29.pdf)*

2.4.3 Prioritization within the Subgrantee Selection Process

The implementation of BEAD Deployment is structured to prioritize the achievement of universal broadband coverage. This primary focus is directed towards identified unserved and underserved project areas, ensuring that these regions receive the first consideration in the deployment efforts. An application under this initiative encompasses designated project areas, which are elaborated in our comprehensive plan. These areas are specifically targeted for broadband deployment and are supported by all requisite BEAD documentation for proposed projects aimed at servicing eligible locations within those areas.

Commitment to Universal Coverage
The inclusion of a project area in an application indicates a firm commitment to deploy broadband to all eligible locations within that area upon the application's successful award. This dedication ensures that efforts are primarily concentrated on bridging the digital divide by extending service to areas lacking adequate access. Additionally, all related plans and commitments, including those concerning affordability and service quality, are mandated to be uniformly applied across all eligible locations within each project area, reinforcing the principle of equitable service provision.

Funding Allocation Prioritization:
Before the application process begins, Guam will designate a maximum amount of BEAD funding available for each project area. This allocation will be calculated based on the average cost of BEAD-eligible locations within each project area. Utilizing per-location value estimates for Greenfield Fiber to the Home (FTTH) Net Present Value (NPV) and Total Investment as guidelines. These estimates are provided by the National

Telecommunications and Information Administration's (NTIA) Eligible Entity Toolkit[3], with a specific final funding amount for each project area determined after thorough internal analysis and before the finalization and release of the list of project areas. Importantly, the overall strategy ensures that the total funding allocated across all project areas is within Guam's total BEAD allocation, guaranteeing that full funding at the maximum level for all areas aligns with the overarching budgetary parameters established by the BEAD program.

Ensuring Prioritization and Inclusive Access:
This strategic approach underscores a clear commitment to, first and foremost, ensuring available broadband coverage in unserved and underserved project areas. Following the fulfillment of this primary objective, the initiative then places a strong emphasis on prioritizing Community Anchor Institutions (CAIs), recognizing their critical role in community connectivity and access to essential services. Through this prioritized and phased approach, Guam's BEAD initiative is dedicated to not only expanding the broadband infrastructure but also significantly enhancing access to digital resources, thereby improving the quality of life for all residents across the island.

1. Defining 'Unserved' and 'Underserved' areas:
   We establish clear definitions for 'unserved' and 'underserved' locations, based on data-driven thresholds for broadband speeds and service availability in accordance with the Bipartisan Infrastructure Law.

2. Mapping and Data Analysis:
   Utilizing detailed mapping and data collection, we identify all unserved locations. This data is the cornerstone of our prioritization framework.

3. Tiered Funding Rounds:
   Our funding is released in tiered rounds, with the initial round exclusively dedicated to Unserved Service Projects. Only after the Unserved Service Projects are fully funded do we consider applications for Underserved Service Projects.

4. Scoring System with Built-In Priorities: Applications are scored on a system that heavily weights the service to unserved areas. Projects that do not address unserved locations will inherently score lower and thus be ranked lower in priority.

5. Conditional Funding for CAIs: CAIs are a priority only if they are in unserved areas for the first round. Subsequent rounds will consider CAIs in underserved regions,

[3] https://broadbandusa.ntia.doc.gov/sites/default/files/2024-02/BEAD_Challenge_Process_Policy_Notice_v1.3.pdf
Section 6.22. "The BEAD Eligible Entity Planning Toolkit, expected for release in Summer 2023, is a collection of NTIA-developed technology tools that, among other things, overlay multiple data sources to capture federal, state, and local enforceable commitments."

ensuring that these critical institutions are enhanced after unserved locations are addressed.

6. Mandatory Progress Milestones: Funded projects must meet specific milestones demonstrating service to unserved locations before they can receive full funding, guaranteeing that these projects are on track for completion as prioritized.

7. Transparency and Public Input:
We maintain transparency throughout the process, allowing for public input to specifically tailor Non-Priority / Other Last-Mile Broadband Projects. This version includes detailed scoring breakdowns to ensure clarity in evaluation criteria and methodology:

8. Adjustments Based on Implementation: As projects progress, we predict our pre-challenge modifications (DSL Exception, for instance) will necessitate updating coverage data from the Eligible Entity Planning Toolkit to update and refine our counts of unserved and underserved post-challenge processes and before the subgrant process, ensuring ongoing alignment with the goal of first serving all unserved locations.

Other Last-Mile Broadband Deployment Projects

Some Project Funding Areas may require the deployment of other technology solutions (i.e., non-end-to-end fiber-optic facilities) for several reasons, including geography, topology, or cost considerations. Other Last-Mile Broadband Deployment Projects will use the same primary criteria as Priority Broadband Projects except for the affordability criteria.

Minimal BEAD Program Outlay– 50 points

Description: To meet the goals of the program, applicants will be awarded greater points by decreasing the total BEAD funding required to complete the project, increasing their match beyond the 25% required without a waiver, committing additional private funds, or identifying other investments which will reduce the amount of BEAD funds requested. The total amount of BEAD funding required (inclusive of the committed matching funds) to complete the project area in the application will compile the total projected cost for any Project Funding Area. Specific points will be awarded based on the total BEAD cost to serve a proposed funding area, assuming that qualifying technologies are applied in the design and that the subgrantee meets all requirements described in the grant program.

Scoring: The most cost-efficient applications determined by evaluating the total BEAD funding requested (inclusive of at least 25% matching funds) to provide broadband access to a defined Project Funding Area will receive maximum points under this section

(50). The highest total BEAD funding requested to provide access to that same area will receive zero points. All applications that fall between the highest and lowest cost will receive proportionately applied points.

Minimum BEAD Outlay

Max Avail Pts.	50	Lowest total cost to serve
Min Avail Pts.	0	Highest total cost to serve

All applications falling between the highest and lowest cost to serve will have points assigned proportionately

Affordability– 15 points

Description: An affordable price to subscribers for 100/20 Mbps service set at $30 per month to the end user, or less, inclusive of all taxes, fees, and monthly charges billed to the customer if subsidized by ACP or other subsequent programs. Alternately affordable price to subscribers for 100/20 Mbps service set at a $60 monthly to the end user, or less, inclusive of all taxes, fees, and monthly charges billed to the customer if unsubsidized.

Scoring: An application will receive 15 points if the cost of 100/20 Mbps service is less than $30 per month, including all taxes, fees, and monthly charges billed to the customer. A sliding scale for points will be used to score applications that provide 100/20 Mbps service at $60.00 or more per month, including all taxes, fees, and charges to the customer.

The $30 rate for subsidized service makes broadband accessible for low-income households, which aligns with digital inclusion goals. The $60 unsubsidized rate reflects closer service cost without financial aid, ensuring sustainability for providers while remaining competitive.
Incentives: Offering 15 points for services priced under $30 encourages providers to utilize subsidies like the ACP to lower costs for users.
Flexibility: A sliding scale for services priced at $60 or more accommodates different cost structures and regional variations, acknowledging the real-world costs of broadband delivery.

Monthly Service Cost 100Mbps/20Mbps	**Points**
< $60.00 ($30 if subsidized) =	15 Points
$60.00 ($30 if subsidized) =	10 Points
$60.01 -$69.99 =	6 points
$>70.00 =	0 Points

Fair Labor Practices– 10 points

Description**:** The broadband office will prioritize applicants who provide attestation by an officer of the company or evidence of plans to comply with federal labor and employment laws and of plans to solicit, recruit, and retain minority-owned enterprises and women-owned enterprises (MBEs/WBEs). Additional consideration will be given to applicants that include plans or actual results that reflect their commitment to workplace safety and training.

Failure to provide these commitments and plans shall result in zero points applied to the application. Applicants without a verifiable record of compliance with labor and employment law may mitigate this fact by making specific, forward-looking commitments to strong labor and employment standards and protections with respect to BEAD-funded projects.

Scoring: Applications that provide all the required information and certify they will comply with existing labor requirements outlined in the BEAD Notice of Funding Opportunity (NOFO) will receive 10 points. Points will be allocated based on the information submitted for each element of the fair labor category. Applications that provide no response will receive 0 points.

Fair Labor Requirements	**Points**
Attestation or Evidence of Compliance	5
Plans or results related to workplace safety	5

Secondary Criteria for Other Last-Mile Broadband Deployment Projects

Speed to Deployment– 9 Points

Description: Applications that commit to the deployment of a network and provide services to each BSL within the Project Funding Area within four years from the date of the grant agreement with the Broadband Office.

Scoring: Speed to deployment will be scored on a sliding scale based on the timeline(s) for completed deployment within a Project Funding area, as demonstrated in the table below. Additionally, service milestone(s) must be committed within the applications and will measure progress made throughout the project period. These service milestones will be audited by the Broadband Office quarterly and will be used to determine responses to requests for periodic disbursement payments by the subgrantee. Payments will not be authorized unless committed service milestones are met.

The uncertainty in supply chains, workforce challenges, and compliance with federal regulations imposed by the BEAD program are challenges that are shared by all providers. Thus, each application has the same opportunity to prepare for them. To ensure fair and equitable assessments, projects shall be scored along the following timelines:

Time	Points
0-1 years contract award to project close out	9
>1 but ≤2 years contract award to project close out	8
>2 but ≤ 3 years contract award to project close out	5
> 3 but ≤ 4 years contract award to project close out	2
> 4 years	0

Speed of Network and Scalability– 9 points

Description: Applications that propose to use technologies that exhibit scalability with lower future investment.

Scoring: Capital assets with longer usable lives, scalability, and resilience will score higher on this sliding scale, even if they have higher costs.

Technology Attribute	Points
Network Usable Life	3
Speed of Network and Network Scalability	3
Network Resilience in Response to Climate-Induced Disasters	3

Network Usable Life

3 Points: Awarded to projects that deploy advanced durable technologies recognized for their longevity. This includes new iterations of DOCSIS (e.g., DOCSIS 3.1 or later) that demonstrate enhanced performance and life expectancy comparable to fiber.

2 Points: Given to projects using licensed fixed wireless technology or advanced unlicensed technologies that include substantial infrastructure investments to enhance durability and service reliability.

1 Point: Assigned to satellite services that have a moderate expected usable life but may require more frequent updates or adjustments compared to more durable terrestrial technologies.

0 Points: Allocated to technologies such as traditional copper/coaxial lines, which are generally considered to have a shorter usable life and are less suitable for future-proofing in a rapidly advancing technological landscape.

Proposals must include detailed technical specifications and evidence supporting the expected lifespan of the technology proposed. This may include manufacturer warranties, industry studies, or historical data on similar deployments.
Projects are encouraged to incorporate hybrid approaches where appropriate, combining technologies to leverage the strengths of each while addressing their individual limitations.

Speed of Network and Scalability: 3
Objective: The objective of this criterion is to incentivize the deployment of broadband networks that not only meet but significantly exceed the minimum speed requirements set forth by the BEAD program, thereby enhancing the quality and future-proofing of broadband services provided to the community.

Scoring Allocation:

3 Points: Projects that propose network speeds at least 50% above the BEAD program's minimum requirements will receive the maximum points. This tier rewards exceptional performance, encouraging applicants to aim for technological excellence and superior service delivery.

2 Points: Projects offering speeds that are 25-49% above the minimum required speeds are awarded two points, recognizing substantial enhancements over the basic criteria that contribute to better user experiences and greater service reliability.

1 Point: Proposals that exceed the minimum required speeds by 10-24% receive one point. This level is designed to acknowledge moderate improvements that provide tangible benefits to users compared to the baseline standard.

0 Points: No points are awarded for merely meeting the minimum speed requirements, as compliance with these standards is expected of all projects.

Detailed Assessment:

- The assessment of this criterion will utilize detailed geographic and demographic data to ensure the scoring reflects not only the technical capabilities of the proposed service but also its alignment with the specific needs and characteristics of the project area. This will include analysis of the potential impact on local development, user engagement, and long-term service sustainability.

Evaluation Method:

- Proposals will be evaluated based on the detailed technical specifications provided in the application, including documented evidence of the network's capability to achieve and maintain the proposed speeds. This may include technical plans, pilot results, or verified projections from similar previous projects.

Note: All applicants are required to submit comprehensive data supporting their claims regarding network speeds and scalability. This information should be detailed enough to allow for accurate verification against the scoring criteria as outlined above.

Network Resilience in Response to Climate-Induced Disasters:

3 Points: Awarded to applicants that provide comprehensive evidence of a fully diverse and survivable network design. This includes:

Fully redundant routing with automatic failover mechanisms.

Design features that ensure continuous service availability even in adverse conditions.

2 Points: Awarded to applicants whose network design includes significant elements of diversity and redundancy, but may lack comprehensive failover mechanisms or full coverage of all network areas. Key features might include:

Partially redundant pathways that mitigate but do not eliminate potential service disruptions.

1 Point: Granted to applicants that demonstrate basic consideration for network resilience, featuring minimal diversity and redundancy. Such designs might include:

Limited use of redundant elements, providing some enhancement to network resilience but lacking robustness in automatic failover or complete network coverage.

0 Points: Given when an applicant fails to adequately address network resilience, such as relying on a single fiber spur or lateral design without any form of redundancy or diversity in routing.

Additional Criteria: 7 Points

Open Access:

Scoring will be based on the percentage of the entire network capacity designated for open access, rather than specifically fiber installation. This allows for technology-neutral evaluation and encourages diverse technological approaches to open access.

Scoring Allocation:

7 Points: More than 30% of the network's total capacity is dedicated to open access. This high commitment ensures that a significant portion of the network is available for wholesale access, promoting robust competition and variety in service offerings.

5 Points: 10-29% of the network's total capacity is available for open access. This substantial allocation supports healthy competition and service diversity, albeit to a lesser extent than the highest tier.

3 Points: 1-9% of the network's total capacity is available for open access. While this represents a minimal commitment, it still fosters some level of competitive access and service variety.

0 Points: No dedicated capacity for open access. Networks that do not allocate any capacity for wholesale access do not support the open access goals encouraged by the NTIA and receive no points in this criterion.

Details to Include in Proposals:

Quantitative Commitments: Applicants must specify the percentage of total network capacity that will be available for open access, detailing how this capacity will be managed and allocated among potential retail providers.

Technology Specifications: Explain the technology or technologies used to deploy the broadband network and how they accommodate open access configurations. This includes technical details on how different technologies, whether fiber, fixed wireless, satellite, or others, can ensure reliable and equitable wholesale access.

Terms and Conditions: Outline the terms under which open access will be provided, ensuring they are fair, equal, and neutral. This includes pricing models, access conditions, and any other relevant policies.

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.

Guam Office of Broadband Emphasis on Responsible Spending and Compliance

The Guam Office of Broadband is steadfast in ensuring that taxpayer dollars are judiciously spent in alignment with U.S. federal standards and the specific needs of Guam. Our approach to enhancing broadband infrastructure through the BEAD program includes a commitment to supporting American workers and businesses, thereby fostering the growth of U.S. domestic manufacturing capacity.

Key Compliance Aspects:

Build America, Buy America Act (BABA) Compliance:

Requirement for all iron, steel, manufactured products (including fiber-optic communications facilities), and construction materials used in projects to be produced in the United States, unless a BABA waiver is granted.

Compliance with Section 70912 of BABA regarding the domestic content of manufactured products.Prohibition against using BEAD funding for products or services defined as 'covered' under the Secure and Trusted Communications Networks Act of 2019.

Specific Prohibitions and Waivers:

A strict prohibition on using BEAD funding for fiber optic cable and optical transmission equipment manufactured in the People's Republic of China, unless a waiver from the Assistant Secretary is received.

BABA Waiver Provision: All stipulations about BABA compliance stand unless Guam or the BEAD program receives a specific waiver from the Federal Government.

Educational Outreach and Regulation Information:

A comprehensive list of regulations and compliance requirements will be posted on our website. Inclusion of these requirements in grant applications, instructions, and agreement terms/conditions.

Environmental and Historic Preservation Compliance:

Adherence to the National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) to assess potential environmental and historical impacts of projects using BEAD funding.

Mandatory submission of environmental documentation for projects involving construction or ground disturbance.

Application Consideration:
Applications must demonstrate intent to comply with BABA requirements. However, should a waiver be granted to Guam or the BEAD program by the Federal Government, the stipulated requirements will be adjusted accordingly. Applications failing to comply with BABA, barring an official waiver, will not be eligible for BEAD funding. Our commitment remains to uphold these standards while ensuring that the specific needs and context of Guam are addressed in every facet of our broadband infrastructure development.

Strategies for Cost Management:

The Broadband Office will closely collaborate with subgrantees to address the financial challenges posed by these regulations, promoting transparency and foresight in managing material sourcing and project execution.

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.

Defining Project Areas: Delineating project areas is a critical aspect of our broadband deployment strategy. To achieve this, we have chosen to primarily utilize pre-existing census tracts as the foundation for our project areas. This decision is driven by several key considerations, all aimed at optimizing the planning, execution, and effectiveness of our broadband expansion initiatives. For the sake of streamlining, setting cost-estimate benchmarks, and preventing overlapping proposals, the Broadband Office will determine project areas.

In doing so, we will merge contiguous census tracts that have geographical, demographic, and service levels (served, unserved, underserved) using information from the eligible entity planning toolkit and the service map version from Dec, 23. Net Profit Values will be averaged across the inclusive project areas and multiplied by the number of individual locations to determine the stated investment target in the RFP. Extremely High Cost cost outliers or CAIs will not factor into the average as they will be their own project areas as not to artificially affect the estimate derived from costquest.

Applicants may not apply for multiple project areas in a single proposal.

Note: While the broadband office may use contractors to support all efforts mentioned in this proposal the process is acceptable, Final award decisions will be made by the Broadband Office in accordance with the NTIA approved selection process and Guam Procurement law.

1. Manageability: By using pre-existing census tracts as the basis for project areas, we ensure that the scope of each area remains manageable. Census tracts provide a logical and well-structured framework for breaking down the geographical coverage of our broadband projects. This allows us to allocate resources efficiently, monitor progress effectively, and implement targeted interventions where needed. Managing project areas within reasonable bounds enables us to maintain control over project timelines and costs.

2. Comprehensive Inclusion: Our commitment to achieving universal broadband access requires that we leave no stone unturned. By adopting census tracts as project areas, we can rest assured that our proposals encompass all unserved, underserved, and community anchor institutions within those tracts. This comprehensive approach is crucial for identifying and addressing the full spectrum of broadband access disparities. It ensures that no segment of our target population is inadvertently excluded from the benefits of our broadband expansion efforts.

3. Consistency and Fairness: Using census tracts as the basis for project areas promotes consistency and fairness in our deployment strategy. Each census tract is a well-defined geographical unit with consistent boundaries, making it easier to apply uniform criteria and standards across all project areas. This consistency fosters transparency and equity in the allocation of resources, ensuring that all communities within the selected tracts receive a fair opportunity for improved broadband access.

4. Data Availability: Census tracts are associated with a wealth of demographic and socioeconomic data that can inform our decision-making process. Leveraging this data allows us to tailor our broadband deployment strategies to the specific needs and

characteristics of each project area. It helps us identify areas with the greatest need for broadband access and allocate resources accordingly, thereby maximizing the impact of our initiatives.

5. Accountability and Reporting: Using census tracts as project areas enhances our ability to track progress and report results accurately. The well-defined boundaries of census tracts facilitate clear delineation of project boundaries and facilitate the measurement of key performance metrics within each area. This accountability ensures that we can provide transparent and credible reporting to our stakeholders, including regulatory authorities and the public.

In summary, the choice to define project areas primarily using pre-existing census tracts is a strategic decision rooted in practicality, comprehensiveness, consistency, data-driven decision-making, and accountability. It reflects our commitment to delivering equitable and effective broadband solutions that leave no community behind in our pursuit of universal broadband access.

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.

In the event that no proposals are received to serve locations identified as unserved, underserved, or a combination thereof, the Broadband Office will take the following proactive steps to engage with prospective subgrantees in subsequent funding round, such as:

1. Targeted Outreach:
    i. Initiate direct contact with providers who have existing infrastructure near the unserved or underserved areas.
    ii. Host informational webinars detailing the specific needs of these areas and the incentives available for service expansion.
2. Enhanced Incentives:
    i. Introduce preferential scoring for grant applications that aim to serve these high-need areas: Here are some examples of enhanced incentives that can be implemented:
        a. Higher Points for Unserved and Underserved Areas: Grant applications proposing to serve completely unserved areas, defined

by a lack of any broadband service, or underserved areas, characterized by broadband speeds below the FCC's benchmark, could receive additional points in the scoring rubric. For instance, serving an unserved area might add 10 extra points, while serving an underserved area adds 5 points.

b. Bonus Points for Rapid Deployment: Applications that include a feasible plan for rapid deployment in high-need areas can receive bonus points. For example, a project that promises to complete deployment within 12 months could earn an additional 5 points, encouraging quicker access to broadband for these communities.
c. Increased Scoring for Including CAIs: Proposals that explicitly include plans to connect Community Anchor Institutions (CAIs) such as schools, libraries, healthcare facilities, and public safety agencies within unserved or underserved areas could gain extra scoring benefits. Connecting a CAI might result in an additional 3 points per institution included in the project plan.
d. Scoring Boost for Affordability Plans: Grant applications that not only propose to serve high-need areas but also include a strong affordability plan, ensuring the services are financially accessible to the community, could receive a scoring boost. Offering sliding scale pricing based on income could earn proposals an additional 5 points, for instance.
e. Additional Points for Comprehensive Service Offerings: Proposals that go beyond basic connectivity to offer comprehensive service packages, including high-speed options, digital literacy training, and support services, in high-need areas can be awarded extra points. This holistic approach might add an additional 4 points to the application score.
f. Enhanced Incentives for Sustainable Solutions: Applications that present sustainable and environmentally friendly deployment methods in high-need areas, such as using solar-powered infrastructure or minimizing ecological impact, could be eligible for additional scoring incentives, like an extra 2 points for sustainable practices.

3. Public-Private Partnerships: Work with utility companies for potential infrastructure-sharing agreements that could facilitate expansion.

4. Market Analysis and Feasibility Studies:
    ii. Conduct market analysis to identify potential barriers to service providers entering the market.

iii. Perform feasibility studies to present providers with data-driven assurances on the sustainability of serving these areas.

5. Aggregate Demand:

iv. Gather commitments from residents and businesses in unserved and underserved areas to demonstrate demand to potential providers.

v. Utilize pre-subscription campaigns as a tool to showcase community interest and potential return on investment.

6. Revised Solicitation Process:

vi. If required, refine the solicitation process to allow for flexible project area definitions that may be more appealing to providers.

vii. Develop a clear and transparent process for revisiting unserved areas in future funding rounds.

7. Community Engagement:

viii. Involve community leaders and local government in outreach efforts to advocate for their constituents' broadband needs.

ix. Encourage community-led initiatives to garner attention from potential service providers.

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.

N/A

2.4.9 Extremely High Cost Per Location Threshold

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.

Extremely High Cost Threshold set at the 90th Percentile for Fiber Installation Projects in the BEAD Scope

Establishment of an "Extremely High Cost Threshold" at $5,001

This proposal outlines Guam's initial strategy for the Broadband Equity, Access, and Deployment (BEAD) Program's fiber-to-the-home (FTTH) initiative, targeting approximately 34,031 residential units not covered by the USDA Reconnect 2 area. This approach is informed by the CostQuest Model, adopting version 2 of the Fabric for determining costs and Broadband Serviceable Location (BSL) allocations. A pivotal aspect of this strategy is setting an "Extremely High Cost Threshold" at $5,001 to manage resources effectively and ensure equitable internet access. For areas above this limit, we will consider alternative technologies (such as fixed licensed, unlicensed wireless, or satellite service) that achieve the served speeds of 100Mbps/20Mbps and Sub -100ms latency.

Financial Analysis and Cost Distribution (CostQuest Model Insights)
The financial projections, derived from the CostQuest Model, present the following cost distribution for FTTH installations:

1. **Minimum Installation Cost**: $529.06
2. **Maximum Installation Cost**: $101,429.31
3. **Mean Installation Cost**: $1,700.09
4. **Standard Deviation**: $2,379.40

The data exhibits a wide range of installation costs, underscoring the need for a well-defined cost threshold.

Cost Breakdown

1. **Economical Range (≤ $2,500)**: Includes 28,507 units, the majority of installations.
2. **Moderate Range ($2,501 - $5,000)**: Comprises 4,652 units, representing a moderate cost segment.
3. **Outlier Range ($5,001 - $101,429)**: Contains 1,329 units, identified as the highest cost installations.

Establishment of the $5,001 Threshold
The "Extremely High Cost Threshold" is strategically set at $5,001, based on the 90th percentile of installation costs. This threshold is chosen for several key reasons:

1. **Inclusive Coverage**: By setting the threshold at $5,001, we ensure that the vast majority of installations are within a feasible cost range, reflecting the upper limit of typical installation costs.

2. **Resource Optimization**: This threshold enables the efficient allocation of funds, targeting the significant majority of installations and avoiding excessive expenditure on a small fraction of high-cost cases.
3. **Equitable Distribution**: Setting the threshold at $5,001 serves as a rational cutoff point, ensuring fair resource distribution and promoting the exploration of alternative methods or technologies for installations exceeding this cost.

Policy Implications

1. **Budget Management**: The $5,001 threshold establishes a clear financial boundary for project expenditures, allowing for prudent budgeting.
2.**Vendor Engagement**: This cost ceiling offers a tangible benchmark for negotiating with service providers, ensuring cost-effective project implementation.
3.**Sustainable Access**: Maintaining this threshold ensures a balanced approach to achieving high-speed internet access, upholding fiscal responsibility.

Implementing a $5,001 "Extremely High Cost Threshold" for the BEAD Program's FTTH project is a critical step in ensuring effective resource management and equitable internet access. This threshold, informed by CostQuest Model analysis and GIS mapping of non- USDA regions of Guam reflects the 90th percentile of installation costs and provides a sustainable framework for extending high-speed internet connectivity under the BEAD initiative. This approach guarantees that the project remains aligned with its goals of fiscal prudence and equitable resource distribution across all targeted residential units.

Capital Expenditure (CapEx) Consideration: The threshold is based on the installation costs of fiber-to-the-home (FTTH) infrastructure, a key component of Capex. This includes expenses related to the initial setup, construction, and installation of the network.

Operation Expenditure (OpEx) Consideration: While the primary focus is on installation costs, the proposal implicitly considers OpEx through its emphasis on sustainable access and resource optimization. The choice of technology and the design for longevity with minimal future investment indirectly relate to the operational costs that would be incurred post-installation, such as maintenance, upgrades, and repairs.

Other Methodologies:
The process begins by adopting a cost model that has been tested and validated in similar environments to Guam. Models include the FCC's CostQuest model, the Broadband Statistical Model, or any other that aligns with Guam's unique geographic and demographic characteristics.

Defining Parameters:
The selected cost model will consider both capital expenditures (CapEx) for the deployment of the network infrastructure and operational expenditures (OpEx) across the expected lifespan of the network (usually a period of 20-25 years).

Factors such as terrain difficulty, population density, labor costs, materials costs, climate challenges, and existing infrastructure will be accounted for in the cost model.

Threshold Criteria Development:
The Eligible Entity will determine the 'Extremely High Cost Per Location' by setting a benchmark that reflects the upper limit of reasonable cost-effectiveness based on the selected cost model.

This benchmark will factor in Guam's economic conditions and the need for affordable service post-deployment, ensuring that costs do not undermine the sustainability of service provision.

Consultation with Stakeholders:
Input from industry experts, potential subgrantees, and financial analysts will be sought to refine the cost threshold.

Public consultations will also help validate the threshold, ensuring it aligns with community expectations and the realities of network operation in Guam.

Operational Cost Inclusion:
Operational costs, including maintenance, service upgrades, customer support, and network management, will be projected and included in the threshold to ensure long-term viability.

The cost per location will incorporate projected revenue streams and potential subsidies to maintain operational sustainability without excessive user fees.

Cost Model Utilization:

Applying the Threshold:
During the subgrantee selection process, the Extremely High Cost Per Location Threshold will be applied as a filter to identify proposals that are cost-effective and sustainable.

Proposals exceeding the threshold will require a detailed justification, demonstrating

extraordinary circumstances or showing how the project would serve a critical need that justifies the higher investment.

Transparency and Documentation:
All determinations regarding the Extremely High Cost Per Location Threshold will be thoroughly documented, and the rationale will be made transparent in the interests of fairness and accountability.

The methodology, including any cost models and parameters used, will be available for public review to ensure an open and trust-based process.

Special Consideration for Cultural and Historical Significance:
Community Anchor Institutions (CAIs) that are located within historical sites and preserved areas often face unique challenges and costs associated with broadband deployment due to their sensitive locations.

These CAIs will be given special consideration under the Extremely High Cost Location (EHCL) threshold due to the need for specialized deployment techniques, preservation compliance, and potential archaeological assessments.

Adjustment in Cost Models:
The cost models utilized will include additional parameters for CAIs in these areas, factoring in the complexities of infrastructure development in protected and heritage sites.

This may include non-invasive installation practices, visually unobtrusive equipment, and potentially higher labor costs due to the specialized nature of the work required in such sensitive areas.

Heritage Preservation Compliance Costs:
The cost threshold will also take into account any additional expenses incurred from compliance with local heritage preservation laws, environmental impact assessments, and community consultations.

This recognizes the importance of maintaining the integrity of Guam's cultural and historical landmarks while also providing modern connectivity solutions.

Alignment with Preservation Goals:
In defining what constitutes an 'extremely high cost' for CAIs in historical and preserved areas, there will be an alignment with Guam's overarching goals of cultural preservation.

This approach ensures that while striving for digital inclusivity, there is also a commitment to safeguarding the island's heritage for future generations.

Transparent Justification for Cost Overruns:
By acknowledging the additional financial burdens that CAIs in historical sites and preserved areas bear, the Extremely High Cost Per Location Threshold respects the delicate balance between technological advancement and cultural heritage preservation.

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:

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

a. Declining High-Cost Proposals in Favor of Cost-Effective Alternatives:

- Establishment of Thresholds:
    - Establish clear cost per location thresholds based on comprehensive cost models that take into account Guam's unique terrain and the inclusion of protected areas as CAIs as automatic EHCLs.
    - These models will incorporate both the direct installation costs and additional expenses required for compliance with environmental and historical preservation.
    - Such thresholds will need to be determined based on site evaluations, and combined with costs-per-passing exceeding the 90th Percentile of CostQuest determinations for Guam.

- Alternative Solutions:
    - If a less expensive alternative technology is identified that meets the necessary service criteria, the subgrantee will be notified of the discrepancy.

- Alternative technologies or deployment methods suitable for high-cost areas include satellite internet, wireless broadband solutions, or partnerships with existing service providers to share infrastructure.
- Provide the subgrantee with detailed feedback regarding how their proposal exceeds the cost threshold and present the identified alternative.

- Documentation and Justification:
  - Require subgrantees to submit a justification for their proposed costs, especially if exceeding thresholds, and to demonstrate why the higher cost is unavoidable and why lower-cost alternatives are not viable.

b. Encouraging Proposal Revisions for Financial Efficiency:

- Engage in dialogue with evaluation panels and SMEs to understand the technology choices and explore possible revisions for cost-effectiveness.
- Communicate these revisions with the Procurement Officer as sole Point of Contact to ensure integrity of process.

- Consultative Support:
  - Offer technical and consultative support to help subgrantees align their proposals with financial efficiency and technology optimality.
  - Ensure that the support provided aligns with the overarching goals of serving all locations, prioritizing those underserved or unserved.

Revision Incentives:
Introduce incentives for subgrantees to revise their proposals in a manner that reduces costs without compromising service quality, such as expedited review times or additional points in the evaluation process.

c. Selection of Less Costly Technologies When Applicable:

- Defining 'Reliable Broadband':
  The Infrastructure Act defines "reliable broadband service" as "broadband service that meets performance criteria for service availability, adaptability to changing end-user requirements, length of serviceable life, or other criteria, other than upload and download speeds, as determined by the Assistant Secretary in coordination with the Commission."

- Technology Evaluation:
  Implement a tiered technology evaluation system that prioritizes cost efficiency and coverage while remaining flexible on the broadband speed

benchmarks when necessary, especially in extreme terrain and protected areas.

- Justification for Lesser Technologies:
  Develop criteria for selecting a less costly technology that does not fully meet the 'Reliable Broadband' definition but still provides significant service improvements to the most challenging areas to serve.

  This selection process must include a robust justification for why the less expensive technology is the most appropriate solution, considering cost, geography, and the needs of the community.

- Balancing Cost and Benefit:
  Balance the prioritization and scoring requirements with the practicality of serving all areas, including those with extremely high deployment costs due to challenging terrains or protected status.

  Ensure the selection process remains transparent, with clear documentation of decisions where less costly technologies are chosen over higher-cost options that exceed the threshold.

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).

Letter of Credit:
As Stated in the BEAD NOFO:

"Each Eligible Entity shall establish a model letter of credit substantially similar to the model letter of credit established by the Commission in connection with the Rural Digital Opportunity Fund (RDOF). – Rural Digital Opportunity Fund Order, 35 FCC Rcd at 773-77, Appx. C.

During the application process, prospective subgrantees shall be required to submit a letter from a bank that meets eligibility requirements consistent with those set forth in 47 C.F.R. § 54.804(c)(2) committing to issue an irrevocable standby letter of credit, in the required form, to the prospective subgrantee. The letter shall at a minimum provide the dollar amount of the letter of credit and the issuing bank's agreement to follow the terms and conditions of the Eligible Entity's model letter of credit.

Prior to entering into any subgrantee agreement, each prospective subgrantee shall obtain an irrevocable standby letter of credit, which shall be acceptable in all respects to the Eligible Entity.

Eligible Entities may adopt rules under which a subgrantee may obtain a new letter of credit or renew its existing letter of credit so that it is valued at a lesser amount than originally required by the Eligible Entity upon verification that the subgrantee has met optional or required service milestones.

In no event, however, shall the letter of credit have a value of less than 25 percent of the subaward amount. and in a value of no less than 25 percent of the subaward amount.[92]EligibleEntities may adopt rules under which a subgrantee may obtain a new letter of credit or renew its existing letter of credit so that it is valued at a lesser amount than originally required by theEligible Entity upon verification that the subgrantee has met optional or required service milestones.[93]In no event, however, shall the letter of credit have a value of less than 25 percent of the subaward amount.

A prospective subgrantee shall provide with its letter of credit an opinion letter from legal counsel clearly stating, subject only to customary assumptions, limitations, and qualifications, that in a proceeding under Title 11 of the United States Code, 11U.S.C. § 101 et seq. (the"Bankruptcy Code"), the bankruptcy court would not treat the letter of credit or proceeds of the letter of credit as property of the winning subgrantee's bankruptcy estate underSection541 of the Bankruptcy Code."

c. Detail how the Eligible Entity will require prospective subgrantees to submit audited financial statements.

The Guam Broadband Office will adopt a thorough vetting process for applicants seeking to deploy network facilities under the BEAD (Broadband Equity, Access, and Deployment) program. Here are the key requirements and procedures:

- Certification of Qualification and Financial Capability: Applicants must certify their qualification and ability to meet the obligations of the project. They must have sufficient funds to cover costs exceeding the grant amount and comply with all program requirements, including service milestones.

- Requirement of a Standby Letter of Credit: Similar to the Rural Digital Opportunity Fund (RDOF), applicants need to provide a letter from an eligible bank committing to issue an irrevocable standby letter of credit. This letter must adhere to BEAD's model terms and conditions, covering at least 25% of the subaward amount. An opinion letter from legal counsel must also be included, confirming that the letter of credit would not be considered part of the applicant's bankruptcy estate if relevant.

The NTIA's conditional programmatic Irrevocable Letter of Credit (ILOC) waiver for the BEAD program significantly modifies the financial requirements for participation, offering greater flexibility and accessibility:

Alternative Financial Instruments:

- Example: A local Guam ISP needing a $2 million grant can now opt for a letter from a qualified credit union instead of a traditional bank LOC. This can be particularly advantageous if the credit union offers more favorable terms or lower collateral requirements, making it easier for smaller ISPs to secure funding.
- Reduced Initial Requirements on a Reimbursable Basis:
  Lower Initial Commitment: If the BEAD grants are issued on a reimbursable basis, the initial requirement for the LOC or performance bond can be as low as 10% of the total award amount. This dramatically lowers the entry barrier for participation.
- Example: For a project with a total award of $1 million, the initial LOC or bond requirement can be just $100,000. This is significantly more manageable for smaller carriers servicing a small market such as Guam.
- Submission of Business Plans and Analyses: Applicants are required to submit detailed business plans and analyses to demonstrate the sustainability of their proposed project. This includes pro forma statements or analyses with cash flow,

balance sheet projections, and at least three years of operating cost and cash flow projections post-project completion.

- Roll-Over Bond Example: Let's say an ISP has a phased project with multiple stages. For the first stage, they secure a $200,000 roll-over bond. As they complete each stage and are reimbursed, they can 'roll over' this bond to cover subsequent stages. This method allows for continual coverage without the need for securing a new bond for each project phase, easing the financial strain on smaller ISPs.

- Public Awareness and Communication: The Guam Broadband Office will ensure that applicants are fully aware of these regulations. Information will be posted on the Broadband.Guam.Gov website, and requirements will be included in grant applications/instructions, contract negotiations records, grant agreement terms/conditions, and subrecipient grant monitoring program requirements.

- Disqualification for Non-Compliance: Applications that do not meet the minimum qualifications for financial capability, as outlined in the BEAD NOFO, will be ineligible for funding.

These measures are designed to ensure that only financially capable applicants are selected to deploy network facilities, thereby securing the effectiveness and sustainability of the broadband projects under the BEAD program.

Financial Statement Submission Requirements

In alignment with the Broadband Equity, Access, and Deployment (BEAD) Notice of Funding Opportunity (NOFO), Guam's approach to evaluating the financial health and capability of prospective subgrantees includes rigorous financial statement submission requirements. These requirements are critical in assessing a subgrantee's ability to efficiently manage and execute the proposed project while ensuring financial stability and compliance with BEAD's financial standards.

Mandatory Financial Statement Submission:
Audited Financial Statements: Prospective subgrantees shall submit financial statements from the prior fiscal year that have been audited by an independent certified public accountant. This submission is essential for a comprehensive review of the subgrantee's financial health and operational efficiency.

Unaudited Financial Statements: In instances where a potential subgrantee has not undergone an audit in the ordinary course of business, unaudited financial statements from the prior fiscal year must be submitted. Additionally, these subgrantees must provide a certification committing to submit financial statements from the prior fiscal year that are audited by an independent certified public accountant by a deadline specified by the Office of Infrastructure Policy and Development (Broadband Office).

Assessment of Financial Capability: The Broadband Office will not approve any grant for the deployment or upgrading of network facilities unless it determines, based on the submitted financial documents, that the prospective subgrantee possesses the financial capability necessary to undertake the proposed project. This determination is a pivotal step in the selection process, ensuring that funded projects are viable, sustainable, and aligned with the strategic objectives of the BEAD program.

Submission Alternatives for Audited Financial Statements
As referenced on page 73 of the BEAD NOFO, it is critical that we ensure financial accountability and transparency from all participants, even those without standard audited financial statements. To address this requirement and provide clear guidance, we propose the following revised section for our Initial Proposal:

To participate in the BEAD program, subgrantees are generally required to submit audited financial statements to demonstrate their fiscal health and capacity to manage federal funds. Recognizing that not all entities, especially smaller or newer organizations, will have audited financial statements, we offer the following alternatives that can be submitted in lieu of audited financials until such time as Audited Financial Statements will be required to move forward.

1. Reviewed Financial Statements: If a potential subgrantee has not undergone a full audit, they may submit financial statements that have been reviewed by a certified public accountant (CPA). While less comprehensive than an audit, a review provides a basic level of assurance about the financial statements and involves the CPA performing procedures to determine whether there are any material modifications that should be made to the financial statements for them to be in conformity with the generally accepted accounting principles (GAAP).

2. Compiled Financial Statements: For potential subgrantees lacking both audited and reviewed financial statements, submissions of compiled financial statements prepared by a CPA are acceptable. This document does not offer

assurance on the accuracy of the accounts; however, it ensures that the financial statements are free of obvious errors and are prepared according to GAAP.

3. Tax Returns: In instances where the above documents cannot be provided, the last two filed federal tax returns can be submitted. Tax returns must be accompanied by a narrative describing the organization's financial management practices, including an outline of budget control processes, accounting systems, and financial oversight mechanisms.

4. Financial Certifications: For smaller entities or community-based organizations that may not have formal financial statements, a financial certification signed by the principal financial officer of the organization can be submitted. This certification should attest to the financial health of the organization and provide a detailed, self-reported financial statement, including income, expenditures, and proof of consistent financial practices.

Ensuring Compliance and Transparency
To further ensure compliance and financial transparency, all potential subgrantees submitting alternative financial documents will undergo a risk assessment performed by our financial management team. This assessment will evaluate the financial stability and capacity to manage project funds effectively. Additionally, subgrantees will be required to participate in financial management training provided by our office to ensure understanding and compliance with federal financial guidelines.

By providing these alternatives, we aim to be inclusive of various types of organizations while maintaining the integrity and accountability required for managing federal funds.

Financial Analysis and Projections: In addition to a business plan, applicants must provide a suite of financial documents and analyses that clearly demonstrate the project's sustainability. These include:

1. **Pro Forma Statements:** Detailed projections that offer insight into the expected financial performance of the broadband deployment project over time.
2. **Cash Flow Projections:** Applicants are required to submit cash flow projections for at least three years, outlining the operational income and expenditures anticipated throughout this period. This analysis should extend to include cash flow projections following the project's completion, offering a long-term view of financial health and sustainability.

3. **Balance Sheet Projections:** Three-year balance sheet projections must also be included, detailing the expected financial position of the project at several key points throughout its lifecycle.

Ensuring Project Sustainability:
These requirements are designed to provide a comprehensive overview of each project's financial strategy, operational viability, and long-term sustainability. By necessitating the submission of complete business plans and detailed financial analyses, Guam aims to ensure that funded projects are not only capable of achieving their immediate objectives but are also financially sustainable in the long term, contributing to the island's broadband infrastructure and community well-being.

*Note: this alternative documentation is not in lieu of audited financial statements but can be submitted as part of the application and audited financial statements will be required by a future date by the Broadband Office, as submitting audited financial statements is a BEAD NOFO requirement.

Applications failing to meet minimum financial capability qualifications as outlined in the BEAD NOFO will be ineligible for funding, ensuring adherence to BEAD's financial standards.

Additionally, all local procurement laws and those set forth in uniform guidelines not stated here will be closely adhered to.

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

N/A

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.**

Evaluation of Key Management Personnel

Submission of Resumes and Company Structure:
Implement a mandatory submission of detailed resumes for all key management personnel. These resumes must outline relevant education, experience, certifications, and a proven track record in managing similar projects or operations.
Resumes should also highlight any specific expertise in telecommunications or broadband infrastructure deployment.

Review Process:
Determine with SMEs standards for experience and expertise that key personnel must meet, based on industry best practices and the specific requirements of the BEAD program.

b. Readiness to Manage Proposed Project

Narrative Description:
Require a comprehensive narrative from prospective subgrantees describing their readiness to manage the proposed project, including strategies for dealing with anticipated challenges, compliance with regulatory requirements, and maintaining service quality.
This narrative should demonstrate a clear understanding of the project lifecycle, from initiation through to completion and ongoing operation.

Assessment of Organizational Capacity:
Develop criteria to assess the organizational capacity of the subgrantee, including financial management systems, customer service protocols, and technical support capabilities.
Evaluate past performance on similar projects, if available, to establish a track record of successful project management and service provision.

Alignment with BEAD Requirements:
The Broadband Office will ensure that the narrative aligns with the strategic goals of the BEAD program and adheres to the outlined project management methodologies.

Including interview processes free from bias as cited in the BEAD NOFO below:

General Principles Governing Subgrantee Selection

a. Protecting the Integrity of the Selection Process
To uphold a selection process that is fair, open, equitable, and competitive, it is imperative for each Eligible Entity, including Guam's Office of Infrastructure Policy and Development (Broadband Office), to implement robust safeguards. These measures are crucial for maintaining the integrity of the competition and ensuring public trust in the process. As outlined in the Broadband Equity, Access, and Deployment (BEAD) program Notice of Funding Opportunity (NOFO), these safeguards include, but are not limited to, the following key areas:

Collusion: Implementing strict policies and procedures to detect and prevent any form of collusion among applicants. This includes the analysis of bid patterns and the enforcement of penalties for parties found to be engaging in collusive behavior.

Bias: Establishing clear, objective criteria for the evaluation of applications to minimize the risk of bias. Training for evaluators on maintaining impartiality and the inclusion of diverse perspectives in the evaluation process are also critical measures.

Conflicts of Interest: Requiring full disclosure of potential conflicts of interest from all individuals involved in the selection process. This includes evaluators, decision-makers, and any consultants or advisors. Measures to manage and mitigate any disclosed conflicts are essential to preserve the integrity of the process.

Arbitrary Decisions: Developing a structured and transparent decision-making framework that relies on predefined criteria and standards. This framework should include detailed documentation of all decisions and the rationale behind them to ensure that selections are based on merit and align with the program's objectives.

Other Factors: Maintaining vigilance against any other factors that could undermine confidence in the selection process. This includes the adoption of secure communication and data storage practices to protect sensitive information and the establishment of a clear process for addressing complaints and appeals.

The BEAD NOFO emphasizes the importance of these safeguards as foundational elements of the subgrantee selection process. By adhering to these principles, Guam's Broadband Office commits to conducting a selection process that not only meets the

program's standards but also fosters trust and confidence among stakeholders and the broader community.

Citation: Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity (NOFO), Section IV.C.1.e.

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.**

To ensure prospective subgrantees deploying network facilities meet the minimum qualifications for technical capability as specified by the BEAD NOFO, The Broadband Office will institute a rigorous vetting process:

Technical Qualification Certification:
The Broadband Office will require subgrantees to submit a declaration certifying their technical proficiency in completing and managing their proposed project. This will necessitate a confirmation that the subgrantee has the capability and plans to engage a workforce with the necessary skills and credentials.

Network Design and Documentation Submission:

The Broadband Office will mandate that subgrantees present a detailed network design, supplemented by diagrams, itemized project costs, and a build-out timeline with clear implementation milestones. This must be accompanied by a capital investment plan that validates the project's ability to be fully operational and start service within a four-year period post subgrant award.

These submissions will need to be certified by a professional engineer who will vouch for the proposed network's capacity to deliver the required broadband service to all targeted locations, meeting the stipulated performance standards.

Expert Review Panel:
Upon collection of the submissions, The Broadband Office will assemble a panel of subject matter experts, including network engineers and broadband infrastructure specialists, to evaluate the proposed plans. This panel will assess the technical feasibility, economic efficiency, and adherence to the program's service benchmarks.

Alignment with Application Materials:
In instances where The Broadband Office provides specific application materials for the BEAD subgrantee selection process, these materials will reiterate and reflect the guidelines established in the NOFO. These materials will guide subgrantees in demonstrating their network planning competence and in certifying their technical capabilities, thus streamlining adherence to the program's timelines and investment requirements.

The Broadband Office's comprehensive evaluation process will ensure that only subgrantees with the requisite technical capacity are approved, fostering the development of a resilient and high-performing broadband infrastructure under the auspices of the BEAD initiative.

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 14 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.

The Office of Infrastructure Policy and Development (Broadband Office) is dedicated to ensuring that all applicants involved in deploying network facilities in Guam are rigorously evaluated and meet the minimum qualifications for compliance with applicable laws, as specified in the BEAD NOFO.

The Broadband Office will require applicants to demonstrate their capability to conduct funded activities competently and in accordance with all applicable Federal, Territorial, and local laws of Guam. This includes strict adherence to occupational safety and health regulations.

To verify compliance with occupational safety and health requirements, The Broadband Office will mandate that applicants allow the formation of worker-led health and safety committees. These committees should be empowered to engage with management upon reasonable request to discuss and address workplace health and safety concerns.

To ensure that applicants are fully informed of these requirements both before and during the selection process, The Broadband Office plans to:

1. Post a detailed list of these requirements on The Broadband Office's website.
2. Incorporate these requirements into grant applications and instructions.
3. Include these stipulations in contract negotiation records, grant agreement terms/conditions, and subrecipient grant monitoring program requirements.

Additionally, The Broadband Office will provide resources to assist applicants in understanding and meeting these requirements. This includes offering guidance on establishing and managing health and safety committees, leveraging local resources and best practices relevant to Guam.

Applications that do not meet the stipulated minimum qualifications for compliance with applicable laws, as outlined on page 74 of the BEAD NOFO, will be ineligible for BEAD funding through The Broadband Office. Our office is committed to upholding the highest standards of legal compliance and safety in all funded projects, reflecting our dedication to responsible and sustainable broadband expansion in Guam.

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 compete 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.**

1. Operational Capability Certification Requirement:
   Certification Process: Develop a certification form for prospective subgrantees to confirm their operational capability. This form should require detailed evidence of their ability to compete and operate the project effectively.
   Verification Protocol: Establish a verification protocol to authenticate the information provided in the certification, possibly involving third-party audits or reviews.

2. Experience and Service Provision Certification:
   Mandatory Experience Declaration: Require prospective subgrantees to submit a declaration certifying their experience in providing voice, broadband, and/or electric transmission or distribution service for at least two years.
   Subsidiary Consideration: If the subgrantee is a subsidiary, they must provide an attestation of the parent company's operational history, including the number of years of operation.
   Documentation Requirement: Implement a system to collect and verify documents supporting these claims, such as service records or operational reports.

3. Compliance with Commission's Rules and Regulations:
   Form 477 and Broadband DATA Act Submission Certification: Require subgrantees that have provided voice and/or broadband service to certify their compliance with the Commission's rules, including timely filing of Form 477 and Broadband DATA Act submissions.
   Verification of Compliance: Set up a review process to cross-check these certifications against available regulatory data to ensure accuracy and compliance.

4. Requirements for Electric Transmission or Distribution Service Providers:
   Financial and Operating Report Submission: Mandate the submission of qualified operating or financial reports filed with relevant financial institutions.
   Certification of Authenticity: Require a sworn statement certifying that the submitted reports are true and accurate copies of those provided to the financial institutions.

5. Evaluation of New Entrants to the Broadband Market:
   Evidence of Operational Capabilities: Demand concrete evidence from new entrants demonstrating their operational capabilities, which could include business plans, partnership agreements, or proof of resource acquisition (either internal or external).
   Assessment Framework for New Entrants: Develop a comprehensive assessment framework tailored to evaluate the operational readiness of new market entrants, focusing on their resource mobilization, technical expertise, and strategic planning.

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).**

Compliance is required: Certification of ownership and other disclosure is part of Guam Procurement Law. *AFFIDAVIT DISCLOSING OWNERSHIP, INFLUENCE, COMMISSIONS AND CONFLICTS OF INTEREST (Required by 5 GCA § 5233 as amended by P.L. 36-13 (4/9/2021)* is a required document.

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.**

The Office of Broadband will require each applicant to disclose, for itself and for its affiliates any application the applicant or its affiliates have submitted or plan to submit, and every broadband deployment project that the applicant or its affiliates are undertaking or have committed to undertake at the time of the application using public funds, including but not limited to funds provided under: the Families First Coronavirus Response Act (Public Law 116- 127; 134 Stat. 178); the CARES Act (Public Law 116-136; 134 Stat. 281), the Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or the American Rescue Plan of 2021 (Public Law 117-2; 135 Stat. 4), any federal Universal Service Fund high-cost program (e.g., RDOF, CAF), or any Eligible Entity or local universal service or broadband deployment funding program.

The Office of Broadband will 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), 96 (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 applicant or its affiliates.

The Office of Broadband will ensure applicants are aware of these requirements prior to and throughout the selection process by posting a list of requirements on the broadband.guam.gov website, and including the requirements in grant applications/instructions as well as contract negotiation record grant agreement terms/conditions and subrecipient grant monitoring program requirements.

Further, The Broadband Office will ensure applicants are aware of these regulations prior to and throughout the selection process and including the requirements in grant applications/instructions as well as contract negotiations records, grant agreement terms/conditions and subrecipient grant monitoring program requirements. Applications that fail to meet the minimum qualifications for financial capability as outlined on pages 72-73 of the BEAD NOFO will not be considered to receive BEAD funding.

2.5 Non-Deployment Subgrantee Selection (Requirement 9)

2.5.1 Subgrantee Evaluation and Award Process

Based on the Eligible Entity Planning Toolkit, OIPD believes there will be significant funds remaining for non-deployment projects after prioritizing and funding unserved, underserved, and CAI locations. Any non-deployment activities must be natural

extensions of BEAD and Digital Equity goals. Guam will defer further curing for non-deployment subgrantee selecteion until Final Proposal, with further NTIA guidance.

Guam will defer further curing for non-deployment subgrantee selection until the Final Proposal, with further NTIA guidance.

2.5.2 Non-Deployment Initiative Preferences

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 fund;
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.

Given the diverse range of potential non-deployment projects outlined, the Guam Broadband Office faces the critical task of selecting which initiatives to fund. To guide this decision-making process and ensure the most effective use of resources, the following objective criteria have been developed and determine priorities in descending order (100 Points):

a. Community Impact and Need (20 points): High impact projects (15-20 points): Significantly enhance or fill gaps in public services. Moderate impact (10-14 points): Contribute noticeably but not substantially. Low impact (0-9 points): Limited or unclear community benefit.

b. Alignment with BEAD Objectives (15 points): Strong alignment (11-15 points): Directly addresses BEAD's core objectives. Some alignment (6-10 points): Partially aligned with objectives. Weak alignment (0-5 points): Minimal or no alignment.

c. Cost-Effectiveness and Sustainability (15 points): Highly cost-effective and sustainable (11-15 points): Demonstrates strong financial feasibility and long-term viability. Moderately cost-effective (6-10 points): Reasonably feasible with some sustainability. Low cost-effectiveness (0-5 points): Financially impractical or unsustainable.

d. Feasibility and Timeliness (10 points): Highly feasible and timely (8-10 points): Practical and quick to implement. Moderately feasible (4-7 points): Achievable with some challenges. Low feasibility (0-3 points): Impractical or slow to implement.

e. Scalability and Long-term Benefits (10 points): Highly scalable (8-10 points): Easily expanded with lasting benefits. Some scalability (4-7 points): Limited expansion and benefits. Low scalability (0-3 points): Not expandable or short-term benefits.

f. Inclusivity and Accessibility (10 points): Highly inclusive (8-10 points): Caters well to diverse groups. Moderately inclusive (4-7 points): Some inclusivity and accessibility. Low inclusivity (0-3 points): Lacks diversity and accessibility.

g. Innovation and Technological Advancement (10 points): Highly innovative (8-10 points): Advanced, novel solutions. Moderately innovative (4-7 points): Some new elements. Low innovation (0-3 points): Common or outdated solutions.

h. Emergency Preparedness and Resilience (10 points): Strong contribution (8-10 points): Greatly enhances emergency preparedness. Moderate contribution (4-7 points): Some benefits in crises. Minimal contribution (0-3 points): Little to no impact on emergency preparedness.

Based on the Eligible Entity Planning Toolkit, OIPD believes there will be significant funds remaining for non-deployment projects after prioritizing and funding unserved, underserved, and CAI locations. Any non-deployment activities must be natural extensions of BEAD and Digital Equity goals.The Guam Broadband Infrastructure Initiative builds upon existing broadband funding programs by implementing a thorough approach to ensure performance accountability by subgrantees.

1. An initial 20% of the subgrant award will be provided upon subgrantee selection certification, notice to proceed, and contract signing. Subsequent disbursements will follow based on invoices derived from a schedule of deliverables and the final payment will be made contingent upon verification of completion of the project certified by the applicant.

2. Penalties for Non-Performance: Clear penalties will be established for subgrantees who fail to meet their obligations, including clawback provisions to recoup disbursed funds. The Office of Infrastructure Policy & Development (OIPD) will exercise discretion in determining the amount forfeited. In cases of non-performance, the state will coordinate with the National Telecommunications and Information Administration (NTIA) for appropriate action regarding the funded project.

3. Subgrantee Reporting and Monitoring: Subgrantees will be required to submit monthly project and expenditure reports for the duration of the agreement, which may include expenditures, project status, compliance, community engagement efforts, and workforce plans. Additionally, annual reports summarizing key aspects of the project, such as the number of serviced locations and subscription rates, may be requested.

4. Documentation and Third-Party Review: Qualified personnel, supported by a third-party firm, will be engaged to review documentation and maintain records, ensuring adequate support and expertise.

5. Communication and Outreach: OIPD will communicate requirements to prospective subgrantees through various outreach efforts, in-person meetings, and posting regulations and requirements on the Office website. These stipulations will also be included in grant application instructions and grant agreement terms. This framework aims to effectively utilize the available broadband infrastructure funding in Guam, ensuring transparent, accountable, and efficient implementation of the initiative.

To apply, interested organizations must follow the steps below:
1. Review the grant guidelines and eligibility requirements on the OIPD website.
2. Complete the grant application form and submit all required documentation, including a detailed project proposal and budget plan. Unless otherwise indicated, deadlines will be 5 p.m. (Chamorro Standard Time) of the stated deadline, sent to a specified email address in PDF format. Any proposals received after the deadline will not be accepted. An original hard copy and a number of copies to be determined by OIPD must be submitted to the Office within the first five days of the deadline.
3. The question and answer period will be determined by OIPD, and announced in a published advertisement in a local newspaper of general circulation.
4. Applications will be evaluated and scored based on their alignment with the Broadband Equity, Access, and Deployment (BEAD) federal grant.
5. Finalists will be notified and may be invited to submit additional information or participate in an interview with the OIPD.
6. Grant recipients will be notified and provided with detailed instructions for next steps, including project reporting and compliance requirements.

02.05.03 Ensure Coverage Prior to Non-Deployment Projects

Describe the Eligible Entity’s plan to ensure coverage to all unserved and underserved locations prior to allocating funding to non-deployment activities.

The Eligible Entity's plan to ensure coverage to all unserved and underserved locations before funding non-deployment activities involves prioritizing areas lacking broadband

access. This approach ensures equitable distribution of resources, focusing first on essential infrastructure development. The strategy includes identifying unserved and underserved regions through data analysis, engaging with local communities to understand their specific needs, and then allocating resources accordingly. The plan emphasizes a phased approach, where deployment activities take precedence, ensuring that foundational broadband services are established before diverting funds to supplementary non-deployment initiatives.

02.05.04 Non-Deployment Subgrantee Qualifications

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

The Guam Broadband Infrastructure Initiative builds upon existing broadband funding programs by implementing a thorough approach to ensure performance accountability by subgrantees.

1. Awards will be distributed on a reimbursable basis, with disbursements tied to verified completion thresholds.
For instance, an initial 10% of the subgrant award will be provided after provider certification and verification that 10% of eligible locations have been serviced. Subsequent disbursements will follow at completion thresholds of 35%, 60%, 85%, and the final 100%, contingent upon verification of total deployment to eligible locations within a maximum of 48 months or a shorter timeline if certified by the applicant.

2. Penalties for Non-Performance: Clear penalties will be established for subgrantees who fail to meet their obligations, including clawback provisions to recoup disbursed funds. Subgrantees not adhering to the minimum advertised connection speed and cost will risk forfeiting awarded funds, potentially the entire amount received. The Office of Infrastructure Policy & Development (OIPD) will exercise discretion in determining the amount forfeited. In cases of non-performance, the state will coordinate with the National Telecommunications and Information Administration (NTIA) for appropriate action regarding the funded broadband infrastructure.

3. Subgrantee Reporting and Monitoring: Subgrantees will be required to submit monthly project and expenditure reports for the duration of the agreement, which may include expenditures, project status, compliance, community engagement efforts, and workforce plans. Additionally, annual reports summarizing key aspects of the project, such as the number of serviced locations and subscription rates, may be requested.

4. Documentation and Third-Party Review: Qualified personnel, supported by a third-party firm, will be engaged to review documentation and maintain records, ensuring adequate support and expertise.

5. Communication and Outreach: OIPD will communicate requirements to prospective subgrantees through various outreach efforts, in-person meetings, and posting regulations and requirements on the Office website. These stipulations will also be included in grant application instructions and grant agreement terms.This framework aims to effectively utilize the available broadband infrastructure funding in Guam, ensuring transparent, accountable, and efficient implementation of the initiative.

To apply, interested organizations must follow the steps below:
1. Review the grant guidelines and eligibility requirements on the OIPD website.
2. Complete the grant application form and submit all required documentation, including a detailed project proposal and budget plan. Unless otherwise indicated, deadlines will be 5 p.m. (Chamorro Standard Time) of the stated deadline, sent to a specified email address in PDF format. Any proposals received after the deadline will not be accepted. An original hard copy and a number of copies to be determined by OIPD must be submitted to the Office within the first five days of the deadline.
3. The question and answer period will be determined by OIPD, and announced in a published advertisement in a local newspaper of general circulation.
4. Applications will be evaluated and scored based on their alignment with the Broadband Equity,
Access, and Deployment (BEAD) federal grant.
5. Finalists will be notified and may be invited to submit additional information or participate in an interview with the OIPD. 6. Grant recipients will be notified and provided with detailed instructions for next steps, including project reporting and compliance requirements.

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.**

As the recipient, the Office of Infrastructure Policy and Development (Broadband Office) intends to implement several key initiatives directly, without the distribution of subgrants. This centralized approach is aimed at ensuring strategic alignment with

overarching goals, maintaining quality control, and ensuring the efficient utilization of resources. Here's an overview:

Initiatives Implemented Directly by Broadband Office

The Office of Infrastructure Policy and Development (Broadband Office) is committed to directly implementing several key initiatives, bypassing subgrants, to ensure alignment with our strategic goals, maintain quality control, and optimize resource utilization. Here's a more detailed outline of our operations:

Direct Project Execution and Management:

Effective in-house Direct Project Execution and Management involves strategic planning to set clear goals in line with organizational objectives, efficient resource and budget management, and detailed project scheduling to track milestones. It also includes quality assurance processes, risk management strategies, regular communication with stakeholders, continuous monitoring of project performance, and post-project evaluations for learning and improvement. This comprehensive approach ensures successful project outcomes and organizational growth.

Operational Efficiency:

Operational efficiency in the context of the BEAD program is achieved by centralizing key operations such as procurement, financial management, and reporting. This in-house management approach, utilizing staff trained in government accounting systems, minimizes reporting delays and aligns with organizational priorities. Additionally, the strategy benefits from cross-training, which enhances the versatility and adaptability of the team, contributing to overall operational effectiveness.

Administrative Consolidation:

Administrative consolidation in the BEAD program involves central management of outreach, education, and training. This structure ensures a unified approach, allowing outreach efforts to evolve seamlessly with the program. The consistency provided by in-house staff leads to more effective communication and outreach strategies, thanks to a cohesive and well-coordinated effort. This approach not only streamlines operations but also enhances the impact of educational and outreach activities.

Focused Investments in Staff Training and Development:

Focused investments in staff training and development enhance the internal team's capabilities. By prioritizing this area, the team becomes well-equipped to

handle technological and operational changes, emphasizing cross-functional expertise and adaptability. This approach ensures that staff members are prepared to meet evolving project demands, contributing significantly to the program's overall success and efficiency.

Fiscal Stewardship:

Fiscal stewardship in the BEAD program is characterized by direct financial oversight. This approach ensures that all spending is closely aligned with the program's objectives, facilitating agile financial management. In-house handling of financial matters leads to quicker and more informed decision-making, enhancing the efficiency and effectiveness of the program's fiscal operations.

All other functions such as, legal reviews, engineering assessments, network testing, and technical evaluations of proposals may be outsourced if expertise is unavailable within the administration.

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:

i. 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 on broadband deployment projects in the last three years;
ii. Should include a certification from an Officer/Director-level employee (or equivalent) of the prospective subgrantee evidencing consistent past compliance with federal labor and employment laws by the subgrantee, as well as all contractors and subcontractors; and
iii. Should include written confirmation that the prospective subgrantee 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.
iv. Prospective subgrantees' plans for ensuring compliance with federal labor and employment laws, which must address the following:

v. How the prospective subgrantee will ensure compliance in its own labor and employment practices, as well as that of its contractors and subcontractors, including:

1. Information on applicable wage scales and wage and overtime payment practices for each class of employees expected to be involved directly in the physical construction of the broadband network; and

2. How the subgrantee will ensure the implementation of workplace safety committees that are authorized to raise health and safety concerns in connection with the delivery of deployment projects.

During the application phase of our competitive subgrantee selection process, The Broadband Office will mandate the submission of specific information to ensure compliance with federal labor and employment laws. This includes:

1. Record of Past Compliance:

- Applicants must detail their adherence to federal labor and employment laws over the last three years, particularly concerning broadband deployment projects.
- We require a certification from an Officer/Director-level employee (or an equivalent position) of the applicant. This certification should confirm the applicant's, as well as their contractors' and subcontractors', consistent compliance with these laws.
- Applicants should also provide written confirmation disclosing any violations of laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or other relevant labor and employment laws that have occurred in the preceding three years.

2. Plans for Future Compliance:

- Applicants must outline how they will ensure ongoing compliance with federal labor and employment laws in their operations and those of their contractors and subcontractors. This includes:
- Providing information on applicable wage scales, wage payment practices, and overtime payment practices for each class of employees involved in the physical construction of the broadband network.
- Describing how they will implement and maintain workplace safety committees, which will have the authority to address health and safety concerns during deployment projects.

As part of the competitive subgrantee selection process,The Broadband Office will evaluate the sufficiency of the information provided for meeting federal BEAD requirements. Once this requirement is fulfilled, applicants will be awarded full scoring credit under the Fair Labor Practices scoring criteria.

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.

These requirements will be woven into the subgrants as binding legal commitments to ensure compliance throughout the duration of each project.

Directly Employed Workforce:
The Broadband Office will stipulate as part of award conditions that subgrantees prioritize using a directly employed workforce, minimizing reliance on subcontracted labor. This requirement will be outlined in the subgrant agreements and monitored for compliance.

Prevailing Wages and Benefits:
Compliance with the Davis-Bacon Act, Service Contract Act, or local prevailing wage laws will be a condition of all subgrants. Subgrantees will be required to submit certified payroll records regularly to verify compliance.

Project Labor Agreements (PLAs):
The Broadband Office will encourage the subgrantee to use of PLAs to ensure uniform terms and conditions for all workers on a project.

Local Hire Provisions:
Subgrantees must agree to prioritize local hiring and on-island veterans to boost employment and economic benefits within Guam. Reports of hiring, training, or affidavits attesting to 'best effort' measures will be required to meet a certain threshold of no less than 80 percent on-island workers.

Union Neutrality:
The Broadband Office will encourage subgrantees to commit to union neutrality, ensuring that workers have the freedom to choose whether to organize and bargain collectively.

Labor Peace Agreements:
To maintain a stable labor environment and prevent disputes, subgrantees will be encouraged to enter into labor peace agreements, especially for larger projects.

Skilled Workforce:
Subgrantees are obligated to prioritize hiring workers from Registered Apprenticeship programs or similar joint labor-management initiatives whenever feasible. This approach is aimed at fostering a workforce that is not only skilled but also inclusive of individuals from groups that have been historically underrepresented or excluded.

Credentialed Workforce:
All workers must meet the standards of necessary occupational training, certification, and licensure. Subgrantees will be required to verify and report the credentials of their workforce.

Preventing Misclassification of Workers:
Steps will be taken to ensure workers are not misclassified as independent contractors when they are indeed employees. Subgrantees will need to follow strict guidelines and reporting measures to prevent misclassification.

The Broadband Office expects potential applicants to incorporate these items into their applications as dictated by the BEAD NOFO and as directed in the Initial Proposal. These items will not be included in legally binding commitments, but instead utilized as criteria in the selection process. The Broadband Office will make it abundantly clear where to elaborate on each item and how applicants' descriptions are weighted in the

scoring process. The Broadband Office will ensure applicants are aware of these regulations prior to and throughout the selection process and including the requirements in grant applications/instructions as well as grant agreement terms/conditions and subrecipient grant monitoring program requirements.

Enforcement measures may include:

Financial Penalties: Impose fines or financial penalties proportionate to the degree of non-compliance. This could be a percentage of the subgrant amount or a fixed sum based on the severity of the violation.

Withholding Funds: Temporarily withhold a portion of the subgrant funds until compliance is achieved. This acts as a strong incentive for subgrantees to adhere to the terms.

Repayment of Funds: In cases of significant non-compliance, require subgrantees to repay part or all of the funds already disbursed.

Reduction of Grant Amount: Reduce the total amount of the grant available to the subgrantee for future phases or projects.

Termination of Subgrant: As a last resort, terminate the subgrant agreement for serious or repeated violations. This would disqualify the subgrantee from current and potentially future funding under the program.

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:**

1. **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;**
2. **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;**

3. **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**
4. **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.**

We will use funds from initial availability to establish a Memorandum of Understanding (MOU) with the Guam Department of Labor (GDOL). This MOU will enable GDOL to implement workforce development for the Broadband Office. It will allow the Department of Labor to receive funds and begin workforce development initiatives per allowable activities before the final proposal, ensuring workforce readiness activities are underway prior to deployment.

The Broadband Office has met with representatives from Guam Community College, University of Guam and the Guam Department of Labor to determine workforce plans for the BEAD program. In addition, the office has requested and received a list of workforce needs for the ISPs on island over the next five years. An RFI issued in late 2023 continues to draw ideas and attention from organizations willing to work within federal guidelines alongside the Guam Department of Labor. Feedback from employers, participants, and program graduates will be incorporated to continuously improve the ongoing refinement of the initiative. Local ISPs already have existing workforce development programs with the Guam Community College and we will continue to build on these partnerships to meet the workforce needs for the BEAD program.

Options include the Guam Workforce Empowerment Program (GWEP) initiative is designed to bridge the skills gap, empower, and advance the local workforce in Guam. This program incorporates the Guam Community College Bootcamp with the University of Guam computer science and cybersecurity courses, programs, and faculty, leveraging funding from the BEAD program through the Guam Office of Infrastructure Policy and Development. By collaborating with key stakeholders, GWEP aims to provide accessible and effective training opportunities, foster economic growth, and sustain development in the region.

GWEP program objectives include the following:

Skill Enhancement: Equip participants with in-demand skills and knowledge through specialized training programs, at various educational levels ranging from short-term entry level courses to certificates and degrees, that align with the evolving job market.

Employment Placement: Facilitate job placement opportunities by collaborating with local industries and employers.

Career Advancement: Offer pathways for continuous skill and knowledge development and enhancement, and career growth to reinforce long-term employability.

Community Engagement: Engage with the ISPs and members of the workforce to understand their needs for wraparound services, encourage participation, and promote inclusivity in the workforce.

Components of the GWEP:

Guam Community College Bootcamp

GWEP will collaborate with Guam Community College (GCC) to expand and strengthen its existing Bootcamp programs. These boot camps will focus on high-demand industries, such as information technology, healthcare, hospitality, construction, renewable energy, telecommunications, network engineering, and network architecture.

University of Guam Workforce and Career Development in Cybersecurity, Computer Science, and Data Science

The University of Guam will offer undergraduate and graduate coursework, certification, and degrees that will build upon GCC's bootcamp training, as well as other private and public-sector training and education, that will increase the skill level and areas of expertise for advanced level positions by providing a range of basic to specialized courses. Basic courses include introduction to computer science, Java I, Python I, HTML, CSS, and JavaScript. Fundamental courses include software engineering, data structure, and Algorithm, Python II, Linux, Java II, and Discrete Structure. Specialized course content includes network security, cloud computing, wireless and wired networks, network programming, Machine Learning/AI, web development, computer system defense, etc.

UOG will also leverage existing programs such as the NASA-funded UOG's Drone Corps that can map and monitor the island's broadband infrastructure. Existing geographic information system (GIS) faculty within UOG can also use their GIS expertise to train new professionals in GIS technology.

Curriculum Development

UOG and GCC, in partnership with industry experts, partner higher-education institutions, and support from the Guam Economic Development Authority (GEDA),

will design and develop specialized curricula tailored to meet the demands of targeted employment sectors.

The curriculum will emphasize hands-on training, practical experience, and emerging technologies in the professional development format. The curriculum provided by UOG will enable participants to identify and address cyber threats, perform data analytics and exchange, and deploy GIS services to support the investment in Guam's broadband infrastructure. Once the curriculum is in place, UOG will pursue designation as a National Security Agency Center for "Academic Excellence in Cyber Defense." The GWEP will provide funding to hire additional faculty and staff to develop and implement courses and new curriculum

Additionally, UOG's Global Learning and Engagement unit (GLE) will offer refresher courses to enhance, upgrade, and update the existing technology workforce in local, federal, and private sectors.

In short, the entire scope of workforce development, from bootcamp to the development of technical leadership, will be encompassed within the GWEP framework.

Scholarships and Tuition Assistance

The GWEP, with funding from the BEAD program, will offer funding, scholarships and tuition assistance to eligible participants to reduce financial barriers and make the GCC bootcamps and UOG's coursework, programs, and certificates, more accessible to individuals from diverse socio-economic backgrounds.

Industry Partnerships

GWEP will foster partnerships with local industries and businesses, facilitated by The Broadband Office, to create a direct link between training and employment. These partnerships will lead to internships, apprenticeships, and job placement opportunities for graduates of the bootcamps and UOG coursework, certificates, and programs. Participants can continue to enhance skills and knowledge development through higher level UOG courses, including a master's program in" Statistics and Data Science". UOG plans to develop coursework in Machine Learning/AI which will benefit GWEP participants who seek to learn emerging technologies and their application to Guam's broadband infrastructure.

Online Learning Platform

GWEP will utilize and strengthen the University of Guam's online learning platform to offer flexible and self-paced training options for participants who may have scheduling constraints or prefer remote learning. UOG's Center for Online Learning provides

technical support for UOG's online environment. Each semester, over 100 UOG courses use the Learning Management System platform, Moodle, to deliver online content and engagement activities to ensure learning outcomes. This Learning Management System (LMS) can be strengthened to support GWEP and GEDA's High Tech Park initiatives.

Ongoing Support and Alumni Network:

GWEP will establish an alumni network to provide ongoing support, networking opportunities, and access to continued learning resources for program graduates.

Funding

The funding for the Guam Workforce Empowerment Program (GWEP) will be sourced from the Broadband, Equity, and Access Deployment (BEAD) program.

Evaluation and Monitoring

Regular evaluations will be conducted to assess the program's effectiveness, job placement rates and participants, with funding from the Broadband, Equity, and Access Deployment (BEAD) program. Through this collaborative effort, GWEP will empower the local workforce, boost employment opportunities, and contribute to the sustainable economic growth of Guam and the region, while bridging the digital divide and promoting equitable access to opportunities.

To meet the workforce needs of this program, the Guam Broadband office and their subgrantees will make appropriate investments to develop a skilled, diverse workforce for the jobs that the subgrantees need to fill.

To ensure an available, diverse, and highly skilled workforce is utilized, the Guam Broadband Office will require all applicants (including contractors and subcontractors) submit the credentials of the staff expected to perform the activities funded by a subgrant or provide plans to acquire and utilize an appropriately credentialed and skilled workforce. The plan for a highly skilled workforce should include the following information:

- The ways in which the applicant will ensure the use of an appropriately skilled workforce, e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers; submitting appropriate licenses/certifications/credentials of those who are not through the apprenticeship program but will be assisting in the activities funded by the subgrant.

- 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;
    - As a part of the applicant's submission, the Office will require all certifications, licenses, and any other relevant credentials be submitted for the members outlined within the staffing plan. Furthermore, prior to any employment additions or changes to the project, the Guam Broadband Office will ensure the same requirements are followed and the appropriate credentials be submitted before being allowed to perform BEAD related activities.

- Whether the workforce is unionized;
- Whether the workforce will be directly employed or whether work will be performed by a subcontracted workforce;
- The entities that the applicant plans to contract and subcontract with in carrying out the proposed work.

Additionally, the Guam Broadband Office, in partnership with workforce development organizations, 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, etc. to attract and train, retain, or transition to meet local workforce needs and increase high-quality job opportunities.

The Office of Broadband will also plan to create equitable on-ramps into broadband-related jobs in an effort to 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.

To ensure job opportunities created by the BEAD program and other broadband funding programs are available to a diverse pool of workers, the Office of Broadband will require applicants to submit in their application, plans for targeted outreach to populations that have traditionally been underrepresented in broadband and information technology jobs, including but not limited to women, veterans, disabled and aging populations. The Office will also conduct its own coordination efforts amongst local community organizations, unions and worker organizations to make certain that a diverse set of stakeholders are involved and aware of the opportunities created by the BEAD program.

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:

Mandatory Reporting in Subgranting Contracts:
Implement use of a cloud-based reporting platform.
Conduct training sessions for subcontractors on how to use the platform.
Set up automatic monthly reminders for report submissions.
Designate a team within the Broadband Office to review and analyze these reports.

Task Delegation and Role Definition in Contracts:
Utilize contract management software to draft and distribute contracts.
Include clear, itemized lists of tasks and responsibilities in each contract.
Require digital acknowledgment from subcontractors to confirm their understanding of their roles.

Detailed Workforce Composition and Employment Structure
Engage a digital workforce planning tool that integrates with project management software.
Update the tool in real-time with changes in project phases and workforce needs.
Regularly review workforce alignment with project managers and subcontractors.

Skill Development and Training Framework:
Partner with educational institutions or online learning platforms for specialized training. Monitor employee training progress using a Learning Management System (LMS). Schedule regular check-ins or assessments to gauge training effectiveness.

Credential Verification and Performance Evaluation:
Set up a centralized digital database for storing and verifying credentials.
Integrate this database with HR systems for automated updates and alerts.
Schedule periodic performance evaluations to ensure skills are applied effectively.

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

Incorporating what specific information is needed from the subgrantee into the project workforce continuity plan, especially when their workforce is not unionized, provides a clearer, actionable framework for compliance with Section IV.C.1.e of the BEAD NOFO. Here is a detailed breakdown of the required information:

Required Information from Subgrantees for the Workforce Continuity Plan:

1. Detailed Workforce Analysis and Recruitment Plan: A comprehensive list of current and projected workforce needs, including job titles and descriptions. Details of recruitment strategies, including partnerships with educational institutions, job fairs, and online recruitment platforms, should be provided.

2. Training and Skill Development Programs: Specifics of in-house training schemes or partnerships with Registered Apprenticeship programs and labor-management partnership training programs. Include timelines for training, expected outcomes, and how these programs ensure the project has access to appropriately skilled labor.

3. Labor Dispute Mitigation Strategies: Documentation of existing labor dispute resolution mechanisms, such as worker relations committees or mediation processes. Describe preventive measures in place to minimize risks of labor disputes and disruptions.

4. Workplace Safety and Health Initiatives: Detailed descriptions of mandatory safety training and certifications (e.g., OSHA 10, OSHA 30). Information on safety protocols, the role of safety committees, and statistics on workplace incidents should be included to demonstrate a commitment to maintaining a safe and healthy workplace.

5. Subcontractor Management: A list of subcontracted entities, the scope of their work, and the total number of workers employed, disaggregated by job title. Provide evidence of subcontractors' adherence to the main contractor's labor and safety standards.

6. Wages and Benefits Policy: A policy document outlining the wage structure and benefits package offered to workers, including how wages compare to local and regional standards. Details on any benefits that enhance worker retention and attract skilled labor, such as health insurance or education opportunities, should be included.

7. Steps to Ensure Continuity and Competency: Outline the strategies to ensure continuity of skilled labor throughout the project lifecycle, including measures to counteract high turnover rates and ensure project completion by competent personnel.

8. Project Workforce Continuity Plan Narrative: A narrative that ties together the above elements, explaining how the plan addresses the requirement for ready access to sufficient, skilled labor and ensures construction is completed competently. This narrative should also detail any challenges specific to the project's context and how the plan mitigates these challenges.

This comprehensive set of information requirements equips The Broadband Office with the necessary details to assess the viability and sustainability of a project's workforce plan, especially when not unionized. By providing this detailed information, subgrantees demonstrate their proactive approach to managing workforce challenges, ensuring project success, and adhering to the stipulations of the BEAD NOFO.

Minority Business Enterprises (MBEs)/ Women's Business Enterprises (WBEs)/ Labor Surplus Firms Inclusion (Requirement 13) 19

Historically, Minority Business Enterprises (MBEs) and Women's Business Enterprises (WBEs) have faced challenges in obtaining contracts, despite their capabilities and contributions to community development. Recognizing their role in driving economic and employment growth, the Guam Broadband Office is committed to actively involving these underrepresented groups. This commitment aligns with Federal guidelines, particularly 2 C.F.R. § 200.321, ensuring equal opportunities for minority and women-owned businesses, as well as firms in labor surplus areas, in the broadband deployment initiative, in compliance with Guam's labor laws.

The Office aims to recruit, utilize, and retain MBEs, WBEs, and labor surplus area firms. Following 2 C.F.R. § 200.321, it will undertake affirmative actions to include these enterprises in contracting processes:

- Enlisting qualified small, minority, and women's businesses for solicitations.
- Actively seeking out these businesses as potential suppliers.
- Splitting large projects into smaller tasks or quantities to allow broader participation.
- Setting delivery schedules that facilitate the involvement of these businesses.
- Collaborating with organizations like the Small Business Administration and the Minority Business Development Agency of the U.S. Department of Commerce.
- Mandating that subgrantees also follow these affirmative steps with their subcontractors.

Besides these measures, the Guam Broadband Office will monitor and track the involvement of underrepresented businesses in recruitment, utilization, and retention.

The Office will inform applicants about these policies through various means, including posting guidelines on the Broadband.Guam.Gov website, and incorporating these requirements in grant applications, agreements, and monitoring programs.

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.

The Broadband Office hereby 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:

Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

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;

Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

Using the services and assistance, as appropriate, of such organizations as the Small Business Administration; and

Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors.

The Broadband Office hereby 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:

Placing qualified small and minority businesses and women's business enterprises on solicitation lists;

Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;

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;

Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;

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

Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors.

2.10 Cost and Barrier Reduction (Requirement 14)

The Office of Infrastructure Planning and Development (Broadband Office) has developed a draft Dig Once Executive Order aimed at enhancing infrastructure development, which is currently under legal review. The order advocates for the use of joint trenching for multiple utilities where possible, to minimize disruption and maximize efficiency.

Additionally, the Governor's Office is addressing requirements set by the Guam State Historic Preservation Office. The aim is to streamline approvals and reduce the time and

cost involved in construction or laying down fiber, essential for the successful implementation of the BEAD program. Modifications will take into consideration environmental impacts, the protection of cultural heritage, and the preservation of endangered native species.

Lastly, the Leon Guerrero-Tenorio Administration has championed improvements to the permitting process and is in the latter stages of procuring a system for licensing, land use, and Department of Public Works permits. Completion of the process is expected in mid 2024.

2.11 Climate Assessment (Requirement 15)

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;

Severe weather events pose a significant threat to the environment, human health, and the economy, and are projected to increase in occurrence and severity in the future. The BEAD Program is aimed at supporting Eligible Entities in addressing these risks and minimizing their impacts. This proposal outlines a plan for addressing climate threats within the Eligible Entity and proposed mitigation methods while performing BEAD-funded activities.

Guam's older legacy communication systems face more extreme climate threats today than in their history. Especially given the dire situation presented by Typhoon Mawar in May 2023, which while devastating, was not the worst-case Guam has or will experience. These vulnerabilities can further amplify the already considerable impact on tourism and the broader economy.

The Office Infrastructure Policy and Development has utilized the resources and tools defined by NTIA within the Notice of Funding Opportunity to identify the geographic areas that should be subject to an initial hazard screening for current and future weather-related risks.

The Office will prioritize geographic areas in Guam for initial hazard screening based on their vulnerability to typhoons, as well as other weather-related events such as heavy rainfall and flooding, which are common in the region.

Guam, located in the Western Pacific, is particularly susceptible to a range of extreme weather. Its geographical location exposes the island to the full force of Pacific storms, often damaging infrastructure, homes, and critical services. Given Guam's relatively small size, these weather events can impact the entire island, leaving no area unaffected.

Therefore, a comprehensive approach to hazard screening is justified and necessary to ensure the resilience of the island's infrastructure and the safety of its residents.

Infrastructure at Risk: The island's infrastructure, much of which is crucial for daily life and economic activities, is at constant risk from these extreme weather events. Power lines, communication networks, water treatment facilities, and roads are all vulnerable to damage from high winds, flooding, and other storm-related impacts. By designating the entire island as an area in need of hazard screenings, we can prioritize the reinforcement and adaptation of these systems to withstand future events, thereby minimizing disruption and recovery times.

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;

For Guam, the most significant weather and climate hazards to account for include coastal erosion, drought, earthquakes, flooding, high surf, salt spray, sea level rise, wildfire and others. Link: Guam Hazard Mitigation Plan

Utilizing the tools and resources recommended by NTIA, the Guam Broadband Office has identified the following weather and climate hazards as the most pertinent and critical.

Summary of Historical Record of Hazards on Guam [4]
(Pre Covid 19 Pandemic & Typhoon Mawar)
Guam's historical record of hazards up to 2019 includes various natural and human-made events. Climate change had 3 records with no fatalities, injuries, or losses. Coastal erosion saw 5 records. Dam failure had no events recorded. There were 6 disease-related incidents with 4,080 injuries. Droughts were recorded 7 times with no losses. Earthquakes were noted 38 times, causing 61 injuries and over $1 million in damage. Floods had 8 records with minor injuries and $6.5 million in losses. Hazardous materials incidents were recorded 11 times, and high surf led to 35 injuries and $4 million in damage. Landslides were also noted 7 times. Other hazards like expansive soil, extreme heat, fissure, fog, and hail were mentioned but with no significant events or further consideration needed.

a) Coastal Erosion: Coastal erosion on Guam can be caused by winds; ocean currents; storm surges; high surf; seismic activity; changes in the geometry of tidal inlets, river outlets, and bay entrances; human made structures and human activities, such as shore protection structures and dredging; and/or local scour around structures. Sea level rise affects coastal erosion. Sea levels appear to have risen about 8 inches over the last

[4] https://ghs.guam.gov/sites/default/files/final_2019_guam_hmp_20190726.pdf

century, with greater rises over the last two decades. The entire coastline of Guam has the potential for coastal erosion hazards. The western coast of Guam has experienced the most coastal erosion to date due to tropical cyclones and monsoon surges that have produced high waves.

b) Drought: Drought can cause a shortage of water for human and industrial consumption, hydroelectric power, recreation, and navigation. Water quality can also decline, and the number and severity of wildland fires can increase. A severe drought can result in the loss of agricultural crops and forest products, undernourished wildlife and livestock, lower land values, and higher unemployment. Drought extends over the entire island of Guam. There is high confidence that increased temperatures will lead to more precipitation falling as rain and increased evaporation and transpiration.

c) Earthquake: The entire island of Guam is susceptible to the impact of an earthquake. This susceptibility reflects the presence of various known surface faults and past seismic activity felt on Guam. Approximately, 45.78 square miles of land area, or 21.8 percent of the island, is within the surface fault hazard zones, meaning that they have a higher threat of surface faulting from a known surface fault than areas farther away from the faults.

d) Flooding: Flooding is one of the most common natural hazards; it occurs whenever rainfall accumulates in an area faster than it can drain off or can be absorbed by the soil. This accumulation causes an overflow from a water body onto an adjacent floodplain. Guam is vulnerable to coastal flooding, riverine flooding and stormwater runoff, and flash flooding. Flooding on Guam is often associated with tropical cyclones. Severe flooding can also occur without a tropical cyclone.

e) High surf: Several occurrences are documented in which the rough seas associated with typhoons that have affected the island have damaged sewage outfall structures, which channel sewer water (with solids removed) to the open ocean. These events have caused treated sewage to drain into the sea at locations much closer to the coastline than the locations of the outfall structures.

Vulnerable assets include coastal roads, near-shore buried cables, sewer lines, and pump stations, and near-coastal buildings.

F) Salt spray: Sea salt deposition can devastate agriculture and other plants, can cause heavy corrosion and can affect electrical facilities. Some of the effects associated with salt spray (the devastation of agriculture and plants and power outages from shorts in electrical facilities) can be observed almost immediately. Still, corrosion occurs over a long period, has a cumulative effect on the surface it is affecting and is difficult to observe immediately after a tropical cyclone. Vulnerable assets include power

distribution wires and hardware. Longer-term salt attacks metallic buildings and exposed metal systems such as air conditioners. Vulnerable jurisdictions include all of the islands; coastal areas are more vulnerable than inland areas.

For a recent example of Typhoon hazards, during Mawar Guam witnessed extensive coastal erosion, with sea waters surging due to storm surge, wind stress, and wave action. Post-landfall, Mawar intensified again into a supertyphoon with winds up to 185 mph. The preliminary estimate of total damage in Guam is $111,791,358, encompassing damages to buildings, equipment, and merchandise, based on a survey of 434 businesses by the Guam Bureau of Statistics and Plans and partnering agencies.[5]

c. Characterize any weather and climate risks to new infrastructure deployed using BEAD Program funds for the 20 years following deployment;

Through research conducted using the resources and tools recommended by NTIA, the Broadband Office believes the weather and climate risks mentioned above (severe weather including typhoons and tropical storms, coastal erosion, drought, earthquakes, flood, high surf, salt spray) all present risks to new infrastructure deployed using BEAD program funds.

Soil erosion from flooding and damage from high winds or severe weather are all possible given the climate projections over the next 20 years.

Characterizing the future may be best done by looking at the past.

The information below shows typhoon considered damaging (above 75 mph wind speeds) between 1950s and 2010s[6] that have threatened or damaged the island.

From 1950 to 2019, a total of 59 damaging typhoons impacted the region, each with its own distinct name. The distribution of these typhoons across the decades, along with their names, is as follows:

> **1950s**: This decade saw 6 typhoons, named Doris, Hester, Irma, Nina, Alice, and Lola.

[5]https://governor.guam.gov/wp-content/uploads/2023/06/JIC-Recovery-Release-No.-25-Business-Sector-Disaster-Management-Assessments_-Recovery-Efforts-Continue_-GSWA-Update_-Recovery-Safety-Tips_-No-Burn-Notice-in-Place_-Road-Safety.docx.pdf
[6]https://www.weather.gov/media/gum/Historical%20Data/List%20of%20Severe%20Tropical%20Storms%20gte%2045kt%20passing%20within%2075nm%20Guam.txt

1960s: The 1960s experienced an increase in typhoon activity with 8 typhoons, namely Nancy, Karen, Olive, Wendy, Sally, Gilda, and Ora.

1970s: In the 1970s, there were 13 typhoons, significantly more than the previous decades. These included Amy, Mary, June, Pamela, Fran, Kim, Rita, Alice, Judy, and Tip.

1980s: The 1980s saw a decrease in typhoon activity, with only 5 typhoons occurring, which were Betty, Bill, Lynn, Roy, and Andy.

1990s: The 1990s had 7 typhoons, namely Russ, Orchid, Yuri, Omar, Gay, Isa, and Paka.

2000s: Typhoon activity picked up again in the 2000s with 7 typhoons. These were Faxai, Chataan, Halong, Pongsona, Tingting, Chaba, Nabi.

2010s: The most recent decade, the 2010s, experienced a significant number of typhoons, totaling 12. These were Sanvu, Francisco, Faxai, Rammasun, Bavi, Dolphin, Chan-hom, Soudelor, Goni, Jelawat, Maria, Mangkhut, and Wutip.

Based on the historical trend showing an increase in typhoon frequency over the past seven decades in Guam, it is reasonable to anticipate a continued risk of damaging typhoons in the near future. While past patterns are not absolute predictors, they do indicate a clear trend that warrants attention and preparedness.

The gradual uptick in typhoon occurrences, particularly in the recent decades, underscores the importance of maintaining robust disaster preparedness and response strategies in Guam. This approach is not only prudent but essential for mitigating the potential impacts of future typhoons.

Typhoons bring with them a host of challenges that significantly impact communication systems. The high winds and flying debris typical of these storms can cause extensive physical damage to infrastructure like cell towers and antennas. This damage often leads to disrupted services or total outages, which can be particularly crippling in emergency situations where communication is crucial. Additionally, the heavy rains and potential storm surges associated with typhoons can lead to severe flooding. Such flooding is particularly detrimental to underground cables and other vital hardware, further jeopardizing communication networks.

Another critical issue posed by typhoons is power outages. Communication systems are heavily reliant on electricity, and when power grids fail, these systems can become inoperative unless they have independent power sources. The implications of such

outages are far-reaching, impacting not only emergency response capabilities but also the daily life and economic activities of the affected areas. Businesses, banking, transportation, and personal communications all suffer in the absence of a functioning communication network.

Given these risks, the hardening of communication systems against typhoons is imperative. This involves not just reinforcing physical structures to withstand the brute force of the storms but also ensuring there are backup power solutions and a strategy to protect equipment from water damage. Furthermore, a decentralized network infrastructure can help prevent the collapse of the entire communication system if one part is damaged. Regular maintenance and upgrades are also key to keeping these systems resilient in the face of such severe weather events. In summary, the need to harden communication systems against typhoons is vital for maintaining safety, ensuring effective emergency responses, and keeping the societal and economic fabric intact during and after these natural disasters.

d. Identify how the proposed plan will avoid and/or mitigate weather and climate risks identified; and

For the identified weather and climate hazards, the Broadband Office may require the implementation of some or all of the following mitigation measures,:

1. Requiring burying or undergrounding of any new BEAD funded project in every feasible area.
2. Incorporating climate resilience into infrastructure design. Such as ensuring aging materials currently in use, technologies prone to damage or degrading be replaced by materials that are easily repairable and less prone to fail from extreme exposure.
3. Developing emergency response plans and communication strategies to ensure timely and effective response to extreme weather events.
4. Additional mitigation measures not yet listed which may be required by the Guam Broadband Office.

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 Office will make it a contract condition that subgrantees periodically repeat the screening process annually starting from the date of award over the life of the built assets to ensure that evolving risks are understood, characterized, and addressed and submit reports to the Office. The most up-to-date tools and information resources will be utilized to ensure that the plan remains effective in addressing climate threats. The Office may update program and subgrantee requirements, seek new legislation, including programmatic guidelines and applications and will collaborate with the Guam Homeland Security office on updates to the Guam Hazard Mitigation Plan expected in 2024 and every five years afterwards.

This proposal outlines a plan for addressing threats of severe weather events on the island and proposed mitigation methods. By identifying vulnerable areas, hazards, and risks, and implementing mitigation measures, the Office can minimize the impacts of weather risks on infrastructure, human health, and the economy.

Periodic repetition of the screening process and updates to the plan will ensure that the Office of Broadband is prepared to address evolving severe weather events.

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.

PACIFIC ISLANDS REGIONAL CLIMATE ASSESSMENT (PIRCA)
Climate Change in Guam: Indicators and Considerations for Key Sectors

https://www.eastwestcenter.org/sites/default/files/private/climate-change-in-guam-pirca-2020-low-res.pdf

2019 Guam Hazard Mitigation Plan
https://ghs.guam.gov/sites/default/files/final_2019_guam_hmp_20190726.pdf

2.12 Low-Cost Broadband Service Option (Requirement 16)

The Bipartisan Infrastructure Law requires Guam craft an Affordable Broadband Initiative that is designed to align with the BEAD program's low-cost option guidelines. We propose:

As required in the BEAD Notice of Funding Opportunity, subgrantees receiving BEAD funds to deploy broadband infrastructure are required to offer a "low-cost broadband service option" that is available to customers for the useful life of the network assets. A low-cost service option as the following:

Pricing and Affordability:

a. **Subsidized Rate:** $30 per month, inclusive of all taxes, fees, and service initiation charges. This rate is applicable to subscribers who qualify and utilize the Affordable Connectivity Program (ACP) or any successor subsidy programs. This pricing meets NOFO's stipulation for affordable service options leveraging federal subsidy programs to enhance broadband access for low-income households.
b. **Unsubsidized Rate:** $60 per month for consumers not participating in subsidy programs. This rate reflects a strategic decision to offer services at approximately half the average current broadband cost in Guam ($112 to $120), making broadband more accessible while maintaining service sustainability.

Service Characteristics:

a. **Speed and Latency:** The service provides download speeds of at least 100 Mbps and upload speeds of 20 Mbps with latency suitable for real-time applications, complying with the NOFO's minimum performance standards.
b. **Data Policies:** There are no data caps, surcharges, or usage-based throttling. This policy adheres to NOFO requirements that aim to eliminate barriers to continuous and unrestricted internet access.

Subsidy Utilization and Consumer Information:

a. **Mandatory Subsidy Participation:** Consistent with NOFO requirements, our plan mandates provider participation in the ACP and any successor programs. This ensures that low-cost options are effectively subsidized and reduced to the target rate of $30 per month for eligible consumers.
b. **Active Consumer Outreach:** Providers are required to inform and educate consumers about subsidy options, a key component of the NOFO to ensure that subsidies reach their intended beneficiaries.

Upgrade Opportunities:

Guaranteed Upgrades: In line with NOFO stipulations, subscribers to our LCSO have the right to upgrade to any new or more advantageous service plans at no

additional cost. This ensures that advancements in technology or service offerings are accessible to all subscribers without financial barriers.

Eligibility and Service Availability:

a. **Eligibility:** The service is available to all who qualify under the FCC's Affordable Connectivity Program without additional restrictions, ensuring compliance with federal guidelines.
b. **Geographic Coverage Requirements:** As required by the NOFO, this service option is available at least within the awarded project areas under the BEAD program, and providers are encouraged to extend it throughout their service territories.

Provider Requirements and Communication:

a. **Compliance and Outreach:** Providers are required not only to participate in subsidy programs but also to actively promote these options to ensure potential and current customers are aware and can take advantage of reduced rates.

Pricing Structure:

1. **With Subsidy (ACP or successors):** $30 per month to the end user (inclusive of all fees).
2. **If No Subsidy is Available:** $60 per month to the end user (inclusive of all fees).

Low-Cost Waiver

a. Determining the threshold:

- **Current Market Rates**: The $60 price point was determined through a comprehensive analysis of the current broadband market in Guam. The average cost for broadband service across all tiers in Guam ranges between $112 and $120 per month. Setting the LCSO at $60 makes it approximately half the average rate, significantly lowering the barrier to access while still covering the essential costs of service provision.
- **Affordability Assessment**: The decision to set the unsubsidized rate at $60 also involved assessing the general affordability for the average household in Guam. This rate was identified as a viable compromise that balances affordability for users with the financial sustainability of the service providers. It aims to make broadband access more affordable for a broader segment of the population without relying on subsidies.

- **Cost Recovery**: The $60 rate ensures that service providers can recover the necessary operational and maintenance costs, contributing to the long-term sustainability of broadband infrastructure in Guam. This rate is crucial for ensuring that providers can maintain high-quality service, manage network upgrades, and extend service coverage.

Subsidy Impact

- **Subsidy Effectiveness**: With the application of the ACP or its successors, reducing the monthly rate to $30, the $60 threshold demonstrates how subsidies effectively halve the cost for eligible consumers. This dual pricing strategy highlights the significant impact of subsidy programs in making broadband more affordable and accessible.
- **Stakeholder Feedback**: The rate was also set following consultations with various stakeholders, including service providers, consumer groups, and governmental agencies. These discussions helped to ensure that the pricing strategy aligns with community needs and regulatory expectations.

Applicants may seek a waiver from the broadband office to increase the maximum cost of the service plan up over $60, holding all other above-listed requirements of the low cost service option constant.

Criteria for the waiver is below:

Waiver Process for Rate Modification: Applicants may request a waiver to increase the maximum cost of the low-cost service plan over $60, subject to stringent evaluation criteria. This request must be grounded in a clear demonstration that providing a service is either cost-prohibitive or not feasible sustainable due to specific operational costs.

Threshold for Accepting Rate Modification Requests:
Per-Subscriber Cost Justification: Applicants seeking a rate modification must provide detailed financial documentation showing that the per-subscriber cost of providing service at the $30 rate significantly impedes the project's financial viability or the quality of service that can be offered.

Impact on Average Revenue: A threshold for accepting rate modification requests will be the demonstration of a significant and prohibitive impact on the provider's average revenue per user (ARPU) that could compromise the long-term sustainability of the service. Providers must illustrate how the proposed rate modification is essential

to maintaining a balance between affordability for users and financial health for the provider.

Evaluation and Decision Process: The broadband office will evaluate waiver requests on a case-by-case basis, considering the comprehensive financial and operational rationale provided by the applicant. The decision to approve or decline a waiver request will rest on the demonstration of a genuine need for a rate increase to ensure the service's sustainability and quality without disproportionately impacting user affordability.

b. The office reserves the right to request additional information or documentation as part of the waiver evaluation process.

c. Decisions will be communicated clearly to applicants, including the rationale for the decision and any conditions attached to an approved waiver.

Flexible Indexed Adjustment Mechanism

To provide a structured, predictable, and reasonable method for adjusting the low-cost internet option pricing based on variations in the CPI, ensuring that the service remains affordable while allowing carriers to adapt to economic changes.

1. Annual Review Schedule

- Timing: Adjustments based on the CPI are reviewed annually, with the review period starting on January 1st and concluding with an adjustment decision by March 1st, to be implemented on July 1st of the same year.
- Data Source: Utilize the most recent CPI-U (Consumer Price Index for All Urban Consumers, https://www.bls.gov/news.release/cpi.t02.htm) published by the Bureau of Labor Statistics as the benchmark for adjustments. Formula will use like-for-like variables which mirror service requirements in the BEAD come to an average cost (>100/20, Fiber to the Home).

2. Adjustment Formula

- **Base Rate: The initial base rate is set at $30 or amount agreed to at bid acceptance.**

- **Adjustment Calculation**: The percentage change in the annual average CPI-U from the previous year is calculated. The result is the maximum allowable percentage adjustment for the low-cost internet option for that year.

  Adjustment Rate (%) = (CPI-U_current year - CPI-U_previous year) / CPI-U_previous year) x 100

  - **CPI-U_current year:** This is the Consumer Price Index for All Urban Consumers for the current year.
  - **CPI-U_previous year:** This is the Consumer Price Index for All Urban Consumers for the year before the current one.
  - **Adjustment Rate (%):** This percentage represents how much the low-cost option's price can be adjusted based on the year-over-year change in the CPI-U.

- The formula calculates the percentage change in the CPI-U from one year to the next. This percentage change is then applied as the maximum allowable rate at which the low-cost option's price can be adjusted.
- Cap: To protect consumers, a cap is placed on the maximum allowable increase, set at 5% per annum, regardless of CPI-U fluctuations.

3. Implementation

- **Notification**: Carriers are required to notify their customers and the BEAD program administrator at least 90 days before implementing any price adjustments.
- **Documentation**: Carriers must submit a detailed calculation and justification for the adjustment to the BEAD program administrator for review and approval.
- **Adjustment Limit**: Adjustments can be made once per year, following the annual review schedule.

4. Consumer Hardship Considerations

- **Assessment**: Carriers are encouraged to assess the impact of the adjustment on low-income households and offer hardship considerations such as extended grace periods or additional discounts for qualifying customers.

- **Application** Process: A straightforward and dignified application process for hardship considerations should be established, ensuring privacy and respect for all applicants.

To calculate the annual adjustment rate, subtract the CPI-U value of the previous year from the CPI-U value of the current year. Divide the result by the CPI-U value of the previous year. Multiply the outcome by 100 to get the percentage change. This percentage represents the adjustment rate for the low-cost internet option price.

Example Scenario:

To demonstrate the application of the Flexible Adjustment, consider the hypothetical scenario where the initial price of the low-cost internet option is $30.00. The CPI-U for the previous year was recorded at 260, and it rose to 266.5 in the current year.

Step-by-Step Calculation:

1. ***Determine the CPI-U Increase:*** *The CPI-U increased from 260 to 266.5 over one year. This rise reflects changes in the economic environment affecting the cost of living and, by extension, the operational costs associated with providing internet services.*
2. ***Calculate the Percentage Change in CPI-U:*** *We calculate the annual adjustment rate by subtracting the previous year's CPI-U from the current year's CPI-U, dividing the result by the previous year's CPI-U, and then multiplying by 100 to convert it to a percentage. Following this method:*

The increase from 260 to 266.5 yields a difference of 6.5.

Dividing 6.5 by 260 gives approximately 0.025.

Multiplying by 100 translates this into a 2.5% change.

Application of the Adjustment Rate:

Given the calculated adjustment rate of 2.5%, which remains under our self-imposed cap of 5%, we apply this rate directly to the initial price of $30.00. This results in an adjusted price calculation of:

A 2.5% increase on $30.00 is $0.75 (2.5% of $30.00).

Therefore, in this scenario the hypothetical new price for the low-cost internet option would be $30.75.

Conclusion:

This example illustrates the Adjustment Mechanism in action, demonstrating a transparent and justifiable price adjustment mechanism tied directly to the economic indicators represented by the CPI-U. By applying a modest increase of 2.5%, we ensure the pricing adjustment is in line with real-world economic conditions, thus maintaining affordability while accommodating necessary adjustments to sustain the service provision.

The Broadband Office proposes this definition for a required low-cost service option after serious consideration of how to best effectuate the affordability aims of both the BEAD program and the Infrastructure Investment and Jobs Act. The Office's priority in establishing affordability requirements for the BEAD program is to increase awareness of and enrollment in available broadband subsidy programs while maintaining flexibility given the diversity in size, territory, and service offerings of applicants. The requirement that subgrantees offer a $30/month service plan inclusive of all fees and other charges ensures increased accessibility of broadband services and addresses a key affordability barrier, while the potential for a waiver to increase the monthly cost to $60 allows the Office flexibility to relax the requirement where necessary.

In Guam, we understand that closing the digital divide involves addressing both access and affordability challenges. Here, nearly 50,000 households face barriers to accessing high-speed, affordable internet due to various factors, including access limitations, affordability issues, lack of digital skills, and limited access to devices. To tackle these challenges, our Guam Office of Infrastructure Policy and Development collaborates with diverse stakeholders to ensure that all residents have access to essential broadband services.

Affordable Connectivity Program (ACP) in Guam:
Our efforts in Guam extend to promoting the Affordable Connectivity Program (ACP). This initiative, in partnership with internet service providers, non-profit organizations, academic institutions, economic development entities, public safety agencies, and agricultural communities, aims to bridge the digital divide and enhance affordability.

Balancing Affordability and Sustainability:
While we prioritize affordability, we also recognize the importance of ensuring the long-term financial sustainability of broadband infrastructure projects. Attracting private investment in broadband is a challenge, given our relatively low household

income levels and carriers' past and future benefits from federal grants and subsidies, including BEAD, ReConnect, and others.

Applying the 2% Affordability Standard:
In line with the FCC's recommendation, we measure broadband affordability at no more than 2% of disposable income for low-income households. We define "low-income" households as those with an annual income level of $20,440, which equates to $1,703.33 per month in disposable income[7].

Applying the FCC's 2% standard, our goal is to offer an "affordable" monthly broadband price of $33.93 to low-income households[8].

For our purposes, we will round down to $30.

Flexibility for Financial Viability:
We understand the need for flexibility. Our proposed low-cost service option in Guam ranges from $30 to $60 per month. Subgrantees may request rate modifications based on factors like per-subscriber costs and impact on average revenue per user (ARPU), ensuring that projects remain sustainable.

Our aim is to strike a balance between affordability and the long-term financial viability of BEAD-funded projects.

In Summary:
Guam's approach to the low-cost service option is based on a 2% affordability standard, offering a range of monthly rates from $30 to $60 while considering financial sustainability.

Our approach aligns with our commitment to affordable internet access and the need to ensure the long-term success of broadband projects.

<u>Calculation below:</u>

Low-Cost Affordability Standard for a Two-Person Low-Income Household in Guam (2% Calculation):

1. Federal Poverty Guidelines for a Two-Person Household:

[7] Source: Federal Poverty Guidelines - ASPE
[8] Affordability standard based on the National Governors Association (NGA) recommendation

In Guam, we rely on federal poverty guidelines, which indicate that a two-person household has an annual income of $20,440[9].

2. Calculate Monthly Income:
To make it more manageable, we convert this annual income into a monthly figure by simply dividing it by 12.

3. Determine Disposable Income:

1. To get a clearer picture, we account for monthly rent for an 85m² furnished apartment and basic utilities[10].
2. The next step is calculating the total monthly expenses.
3. Then, we subtract these expenses from the monthly income to arrive at the disposable income.

4. Apply 2% Affordability Standard:
When it comes to ensuring affordable broadband access, we adhere to the National Governors Association (NGA) recommendation, which suggests that no more than 2% of disposable income should go towards broadband service[11].

5. Consider Carrier Benefits:
It's important to note that carriers have benefited from federal grants and subsidies over the years. While we aim to ensure affordability for residents, we also acknowledge the need to strike a balance between affordability and maintaining the financial sustainability of broadband projects.

6. Calculate Maximum Affordable Monthly Broadband Price (2%) for 53,000 Households:
With this 2% standard in mind, we calculate the maximum affordable monthly broadband price for 53,000 two-person low-income households by taking 2% of the disposable income and dividing it by 12.

Maximum Affordable Monthly Broadband Price (2%) = ($20,440 * 0.02) / 12
Maximum Affordable Monthly Broadband Price (2%) = $33.93

Result:
Based on the federal poverty guideline for a two-person household and considering the benefits carriers have received from federal grants and subsidies, our 2% affordability standard ensures that broadband service remains accessible and affordable for

[9] Source: Federal Poverty Guidelines - ASPE
[10] Source for Cost of Living Expenses: Guam Chamber of Commerce - Cost of Living
[11] Affordability standard based on the National Governors Association (NGA) recommendation

low-income households in Guam. Under this standard, the maximum affordable monthly price for broadband service is approximately $33.93. This approach considers the unique economic conditions in Guam, carrier benefits, and underscores our commitment to digital inclusion and equitable access to online opportunities.

For our purposes, we will round down to $30 as our standard when subsidized.

2.12.2 Checkbox. Certify that all subgrantees will be required to participate in the Affordable Connectivity Program or any successor program.

☑The Broadband Office hereby certifies that it will require all subgrantees to participate in the Affordable Connectivity Program or any successor program.

2.13 Middle-Class Affordability Plans

Setting a standard for Guam's carriers to provide commercial speeds at 100 Mbps download/20 Mbps upload without data caps and a straightforward price of $75 is not just beneficial, but necessary in the mission for internet for all. In meeting global standards, 100/20 Mbps is considered a low benchmark in much of the developed world, we strongly encourage proposals that include significantly higher speeds, such as 1Gbps for the same rate for at an affordable standard. Guam shouldn't just aim to meet the BEAD floor requirements but must be equipped to surpass it to stay relevant and competitive. Even now, the FCC is considering moving to a gigabit standard, further leaving Guam in jeopardy of being left behind. [12]

Middle Cost Methodology

1. **Combined Annual Income:**
   - Weekly Income per Person: $650.61[13]
   - Number of Weeks in a Year (approximately): 52 (standard)

Annual Income per Person = Weekly Income per Person × Number of Weeks in a Year
Annual Income per Person = $650.61 × 52 ≈ $33,739.72

Combined Annual Income for the Household = 2 × Annual Income per Person
Combined Annual Income = 2 × $33,739.72 = $67,479.44

[12] https://www.fiercetelecom.com/broadband/fcc-seeks-input-upgrading-national-broadband-speeds
[13] Source: Bureau of Labor Statistics - Guam

- **Calculate Disposable Income:**
  - Monthly Rent for 85 m2 furnished: $2,200[14]
  - Basic Utilities: $350[15]

Total Monthly Expenses = Monthly Rent + Basic Utilities
Total Monthly Expenses = $2,200 + $350 = $2,550

Disposable Income = Combined Annual Income / 12 (to convert to monthly) - Total Monthly Expenses
Disposable Income = ($67,479.44 / 12) - $2,550
Disposable Income = $5,623.29 - $2,550
Disposable Income = $3,073.29

Apply 2% Affordability Standard (NGA Recommendation):
Calculate 2% of the disposable income to determine the maximum affordable monthly price for broadband service for the two-person household in Guam based on the National Governors Association (NGA) recommendation[4].

Affordable Monthly Price = 2% of $3,073.29
Affordable Monthly Price = 0.02 * $3,073.29 = $61.47

Result:
With the updated weekly income figure and considering rent and basic utilities, the estimated disposable income for the two-person household in Guam is $3,073.29 per month. Based on the NGA's 2% affordability standard, the maximum affordable monthly price for broadband service is approximately $61.47. This calculation ensures that broadband service remains accessible and affordable for low-income households in Guam, aligned with the Louisiana-based affordability model and the NGA's recommendation.

Footnotes:
You can refer to the NGA document for further information on broadband affordability standards and guidelines.

The proposed rate cap is based on the average weekly private-sector earnings of $663.70[16], or $34,512 annually according to the Guam Bureau of Labor Statistics. If the

[14] Source for Cost of Living Expenses: Guam Chamber of Commerce - Cost of Living
[15] 2% affordability standard based on the National Governors Association (NGA) recommendation
[16] https://bls.guam.gov/

assumption is made that internet should cost no more than 2-3%[17] of that income ($57.52-$86.28) the average cost should be $72. Allowing for carrier consideration, this is rounded up to $75. This also aligns with median cost for home internet according to many sources including Consumer Reports.[18]

For a household on a modest budget, a consistent price ensures predictability, fostering trust with consumers and aiding in household budgeting. If we set this standard today, Guam will remain prepared for the inevitable digital advancements of tomorrow.

Data caps should also be prohibited. Unlimited internet access is a cornerstone for innovation, remote work, and educational opportunities, which collectively elevate the potential of Guam's residents.

If prices stay as they are, consumers might gravitate to pre-paid plans, turning essential internet access into a weekly choice against other essentials— the broadband version of living paycheck-to-paycheck. Thus, constantly living under the threat of running out of data at any moment.

As stated in the Bipartisan Infrastructure Law or BIL[19], "The Infrastructure Act's BEAD provisions are premised on Congress's determination that "[a]access to affordable, reliable, high-speed broadband is essential to full participation in modern life in the United States," and that "[t]he persistent 'digital divide' in the United States is a barrier to" the nation's "economic competitiveness [and the] equitable distribution of essential public services, including health care and education." Accordingly, each Eligible Entity must include in its Initial and Final Proposals a middle-class affordability plan to ensure that all consumers have access to affordable high-speed internet.

In addition, carriers that can offer lower costs will receive more consideration during the subgrant process.

In setting this standard, Guam not only aligns with global benchmarks but also sends a clear message about its commitment to fostering a digital environment that is both progressive and consumer-focused.

2.14 Funding Request use of Funds (Requirement 17)

[17] https://www.broadbandcommission.org/Documents/publications/wef2018.pdf
[18]https://advocacy.consumerreports.org/research/fight-for-fair-internet-consumer-reports-white-paper-on-broadband-pricing/?clreqid=94119f97-4d80-4bf9-8449-f1cc45d6dd11&kbid=117828
[19] Infrastructure Act § 60101.

2.14.1 Describe the Eligible Entity's planned use of any funds being requested, which must address the following:
The Guam Broadband Office is requesting 100% of the funding under the BEAD allocation. The Office and its industry, local government, and community partners stand ready to implement BEAD funding and deliver access to this vital infrastructure to unserved and underserved communities on the island. Guam's internet service providers and local governments, equipped with the experience of navigating local and federal funding programs, are prepared with the technical expertise to begin expanding broadband networks to the remaining unserved and underserved broadband serviceable locations with BEAD funding.

To implement Non-Deployment Programs as defined in the BEAD NOFO, the Guam Broadband Office 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 strategic approach prioritizes areas without basic broadband access before allocating funds to other programs aimed at improving digital opportunities, thereby meeting the statutory objective of prioritizing these underserved regions.

2.14.2 Financial Data Entry:
Enter the amount of the Initial Proposal Funding Request: 100% of funds $155,581,733.59 (Full Amount less planning funds)

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 Funding Request, note "Not applicable."

The Guam Broadband Office will adhere to BEAD Program requirements regarding Initial Proposal funds usage.

2.15 Eligible Entity Regulatory Approach (Requirement 18)

2.15.1 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. 49 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.

There are no existing laws in Guam regarding regulations against government broadband activities.

2.16 Certification of Compliance with BEAD Requirements (Requirement 19)

2.16.1

☑Certify the Eligible Entity's intent to comply with all applicable requirements of the BEAD Program, including the reporting requirements.

Yes, the Office of Broadband 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:

- 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);
- The inclusion of clawback provisions (i.e., provisions allowing recoupment of funds previously disbursed) in agreements between the Eligible Entity and any subgrantee;
- Timely subgrantee reporting mandates and Robust subgrantee monitoring practices.

Remittance and Matching Documentation:
Subgrantees can request funds after the contract's effective date by submitting a remittance request. These requests should cover reimbursable expenses, not future expenditures.

Along with each request, subgrantees must provide matching documentation. To ensure accountability, 10% of the grant award will be retained until all contractual obligations are fulfilled.

Cost Performance Index (CPI) and Compliance:
A CPI form must accompany every remittance request. If a project's CPI value falls below 0.9, The Broadband Office may deny the remittance or ask for further explanation.
Failure to meet 90% of the key deliverables by the Contract Period Performance Date will prompt a notification from The Broadband Office, potentially leading to a required Corrective Action Plan.
In case of non-compliance, The Broadband Office reserves the right to recoup funds, payable within 30 days of notice. Delays in repayment may lead to referral to the Attorney General for collection actions.

Reporting Requirements:
Subgrantees must submit various reports, both routine and upon request, to assist the Broadband Office in monitoring project progress and identifying areas needing technical assistance.

- **Broadband Monthly Report:** A monthly update on the project's status.
- **Closeout Report:** Submitted upon project completion to confirm fulfillment of all obligations.
- **Post Conditional Closeout Reports:** Required at 6 and 12 months post-closeout, including subscriber numbers and speed tests.

Failure to meet reporting deadlines will result in being flagged as non-compliant, affecting the approval of future remittance requests.

Compliance Reviews:
The Broadband Office will conduct regular reviews to ensure compliance with state, federal guidance, and regulations.

- **Site Visits:** Conducted every other quarter to verify and document project construction and progression.
- **Desk Reviews:** Alternating with site visits, these reviews assess the project's documentation and progress.
- **Internal Compliance Reviews:** Ensuring adherence to 2 CFR 200 regulations, maintaining internal control, acceptable financial management practices, and current project management plans.
- **Final Financial Review (FFR):** Upon project closeout, to ensure all project finances are in order.

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

The Guam Broadband Office will account for and satisfy authorities relating to civil rights and nondiscrimination in the selection of subgrantees.

2.16.4 ☑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.

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.

The public comment period from November 9 to December 11 was a critical phase in the development of our Initial Proposal, offering valuable insights from a wide range of stakeholders. The Office of Infrastructure Policy and Development (Broadband Office) employed a multi-channel approach to encourage and collect feedback, which was meticulously reviewed and, where appropriate, integrated into our proposal.

Summary of Public Engagement and Feedback Incorporation:

- **Positive Feedback:** We received widespread support for the necessity of the BEAD program and the efforts of the Broadband Office in advancing Guam's broadband infrastructure. This encouragement reinforces our commitment and has been reflected in the proposal through a reinforced narrative on the program's significance and potential impact on Guam's digital landscape.

- **Concerns and Suggestions:**
  Network Infrastructure and Technical Capabilities: Feedback highlighted the importance of robust and scalable network infrastructure. In response, we have adjusted our technical requirements and priorities to emphasize resilience, scalability, and the adoption of advanced technologies.

- **Financial Implications and Impact on Current Services:** Comments on financial aspects and the proposal's implications for existing services prompted a thorough review of our budgeting approach and service impact assessments. This led to the incorporation of more detailed financial planning and strategies to mitigate any adverse effects on current services.

- **Scoring Concerns:** Input regarding our scoring system, particularly the need to ensure fairness and transparency, resulted in a refined scoring rubric. We've

clarified criteria and incorporated measures to address concerns directly, ensuring a more transparent and equitable evaluation process.

- **Preference for Veterans and Labor Issues:** Reflecting on comments advocating for veterans and addressing labor concerns, we've introduced specific provisions and scoring incentives for projects that prioritize veteran employment and adhere to fair labor practices.

- **Operational Challenges, Implementation Suggestions, and Sustainability:** Stakeholder insights into operational hurdles, practical implementation advice, and sustainability considerations have significantly shaped our approach. This includes adopting strategies for overcoming identified challenges, incorporating best practices for effective deployment, and planning for the long-term sustainability and scalability of the network.

The public comment period was instrumental in refining our Initial Proposal, ensuring it not only reflects the aspirations and concerns of Guam's communities but also aligns with best practices and innovative solutions for broadband deployment. The Broadband Office remains committed to an inclusive, transparent process that values stakeholder input as a cornerstone of our approach to enhancing digital connectivity across the island.

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