



# **Broadband, Equity, Access, and Deployment Program (BEAD)**

## **Initial Proposal, Volume I**

Arizona Commerce Authority

October 2023

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*THIS REPORT WAS PREPARED BY THE ARIZONA COMMERCE AUTHORITY USING FEDERAL FUNDS UNDER AWARD BEAD 03-20-B151 FROM THE NATIONAL TELECOMMUNICATIONS AND INFORMATION ADMINISTRATION, U.S. DEPARTMENT OF COMMERCE. THE STATEMENTS, FINDINGS, CONCLUSIONS, AND RECOMMENDATIONS ARE THOSE OF THE AUTHOR(S) AND DO NOT NECESSARILY REFLECT THE VIEWS OF THE NTIA OR THE U.S. DEPARTMENT OF COMMERCE.*

# 1. Introduction

## Overview

The Arizona Commerce Authority State Broadband Office has developed specific sections of the Initial Proposal, as part of a requirement of the Broadband Equity, Access, and Deployment Program (BEAD), which serves as Volume I. This document is the first of two submissions which together will comprise Arizona's BEAD Initial Proposal to the National Telecommunications and Information Administration (NTIA), including the Assistant Secretary of the U.S. Department of Commerce who administers the BEAD program.

Once this Initial Proposal Volume I is submitted to NTIA for approval, the Arizona Commerce Authority State Broadband Office will develop the remaining requirements of the BEAD Notice of Funding Opportunity (NOFO)<sup>1</sup>, which will serve as Volume II. This first volume (Volume I) responds to four of nineteen requirements for the Initial Proposal as per the BEAD NOFO. These requirements are:

- *Existing Broadband Funding (Requirement 3)* – Identify existing efforts funded by the federal government to deploy broadband and close the digital divide in Arizona.
- *Unserved and Underserved Locations (Requirement 5)* – Identify each unserved location and underserved location within the State of Arizona, using the September 12, 2023 (most recently published) National Broadband Map<sup>2</sup> as of the date of submission of the Initial Proposal.
- *Community Anchor Institutions (Requirement 6)* – Describe how Arizona applied the statutory definition of the term “community anchor institution” and identified all eligible CAIs in the State of Arizona, including eligible CAIs in applicable Tribal Lands.
- *Challenge Process (Requirement 7)* – Include a detailed plan as to how the Arizona Commerce Authority State Broadband Office will conduct a challenge process for eligible locations and CAIs as per Section IV.B.6 of BEAD NOFO.

The Arizona Commerce Authority State Broadband Office has chosen to adopt the NTIA BEAD Model Challenge Process with one additional modification. The Arizona Commerce Authority State Broadband Office also plans to use the BEAD Eligible Entity Planning Toolkit provided by the NTIA to support the deduplication of funding where existing federally enforceable commitments may exist.

Following a 30-day public comment period, this Initial Proposal Volume I will be submitted to NTIA for approval. Once Volume I is approved by NTIA, and the remaining requirements from the BEAD Notice of Funding Opportunity (Volume II) are submitted, the Arizona Commerce Authority State Broadband Office will initiate the challenge process outlined in this document to determine the eligible unserved and underserved locations and CAIs for BEAD deployment projects. This process will take place during the period when Volume II is under consideration by the designated federal entities. The Arizona Commerce Authority State Broadband Office will post additional information regarding the challenge process on its website.

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<sup>1</sup> See BEAD NOFO at 31, Section IV.B.5.b

<sup>2</sup> The National Broadband Map, referred to as the Broadband DATA Map in the BEAD NOFO, is the fixed broadband availability map created by the Federal Communications Commission under Section 802(c)(1) of the Communications Act of 1934 (47 U.S.C. § 642(c)(1)).

## 2. Existing Broadband Funding (Requirement 3)

### Existing Broadband Funding

1.1.1 *Submit the file identifying sources of funding, a brief description of the broadband deployment and other broadband-related activities, the total funding, the funding amount expended, and the remaining funding amount available. Eligible Entities may copy directly from their Five-Year Action Plans.*

This Volume I of the State of Arizona BEAD Initial Proposal includes brief descriptions of existing funding for broadband in Arizona. The state of Arizona receives federal and state funding from several different programs and entities that support broadband infrastructure deployment. The Arizona Commerce Authority (ACA) administers several of these programs through the Arizona Commerce Authority State Broadband Office.

The following table outlines the total, expended, and available amounts for each of these federal and state funded programs awarded for broadband projects in Arizona.

**Table 1: Broadband Funding Sources**

Source	Purpose	Total	Expended	Available
Broadband Equity, Access, and Deployment Program (BEAD)	Funded through IJJA, this program is the largest source of broadband funding. Priority is given to building broadband networks that connect unserved and underserved locations and community anchor institutions. This program will be implemented as a subgrant program to a variety of entities including private ISPs, nonprofits, communities, cooperatives, and others. \$5 million of the grant is used for BEAD Planning.	\$993.1M	\$0	\$993.1M
State Digital Equity Planning (SDEPG)	The State Digital Equity Planning Grant Program provides funding to develop the state digital equity plan.	\$1.1M	TBA	\$0
State Digital Equity Capacity Grant Programs (SDECG)	The State Digital Equity Capacity Program will fund digital equity projects and the implementation of digital equity plan.	TBA	TBA	\$0
US Treasury, Coronavirus Capital Projects Fund (CPF)	The US Dept. of Treasury awarded Arizona CPF funds to provide reliable internet access to areas of the state lacking adequate service. Arizona created the Arizona	\$92.7M	\$0* Funds have been	\$0

Source	Purpose	Total	Expended	Available
	Broadband Development Rural Infrastructure Grant program (ABDG-Rural) and the Arizona Broadband Development Urban Infrastructure Grant program (ABDG-Urban).		committed to projects	
USDA ReConnect	The USDA ReConnect program is a federal initiative that provides loans and grants to expand access to broadband services in rural communities to improve economic and educational opportunities, as well as healthcare and public safety, by supporting the development of high-speed internet infrastructure in underserved areas. A mix of grants and loans were awarded to projects in Arizona from 2019-2023. Of which, entities serving Tribal lands received ~\$45,890,373.	YTD \$73.7M	TBA* This award is not managed by ACA therefore, limited information is available on expenditures	\$0
Tribal Broadband Connectivity Program (TBCP)	The Tribal Broadband Connectivity Program funding supports increasing efforts in bringing high-speed internet service to Tribal lands. In the first round of funding released in 2021, Tribal Lands in Arizona received \$154.4m.	\$154.4M	TBA* This award is not managed by ACA therefore, limited information is available on expenditures	\$0
Arizona Rural Broadband Development Grant (RBDG)	Awarded in 2019, this grant program is intended to accelerate the enhancement of broadband infrastructure to support economic growth and improve quality of life for Arizona’s rural residents.	\$3.0M	\$3.0M	\$0
State appropriated matching funds	The Governor’s budget included funding for BEAD matching funds for rural communities that need assistance in meeting the 25% match requirement.	\$23.6M	\$0	\$23.6M
State Middle Mile Program	Arizona is leveraging ARPA funding to increase middle-mile broadband service along I-17, I-19, and I-40 to connect unserved and underserved communities.	\$158.1M	\$60.0M	\$98.1M
Pima County Middle Mile Program	Pima County was awarded \$30M in federal funds from NTIA with	\$42.0M	\$0	\$0M

Source	Purpose	Total	Expended	Available
	\$12M matching requirement for a total project of \$42 million			
Arizona E-Rate Program	<i>E-Rate Special Construction:</i> Arizona Broadband for Education Initiative has invested nearly \$150 million to bring high speed internet to schools and libraries across Arizona. It is administered by the Universal Service Administrative Company (USAC), a non-profit designated by the Federal Communications Commission (FCC).	\$148.0M	\$148.0	\$0
E-Rate Matching Funds	State matching funds to match federal E-rate program.	\$16M	\$11M	\$5M
Arizona Final Mile Project	Funded through the Department of Education, the Final Mile Project goal is to give every K–12 student in Arizona the opportunity to take part in teacher-led classes from anywhere in the state.	\$2.5M	\$1.5M	\$0
FCC Rural Digital Opportunity Fund	RDOF supports broadband networks in rural communities across the country.  RDOF Phase I began in 2020 and targeted over six million homes and businesses in census blocks that are entirely unserved by voice and broadband with speeds of at least 25/3 Mbps. Phase II will cover locations in census blocks that are partially served, as well as locations not funded in Phase I. Phase I obligated funds to be paid over 10 years.	\$19.6M <sup>3</sup>	TBA*  This award is not managed by ACA therefore, limited information is available on expenditures	TBA
FCC Connect America Fund – Phase II Auction	The federal universal service high-cost program (also known as the Connect America Fund) is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service, both fixed and mobile, at rates that are reasonably comparable to those in urban areas.	\$28.4M <sup>4</sup>	TBA*  This award is not managed by ACA therefore, limited information is available on expenditures	\$0

<sup>3</sup> [https://auctiondata.fcc.gov/public/projects/auction904/reports/total\\_assigned\\_by\\_state](https://auctiondata.fcc.gov/public/projects/auction904/reports/total_assigned_by_state)

<sup>4</sup> [FCC Connect America Fund Phase II Auction | FCC \(fcc.gov\)](https://www.fcc.gov/auctions/904/phase-ii)

Source	Purpose	Total	Expended	Available
	<p>The program fulfills this universal service goal by allowing eligible carriers who serve these areas to recover some of their costs from the federal Universal Service Fund to connect 7,285 locations.</p>			
<p>ACP Reimbursements</p>	<p>The Affordable Connectivity Program provides a monthly discount on internet service of up to \$30 per eligible household (or up to \$75 per eligible household on Tribal lands). The participating broadband service provider will receive the funds directly. Currently, over 400,000 Arizonans participate in ACP.</p>	<p>\$183.0M</p>	<p>\$183.0M</p>	<p>\$0</p>
<p>ACP Outreach Grants</p>	<p>The ACP Outreach Grants provides qualifying low-income households discounts on broadband service and connected devices, and expressly authorizes the Federal Communications Commission (FCC) outreach for the ACP, including providing grants to outreach partners. Arizona grant recipients are Chicanos Por la Causa, City of Phoenix and Promise Arizona</p>	<p>\$1.6M</p>	<p>TBA* This award is not managed by ACA therefore, limited information is available on expenditures</p>	<p>\$0</p>

## Unserved and Underserved Locations

*1.2.1. Attach two CSV files with location IDs of all unserved and underserved locations, respectively, including unserved and underserved locations in applicable Tribal Lands.*

The State of Arizona BEAD Initial Proposal Volume I includes a list of all unserved<sup>5</sup> and underserved<sup>6</sup> locations in Arizona.

The Arizona Commerce Authority State Broadband Office has provided two .csv files which list each location and provides a unique location ID.

- Appendix 1: Location IDs of all unserved locations
- Appendix 2: Location IDs of all underserved locations

*1.2.2. Identify the publication date of the National Broadband Map that was used to identify the unserved and underserved locations.*

When identifying all unserved and underserved locations for purposes of preparing this draft version of Volume I as well as the .csv and .pdf files identified in Section 1.2.1 for public comment and review by the NTIA, the Arizona Commerce Authority State Broadband Office utilized the Broadband Data Collection (BDC) data as of June 30, 2023, last updated on September 12, 2023, from the National Broadband Map.

In order to base the state challenge process on the most current information available, the Arizona Commerce Authority State Broadband Office plans to utilize the BDC data as of June 30, 2023 (BDC Version 3) as the baseline for the state challenge process. Additionally, the Arizona Commerce Authority State Broadband Office plans to use the state challenge process for obtaining feedback on whether certain broadband serviceable locations have been correctly identified as served, underserved, or unserved.

Arizona Commerce Authority State Broadband Office will continue to update the datasets after public comment and prior to submission of the Initial Proposal.

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<sup>5</sup> Defined as a location without any broadband service at all or with internet service offering speeds below 25/3 Mbps, as per the [BEAD NOFO](#).

<sup>6</sup> Defined as a location as one without broadband service offering speeds of 100/20 Mbps, as per the [BEAD NOFO](#).



# 4. Community Anchor Institutions (Requirement 6)

## Community Anchor Institutions

1.3.1 Describe how the statutory definition of “community anchor institution” (e.g., schools, libraries, health clinics) was applied, how eligible CAIs were identified, and how network connectivity needs were assessed, including the types of CAIs that the Eligible Entity intends to serve.



Adopting the statutory definition of “community anchor institution”<sup>7</sup>, the Arizona Commerce Authority State Broadband Office defines “community anchor institution” to mean a school, library, health clinic, health center, hospital or other medical provider, public safety entity, institution of higher education, public housing organization (including any public housing agency and HUD-assisted housing organization, or Tribal housing organization), or community support organization that facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals.

In addition to the definition above, the Arizona Commerce Authority State Broadband Office defines state and local government facilities, and non-profit organizations as community anchor institutions. These organizations serve as hubs for digital access in their communities and often have specialized technology needs and require affordable, high-speed, reliable broadband connections to provide their services effectively.







Based on the statutory definition above, the following criteria were used to determine the inclusion or exclusion of community support organizations not specifically listed in 47 USC 1702(a)(2)(E):


*Whether the community support organization facilitates greater use of broadband service by vulnerable populations, including, but not limited to, low-income individuals, unemployed individuals, children, the incarcerated, and aged individuals.*

The following definitions and sources were used to identify the types of community anchor institutions for inclusion in each category:

CAI	Definition and Source
<b>Schools</b> 	K-12 schools may include all K-12 schools participating in the FCC E-Rate program or that have an NCES (National Center for Education Statistics) ID in the categories “public schools” or “private schools”. As well as those identified by the Homeland Infrastructure Foundation Level-Data, and county derived data.
<b>Libraries</b> 	Libraries may include all libraries that participate in the FCC E-Rate program as well as those identified by county derived data, and the IMLS.

<sup>7</sup> [47 USC § 1702\(a\)\(2\)](#)

CAI	Definition and Source
<p><b>Health clinic, health center, hospital, or other medical providers</b></p> 	<p>May include health clinics, health centers, hospitals and other medical providers, and other institutions that have a Centers for Medicare and Medicaid Services (CMS) identifier, as well as crisis centers and facilities, hospice facilities, nursing homes and assisted living facilities, public health offices, board and care homes, continuing care retirement facilities, and other social service facilities. The list includes those identified by the Homeland Infrastructure Foundation Level-Data, county derived data, and Health Resources and Services Administration (HRSA) data.</p>
<p><b>Public safety entity</b></p> 	<p>This may include entities such as fire houses, emergency medical service stations, police stations, correctional facilities, and public safety answering points (PSAP). The list includes those identified by the Homeland Infrastructure Foundation Level-Data and county derived data.</p>
<p><b>Institutions of higher education</b></p> 	<p>Institutions of higher education include all institutions that have an NCES ID in the category “college”, including junior colleges, community colleges, minority serving institutions, historically black colleges and universities, Hispanic-Serving Institutions, Tribal Colleges and Universities, other universities, or other educational institutions. This includes those identified by the Homeland Infrastructure Foundation Level-Data, NCES data and county derived data. As well as supplemental colleges and truck driving schools as identified through HILFD data.</p>
<p><b>Public housing organizations</b></p> 	<p>Public housing organizations were identified by the U.S. Department of Housing and Urban Development and county provided data</p>
<p><b>Community support organizations</b></p> 	<p>The Arizona Commerce Authority State Broadband Office included organizations that facilitate greater use of broadband service by vulnerable populations, including low-income individuals, unemployed individuals, and aged individuals, as community support organizations:</p> <ul style="list-style-type: none"> <li>• Senior centers (locations identified through county derived CAI's)</li> <li>• Job training centers (locations identified using the American Job Center Finder)</li> <li>• Community centers (locations identified through county derived CAI's)</li> <li>• Community development organizations (locations identified through county derived CAI's)</li> <li>• Food banks and pantries (locations identified through county derived CAI's)</li> <li>• Homeless service agencies (identified through HUD.gov)</li> <li>• Child Care Centers (locations identified through county derived CAI's)</li> </ul>
<p><b>Government facilities</b></p> 	<p>The Arizona Commerce Authority State Broadband Office selected to include the following government and related facilities that support the greater use of broadband service among the public and vulnerable populations:</p> <ul style="list-style-type: none"> <li>• Tribal, township, village, city, and county administrative offices (locations identified through county provided CAI's)</li> <li>• State government facilities (locations identified through county derived CAI's and HILD data)</li> <li>• Court administrative offices (locations identified through county derived CAI's and HILD data)</li> </ul>

CAI	Definition and Source
<p data-bbox="180 197 347 254"><b>Non-Profit Organization</b></p> 	<p data-bbox="418 197 1471 317">Non-profit organizations include community support organizations that support Arizona communities, including the elderly or other vulnerable members of the population, to determine connectivity needs. Non-Profit organizations were identified through county derived data.</p>

To assess the network connectivity needs of the types of eligible community anchor institutions listed in Appendix 3, the Arizona Commerce Authority State Broadband Office:

- Engaged government agencies. The Arizona Commerce Authority State Broadband Office reached out to several state agencies to understand what records they have available regarding relevant community anchor institutions and 1 Gbps symmetrical broadband service availability. The Arizona Commerce Authority State Broadband Office coordinated with the Arizona Department of Education to determine which schools and libraries do not currently have access to 1 Gbps symmetrical broadband service. Additionally, the Arizona Commerce Authority State Broadband Office coordinated with the Executive Office of the Governor to obtain availability and network connectivity needs based on existing records of procured broadband service for state-affiliated community anchor institutions.
- Engaged relevant umbrella organizations and nonprofits. The Arizona Commerce Authority State Broadband Office engaged with non-profit and umbrella organizations that work with community anchor institutions to coordinate and obtain 1 Gbps symmetrical broadband service availability data, and needs from the member organizations across all geographic regions. Organizations contacted include Arizona Center for Rural Health, Arizona Association of Community Health Centers, Inter Tribal Council of Arizona, Arizona County Supervisors Association and League of Arizona Cities and Towns, among others.
- Conducted spatial analysis. The Arizona Commerce Authority State Broadband Office conducted a detailed spatial analysis to determine high-speed fiber availability to CAIs. Using fiber availability data from the FCC National Broadband Map and third-party fiber location data, the Arizona Commerce Authority State Broadband Office calculated the proximity of each CAI to fiber facilities and used the proximity to determine the availability of 1 Gbps symmetrical broadband connectivity to the identified CAIs. CAIs within 1,000 ft. of a FTTP network are considered to have 1 Gbps broadband service available to their location.

1.3.2 *Submit the CSV file (named cai.csv) that lists eligible community anchor institutions that require qualifying broadband service and do not currently have access to such service, to the best of the Eligible Entity’s knowledge.*

The Arizona Commerce Authority State Broadband Office has compiled the list of CAIs that may not have adequate broadband service available. Attached as Appendix 3 is a CSV file with the relevant list of eligible CAIs that may require qualifying broadband service and may not currently have such service available to the best of the Arizona Commerce Authority State Broadband Office knowledge.

- Appendix 3: List of CAIs

*Note: The Arizona Commerce Authority State Broadband Office is in the process of identifying the CAIs that do not have 1 Gbps symmetrical service. Appendix 3 provides the current listing the CAIs that were identified as not having 1 Gbps symmetrical service. This list will be updated based on public comments received.*

# 5. Challenge Process (Requirement 7)

## Challenge Process – NTIA BEAD Model Challenge Process Adoption

1.3.3 *Select if the Eligible Entity plans to adopt the NTIA BEAD Model Challenge Process for Requirement 7.*

The Arizona Commerce Authority State Broadband Office intends to adopt the NTIA BEAD Model Challenge Process.

- Yes
- No

## Modifications to Reflect Data Not Present in the National Broadband Map

1.3.4 *If applicable, describe any modifications to classification of broadband serviceable locations in the Eligible Entity’s jurisdiction as “served,” “underserved,” or “unserved,” and provide justification for each modification.*

The Arizona Commerce Authority State Broadband Office will include the following modification to reflect data that are not present in the National Broadband Map:

- **DSL Modification:** The purpose of this modification is to facilitate the phase-out of legacy copper infrastructure that no longer meets definition of a served location (i.e., 100/20 Mbps).

### **Modification: DSL served locations reclassified as underserved**

In accordance with guidance provided by NTIA under an Optional Module # 2, the Arizona Commerce Authority State Broadband Office will treat locations that the National Broadband Map shows to have available qualifying broadband service (i.e., a location that is “served”) delivered via DSL as “underserved.” This modification will better reflect the locations eligible for BEAD funding because it will facilitate the phase-out of legacy copper facilities and ensure the delivery of “future-proof” broadband service.

## Deduplication of Funding

1.3.5 *Select if the Eligible Entity plans to use the BEAD Eligible Entity Planning Toolkit to identify existing federal enforceable commitments.*

The Arizona Commerce Authority State Broadband Office intends to use the BEAD Eligible Entity Planning Toolkit to identify existing federal enforceable commitments.

- Yes
- No

1.3.6 *Describe the process that will be used to identify and remove locations subject to enforceable commitments.*

The Arizona Commerce Authority State Broadband Office will specify locations subject to enforceable commitments by using the BEAD Eligible Entity Planning Toolkit, and consult at least the following data sets:

1. The Broadband Funding Map published by the FCC pursuant to IIJA § 60105.<sup>8</sup>
2. Data sets from state broadband deployment programs that rely on funds from the Arizona Broadband Development Infrastructure Grant (ABDG) / Capital Projects Fund (CPF) program and the State and Local Fiscal Recovery Funds administered by the U.S. Treasury.
3. State and local data collections of existing enforceable commitments.

The Arizona Commerce Authority State Broadband Office is working with subgrantees to develop a list of BSLs subject to enforceable commitments based on state or local grants or loans. If necessary, the Arizona Commerce Authority State Broadband Office will translate polygons or other geographic designations (e.g., a county or utility district) describing the area to a list of Fabric locations. Additionally, the Arizona Commerce Authority State Broadband Office will submit this list, in the format specified by the FCC Broadband Funding Map, to NTIA.<sup>9</sup>

The Arizona Commerce Authority State Broadband Office will review its repository of existing state and local broadband grant programs to validate the upload and download speeds of existing binding agreements to deploy broadband infrastructure. In situations in which the State of Arizona or local program did not specify broadband speeds, or when there was reason to believe a provider deployed higher broadband speeds than required, the Arizona Commerce Authority State Broadband Office will reach out to the provider to verify the deployment speeds of the binding commitment. The Arizona Commerce Authority State Broadband Office will document this process by requiring providers to sign a binding agreement certifying the actual broadband deployment speeds deployed.

1.3.7 *List the federal, state, or territorial, and local programs that will be analyzed to remove enforceable commitments from the set of locations eligible for BEAD funding.*

Programs included in the deduplication of enforceable commitments include the following. Only locations included in these programs with enforceable commitments to provide at least 100/20 Mbps using a reliable broadband technology are used for deduplication.

**Table 2: Deduplication of Enforceable Commitments**

Source	Programs
Federal	<ul style="list-style-type: none"> <li>FCC Rural Digital Opportunity Fund (RDOF)</li> <li>FCC Connect America Fund Phase II (CAFII)</li> <li>FCC Enhanced Alternative Connect America Cost Model (E-ACAM)</li> <li>NTIA Tribal Broadband Connectivity Program</li> <li>USDA Community Connect Grant Program (ReConnect)</li> <li>USDA Rural E-Connectivity Program</li> <li>USDA Telephone Loan Program</li> </ul>
State	<ul style="list-style-type: none"> <li>CPF - Arizona Broadband Development Urban Infrastructure Grant</li> <li>CPF - Arizona Broadband Development Rural Infrastructure Grant</li> <li>Arizona Rural Broadband Development Grant</li> </ul>

<sup>8</sup> The broadband funding map published by FCC pursuant to IIJA § 60105 is referred to as the “FCC Broadband Funding Map.”

<sup>9</sup> Guidance on the required format for the locations funded by state or territorial and local programs will be specified at a later date, in coordination with FCC.

## Challenge Process Design

1.3.8 *Describe the plan to conduct an evidence-based, fair, transparent, and expeditious challenge process.*

The Arizona Commerce Authority State Broadband Office will adopt the [NTIA BEAD Model Challenge Process](#). Based on the [NTIA BEAD Challenge Process Policy Notice](#), as well as the Arizona Commerce Authority State Broadband Office's understanding of the goals of the BEAD program, the proposal represents a transparent, fair, expeditious and evidence-based challenge process.

### Permissible Challenges

The Arizona Commerce Authority State Broadband Office will only allow challenges on the following grounds:

- The identification of eligible community anchor institutions, as defined by the Arizona Commerce Authority State Broadband Office;
- Community Anchor Institution BEAD eligibility determinations;
- BEAD eligibility determinations for existing broadband serviceable locations (BSLs);
- Enforceable commitments; or
- Planned service.

### Permissible Challengers

During the BEAD Challenge Process, the Arizona Commerce Authority State Broadband Office will only allow challenges from the following entities during the BEAD Challenge Process:

- Non-profit organizations;
- Units of local and tribal governments; and
- Broadband service providers.

### Challenge Process Overview

The Arizona Commerce Authority State Broadband Office is planning to conduct the challenge process organized in the following four phases, spanning 120 calendar days:<sup>10</sup>

1. Publication of Eligible Locations: Prior to beginning the BEAD Challenge Phase, the Arizona Commerce Authority State Broadband Office will publish the set of locations eligible for BEAD funding, which consists of the locations resulting from the activities outlined in Sections 5 and 6 of the [NTIA BEAD Challenge Process Policy Notice](#) (e.g., administering the deduplication of funding process). The office will also publish locations considered served, as they may be challenged. The Arizona Commerce Authority State Broadband Office is planning to publish the locations in January 2024.
2. Challenge Phase: During the Challenge Phase, the challenger will submit the challenge through the Arizona Commerce Authority State Broadband Office challenge portal. This challenge will be visible to the service provider whose service availability and performance is being contested. The portal will notify the service provider of the challenge through an automated e-mail, which will include related information about timing for the service provider's response. After this stage, the location will enter the "challenged" state.

<sup>10</sup> The NTIA BEAD Challenge Process Policy Notice allows up to 120 days. Broadband offices may modify the model challenge process to span up to 120 days, as long as the timeframes for each phase meet the requirements outlined in the NTIA BEAD Challenge Process Policy Notice.

- a. **Minimum Level of Evidence Sufficient to Establish a Challenge:** The challenge portal will verify that the address provided can be found in the Fabric and is a BSL. The challenge portal will confirm that the challenged service is listed in the National Broadband Map and meets the definition of reliable broadband service. The challenge will confirm that the e-mail address is reachable by sending a confirmation message to the listed contact e-mail. For scanned images, the challenge portal will determine whether the quality is sufficient to enable optical character recognition. For availability challenges, the Arizona Commerce Authority State Broadband Office will manually verify that the evidence submitted falls within the categories stated in the NTIA BEAD Challenge Process Policy Notice and the document is unredacted and dated.
  - b. **Timeline:** Challengers will have 30 calendar days to submit a challenge from the time the initial list of unserved and underserved locations, community anchor institutions, and existing enforceable commitments are posted. The Arizona Commerce Authority State Broadband Office aims to run the Challenge Phase from March 1, 2024, to March 31, 2024.
3. **Rebuttal Phase:** Only the challenged service provider may rebut the reclassification of a location or area with evidence, causing the location or locations to enter the “disputed” state. If a challenge that meets the minimum level of evidence is not rebutted, the challenge is sustained. A service provider may also agree with the challenge and thus transition the location to the “sustained” state. Service providers must regularly check the challenge portal notification method (e.g., e-mail) for notifications of submitted challenges.
- a. **Timeline:** Service providers will have 30 calendar days from notification of a challenge to provide rebuttal information to the Arizona Commerce Authority State Broadband Office.
4. **Final Determination Phase:** During the Final Determination phase, the broadband office will make the final determination of the classification of the location, either declaring the challenge “sustained” or “rejected.”
- a. **Timeline:** Following intake of challenge rebuttals, the Arizona Commerce Authority State Broadband Office will make a final challenge determination within 30 calendar days of the challenge rebuttal. Reviews will occur on a rolling basis, as challenges and rebuttals are received. The Arizona Commerce Authority State Broadband Office is planning to run the Final Determination Phase from May 1, 2024, to May 31, 2024.

### **Evidence Review Process**

To ensure that each challenge is reviewed and adjudicated based on fairness for all participants and relevant stakeholders, the Arizona Commerce Authority State Broadband Office will review all applicable challenge and rebuttal information in detail without bias, before deciding to sustain or reject a challenge. The Arizona Commerce Authority State Broadband Office will document the standards of review to be applied in a Standard Operating Procedure and will require reviewers to document their justification for each determination. The Arizona Commerce Authority State Broadband Office plans to ensure reviewers have sufficient training to apply the standards of review uniformly to all challenges submitted. Additionally, the Arizona Commerce Authority State Broadband Office will require that all reviewers submit affidavits to ensure that there is no conflict of interest in making challenge determinations.

**Table 3: Challenge Types, Evidence Examples, and Permissible Rebuttals**

Code	Challenge type	Description	Specific examples	Permissible Rebuttals
A	Availability	The broadband service identified is not offered at the location, including a unit of a multiple dwelling unit (MDU).	<ul style="list-style-type: none"> <li>• Screenshot of provider webpage.</li> <li>• A service request was refused within the last 180 calendar days (e.g., an e-mail or letter from service provider).</li> <li>• Lack of suitable infrastructure (e.g., no fiber on pole).</li> <li>• A letter or e-mail dated within the last 365 calendar days that a provider failed to schedule a service installation or offer an installation date within 10 business days of a request.<sup>11</sup></li> <li>• A letter or e-mail dated within the last 365 calendar days indicating that a service provider requested more than the standard installation fee to connect this location or that a service provider quoted an amount in excess of the provider's standard installation charge in order to connect service at the location.</li> </ul>	<ul style="list-style-type: none"> <li>• Service provider shows that the location subscribes or has subscribed within the last 12 months, e.g., with a copy of a customer bill.</li> <li>• If the evidence was a screenshot and believed to be in error, a screenshot that shows service availability.</li> <li>• The service provider submits evidence that service is now available as a standard installation, e.g., via a copy of an offer sent to the location.</li> </ul>
S	Speed	The actual speed of the service tier falls below the unserved or underserved thresholds. <sup>12</sup>	Speed test by subscriber, showing the insufficient speed and meeting the requirements for speed tests.	Service provider has countervailing speed test evidence showing sufficient speed, e.g., from their own network management system. <sup>13</sup>

<sup>11</sup> A standard broadband installation is defined in the Broadband DATA Act (47 U.S.C. § 641(14)) as “[t]he initiation by a provider of fixed broadband internet access service [within 10 business days of a request] in an area in which the provider has not previously offered that service, with no charges or delays attributable to the extension of the network of the provider.”

<sup>12</sup> The challenge portal has to gather information on the subscription tier of the household submitting the challenge. Only locations with a subscribed-to service of 100/20 Mbps or above can challenge locations as underserved, while only locations with a service of 25/3 Mbps or above can challenge locations as unserved. Speed challenges that do not change the status of a location do not need to be considered. For example, a challenge that shows that a location only receives 250 Mbps download speed even though the household has subscribed to gigabit service can be disregarded since it will not change the status of the location to unserved or underserved.

<sup>13</sup> As described in the NOFO, a provider’s countervailing speed test should show that 80 percent of a provider’s download and upload measurements are at or above 80 percent of the required speed. See Performance Measures Order, 33 FCC Rcd at 6528, para. 51. See BEAD NOFO at 65, n. 80, Section IV.C.2.a.



Code	Challenge type	Description	Specific examples	Permissible Rebuttals
L	Latency	The round-trip latency of the broadband service exceeds 100 ms. <sup>14</sup>	Speed test by subscriber, showing the excessive latency.	Service provider has countervailing speed test evidence showing latency at or below 100 ms, e.g., from their own network management system or the CAF performance measurements. <sup>15</sup>
D	Data Cap	The only service plans marketed to consumers impose an unreasonable capacity allowance (“data cap”) on the consumer. <sup>16</sup>	<ul style="list-style-type: none"> <li>• Screenshot of provider webpage.</li> <li>• Service description provided to consumer.</li> </ul>	Service provider has terms of service showing that it does not impose an unreasonable data cap or offers another plan at the location without an unreasonable cap.
T	Technology	The technology indicated for this location is incorrect.	Manufacturer and model number of residential gateway (CPE) that demonstrates the service is delivered via a specific technology.	Service provider has countervailing evidence from their network management system showing an appropriate residential gateway that matches the provided service.
B	Business service only	The location is residential, but the service offered is marketed or available only to businesses.	Screenshot of provider webpage.	Service provider documentation that the service listed in the BDC is available at the location and is marketed to consumers.
E	Enforceable Commitment	The challenger has knowledge that broadband will be deployed at this location by the date established in the deployment obligation.	Enforceable commitment by service provider (e.g., authorization letter). In the case of Tribal Lands, the challenger must submit the requisite legally binding agreement between the relevant Tribal Government and the service provider for the location(s) at issue.	Documentation that the provider has defaulted on the commitment or is otherwise unable to meet the commitment (e.g., is no longer a going concern).

<sup>14</sup> Performance Measures Order, including provisions for providers in non-contiguous areas (§21).

<sup>15</sup> Ibid.

<sup>16</sup> An unreasonable capacity allowance is defined as a data cap that falls below the monthly capacity allowance of 600 GB listed in the FCC 2023 Urban Rate Survey (FCC Public Notice DA 22-1338, December 16, 2022). Alternative plans without unreasonable data caps cannot be business-oriented plans not commonly sold to residential locations. A successful challenge may not change the status of the location to unserved or underserved if the same provider offers a service plan without an unreasonable capacity allowance or if another provider offers reliable broadband service at that location.

Code	Challenge type	Description	Specific examples	Permissible Rebuttals
P	Planned Service	The challenger has knowledge that broadband will be deployed at this location by June 30, 2024, without an enforceable commitment or a provider is building out broadband offering performance beyond the requirements of an enforceable commitment.	<ul style="list-style-type: none"> <li>Construction contracts or similar evidence of on-going deployment, along with evidence that all necessary permits have been applied for or obtained.</li> <li>Contracts or a similar binding agreement between the Eligible Entity and the service provider committing that planned service will meet the BEAD definition and requirements of reliable and qualifying broadband even if not required by its funding source (i.e., a separate federal grant program), including the expected date deployment will be completed, which must be on or before June 30, 2024.</li> </ul>	Documentation showing that the service provider is no longer able to meet the commitment (e.g., is no longer a going concern) or that the planned deployment does not meet the required technology or performance requirements.
N	Not part of enforceable commitment	This location is in an area that is subject to an enforceable commitment to less than 100% of locations and the location is not covered by that commitment. (See BEAD NOFO at 36, n. 52.).	Declaration by service provider subject to the enforceable commitment.	
C	Location is a CAI	The location should be classified as a CAI.	Evidence that the location falls within the definitions of CAIs set by the Eligible Entity. <sup>17</sup>	Evidence that the location does not fall within the definitions of CAIs set by the Eligible Entity or is no longer in operation.
R	Location is not a CAI	The location is currently labeled as a CAI but is a residence, a non-	Evidence that the location does not fall within the definitions of CAIs set by	Evidence that the location falls within the definitions of CAIs set by

<sup>17</sup> For example, eligibility for FCC e-Rate or Rural Health Care program funding or registration with an appropriate regulatory agency may constitute such evidence, but the Eligible Entity may rely on other reliable evidence that is verifiable by a third party.

Code	Challenge type	Description	Specific examples	Permissible Rebuttals
		CAI business, or is no longer in operation.	the Eligible Entity or is no longer in operation.	the Eligible Entity or is still operational.

**Area and MDU Challenge**

The Arizona Commerce Authority State Broadband Office will administer area and MDU challenges for challenge types A, S, L, D, and T. An area challenge reverses the burden of proof for availability, speed, latency, data caps and technology if a defined number of challenges for a particular category, across all challengers, have been submitted for a service provider. Thus, the service provider receiving an area challenge or MDU must demonstrate that they are indeed meeting the availability, speed, latency, data cap and technology requirement, respectively, for all (served) locations within the area or all units within an MDU. The service provider can use any of the permissible rebuttals listed above.

An area challenge is triggered if six (6) or more broadband serviceable locations using a particular technology and a single provider within a census block group are challenged.

An MDU challenge requires challenges by at least three (3) units or 10 percent of the unit count listed in the Fabric within the same broadband serviceable location, whichever is larger.

Each type of challenge and each technology and provider is considered separately, i.e., an availability challenge (A) does not count towards reaching the area threshold for a speed (S) challenge. If a provider offers multiple technologies, such as DSL and fiber, each is treated separately since they are likely to have different availability and performance.

Area challenges for availability need to be rebutted with evidence that service is available for all BSL within the census block group, e.g., by network diagrams that show fiber or HFC infrastructure or customer subscribers. For fixed wireless service, the challenge system will offer representative random, sample of the area in contention, but no fewer than (10), where the provider must demonstrate service availability and speed (e.g., with a mobile test unit).<sup>18</sup>

**Speed Test Requirements**

The Arizona Commerce Authority State Broadband Office will accept speed tests as evidence for substantiating challenges and rebuttals. Each speed test consists of three measurements, taken on different days. Speed tests cannot predate the beginning of the challenge period by more than 60 calendar days.

Speed tests can take four forms:

1. A reading of the physical line speed provided by the residential gateway, (i.e., DSL modem, cable modem (for HFC), ONT (for FTTH), or fixed wireless subscriber module.
2. A reading of the speed test available from within the residential gateway web interface.
3. A reading of the speed test found on the service provider’s web page.
4. A speed test performed on a laptop or desktop computer within immediate proximity of the residential gateway, using speed test applications from the list of applications approved by NTIA.

<sup>18</sup> A mobile test unit is a testing apparatus that can be easily moved, which simulates the equipment and installation (antenna, antenna mast, subscriber equipment, etc.) that would be used in a typical deployment of fixed wireless access service by the provider.

Each speed test measurement must include:

- The time and date the speed test was conducted.
- The service provider-assigned internet protocol (IP) address, either version 4 or version 6, identifying the residential gateway conducting the test.

Each group of three speed tests must include:

- The name and street address of the customer conducting the speed test.
- A certification of the speed tier the customer subscribes to. Speed tests must be accompanied by a certified attestation from the customer that states the following: “I hereby certify, under penalty of perjury, that the download and upload speed indicated in this submission are the true and correct speeds to which I subscribe at the location where the speed tests included in this submission were measured. The entry of my name above constitutes my electronic signature to this certification. Persons making willful false statements in this form can be punished by fine or imprisonment under 18 U.S.C. § 1001.”
- An agreement, using an online form provided by the Arizona Commerce Authority State Broadband Office, that grants access to these information elements to the Arizona Commerce Authority State Broadband Office, any contractors supporting the challenge process, and the service provider.

The IP address and the subscriber’s name and street address are considered personally identifiable information (PII) and thus are not disclosed to the public (e.g., as part of a challenge dashboard or open data portal).

Each location must conduct three speed tests on three different days; the days do not have to be adjacent. The median of the three tests (i.e., the second highest (or lowest) speed) is used to trigger a speed-based (S) challenge, for either upload or download. For example, if a location claims a broadband speed of 100 Mbps/25 Mbps and the three speed tests result in download speed measurements of 105, 102 and 98 Mbps, and three upload speed measurements of 18, 26 and 17 Mbps, the speed tests qualify the location for a challenge, since the measured upload speed marks the location as underserved.

Speed tests may be conducted by subscribers, but speed test challenges must be gathered and submitted by units of local government, nonprofit organizations, or a broadband service provider.

Subscribers submitting a speed test must indicate the speed tier they are subscribing to. If the household subscribes to a speed tier of between 25/3 Mbps and 100/20 Mbps and the speed test results in a speed below 25/3 Mbps, this broadband service will not be considered to determine the status of the location. If the household subscribes to a speed tier of 100/20 Mbps or higher and the speed test yields a speed below 100/20 Mbps, this service offering will not count towards the location being considered served or underserved. However, even if a particular service offering is not meeting the speed threshold, the eligibility status of the location may not change. For example, if a location is served by 100 Mbps licensed fixed wireless and 500 Mbps fiber, conducting a speed test on the fixed wireless network that shows an effective speed of 70 Mbps does not change the status of the location from served to underserved.

A service provider may rebut an area speed test challenge by providing speed tests, in the manner described above, for at least 10 percent of the customers in the challenged area. The customers must be randomly selected. Service providers must apply the 80/80 rule<sup>19</sup>, i.e., 80 percent of these locations must experience a speed that equals or exceeds 80 percent of the speed threshold. For example, 80 percent of these locations must have a download speed of at least 20 Mbps (that is, 80 percent of 25 Mbps) and an upload speed of at least 2.4 Mbps to meet the 25/3 Mbps threshold and must have a download speed of at least 80 Mbps and an upload speed of 16 Mbps to be meet the 100/20 Mbps speed tier. Only speed

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<sup>19</sup> The 80/80 threshold is drawn from the requirements in the CAF-II and RDOF measurements. See BEAD NOFO at 65, n. 80, Section IV.C.2.a.

tests conducted by the provider between the hours of 7 pm and 11 pm local time will be considered as evidence for a challenge rebuttal.

### **Transparency Plan**

To ensure that the challenge process is transparent and open to public and stakeholder scrutiny, the Arizona Commerce Authority State Broadband Office will, upon approval from NTIA, publicly post an overview of the challenge process phases, challenge timelines, and instructions on how to submit and rebut a challenge. This documentation will be posted publicly for at least a week prior to opening the challenge submission window.

The Arizona Commerce Authority State Broadband Office also plans to actively inform all units of local government of its challenge process and set up regular touchpoints to address any comments, questions, or concerns from local governments, nonprofit organizations, and Internet service providers. Relevant stakeholders can obtain more information regarding the challenge process on the Arizona Commerce Authority State Broadband Office website (<https://www.azcommerce.com/broadband/>). They can engage with the Arizona Commerce Authority State Broadband Office via an e-mail at [broadband@azcommerce.com](mailto:broadband@azcommerce.com).

Beyond actively engaging relevant stakeholders, the Arizona Commerce Authority State Broadband Office will also post all submitted challenges and rebuttals before final challenge determinations are made, including:

- The service provider, nonprofit, or unit of local government that submitted the challenge;
- The census block group containing the challenged broadband serviceable location;
- The service provider being challenged;
- The type of challenge (e.g., availability or speed); and
- A summary of the challenge, including whether a provider submitted a rebuttal.

The Arizona Commerce Authority State Broadband Office will not publicly post any personally identifiable information (PII) or proprietary information, including subscriber names, street addresses and customer IP addresses. To ensure all PII is protected, the Arizona Commerce Authority State Broadband Office will review the basis and summary of all challenges and rebuttals to ensure PII is removed prior to posting them on the website. Additionally, guidance will be provided to all challengers as to which information they submit may be posted publicly.

The Arizona Commerce Authority State Broadband Office will treat information submitted by an existing broadband service provider designated as proprietary and confidential consistent with applicable federal law. If any of these responses do contain information or data that the submitter deems to be confidential commercial information that should be exempt from disclosure under state open records laws or is protected under applicable state privacy laws, that information should be identified as privileged or confidential. Otherwise, the responses will be made publicly available.

# 6. List of Appendices

## List of Appendices

- Appendix 1: Location IDs of all unserved locations
- Appendix 2: Location IDs of all underserved locations
- Appendix 3: List of eligible CAIs that do not currently have qualifying broadband service (1 Gbps symmetrical)

**ARIZONA**  
COMMERCE AUTHORITY