



BEAD Initial Proposal, Volume 2

**SOUTH
DAKOTA**

GOVERNOR'S OFFICE OF
ECONOMIC DEVELOPMENT

Last Revision Date: 4/26/24

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1. Introduction

Broadband access has been a priority of South Dakota for several decades. As early as 1996, South Dakota connected all public schools to high-speed internet with its Connecting the Schools project. As stated on the Governor's website, South Dakota aims to "ensure that every single South Dakotan is able to access broadband service that meets their needs."¹ Through the Broadband Equity, Access, and Deployment (BEAD) Program, the state intends to connect the rest of the areas that have not yet been reached through the ConnectSD Program, which was launched in 2019.²

As part of the ConnectSD program, South Dakota will prioritize approving and funding future-proof, reliable fiber projects that are the gold standard for broadband deployment. Technologies such as DSL, fixed wireless, and satellite, while they have their place in the ecosystem, are considered temporary "stop-gap" or "the only option" technologies. These technologies are undesirable to the end user experience and therefore would only be approved for locations where fiber prioritization exceeds an "Extremely High-Cost Threshold." Currently, except for two early projects, all the ConnectSD projects have been fiber installs. The state's belief is that all citizens deserve to have the gold standard of high-speed fiber broadband. The state will try to adhere to this policy for our citizens as much as possible while staying within the confines of the allowable activities, rules, and compliancy of the BEAD program.

A long-standing state government decision is that South Dakota does not own any of the telecommunications or broadband infrastructure in the state. Rather, South Dakota relies on the expertise of its Internet Service Providers (ISPs) to own, service, and maintain telecommunications infrastructure. South Dakota acts in the capacity of an anchor tenant that helps provide economic development within the state. More background and information can be found in the 2019 South Dakota Broadband Plan at <https://sdgoed.com/wp-content/uploads/2020/08/State-Broadband-Plan.pdf>.³

This document represents Volume 2 of South Dakota's BEAD Initial Proposal, which provides information on broadband-serviceable locations, Community Anchor Institutions (CAIs), and the public process for challenging the identified locations. While NTIA utilizes the verbiage

¹ South Dakota Governor Krisi Noem (accessed on September 13, 2023), Connecting South Dakota. Accessed at: <https://governor.sd.gov/priorities/broadband.aspx>.

² South Dakota Governor's Office of Economic Development (accessed on September 13, 2023), ConnectSD Broadband. Accessed at: <https://sdgoed.com/public-records/connectsd/>.

³ South Dakota Governor's Office of Economic Development (accessed 10/23/23), South Dakota Broadband Plan at: <https://sdgoed.com/wp-content/uploads/2020/08/State-Broadband-Plan.pdf>

“Challenge Process” it must be noted that the state does not want our citizens to view this as a bad thing. Rather, our intentions are to be most prudent with the funding to “get it right.” We intend to find those last locations needing connectivity by using whatever means possible, including location-by-location record-keeping, end-user citizen input, and relying on boots on the ground local expertise.

The Initial Proposal, both Volume 1 and Volume 2, builds off South Dakota’s BEAD Five-Year Action Plan, and outlines what implementation processes are required over the next few years.

2.1 Objectives (Requirement 1)

2.1.1 South Dakota BEAD Program Framework

In alignment with South Dakota’s BEAD Five-Year Action Plan, South Dakota’s goals and objectives stem from its unifying vision for sustainable high-speed broadband internet coverage for the entire state. The state has identified four overarching goals each containing its own set of objectives. These are the building blocks for South Dakota’s vision for BEAD.

South Dakota BEAD Program Framework			
Vision:			
Through strategic investments, South Dakota will connect every rural and urban resident, agricultural and commercial business, and community anchor institution to high-speed broadband internet across all locations in the State, allowing every South Dakota citizen to fulfil their economic and social pursuits.			
Goals:			
1. Universal Access: Provide every rural and urban resident, agricultural and commercial business, and community anchor institution with the means to access broadband by 2027.	2. Economic Enhancement: Support economic growth, job creation, and workforce development through expanded broadband access and adoption.	3. Digital Citizenship: Expand opportunity for South Dakotans to exercise competent civic engagement.	4. Longevity: Ensure broadband access continues beyond 2028.
Objectives:			
1.1 Deployment: Deploy broadband infrastructure throughout all regions of the State with the potential of minimum download speeds of at least 250 Mbps and upload speeds of at least 20 Mbps, with 500 Mbps symmetrical and beyond by 2027. 1.2 Access: Ensure every South Dakota citizen has reliable access to high-speed internet through personal devices or public access points. 1.3 Affordability: Provide affordable access to broadband that every South Dakota citizen needs for work, school, healthcare, and other aspects of daily life. 1.4 Adoption: Engage community stakeholders to determine roadblocks to broadband adoption in their respective communities and ways the State can address gaps or support the communities in overcoming these issues. 1.5 Digital Equity: Increase awareness around existing programs that address digital equity and initiatives established through the Digital Equity Act.	2.1 Economic Development: Encourage South Dakotans to realize economic benefits of expanded broadband access through associated increase in productive and innovation in areas such as education, healthcare services, and workforce development, among others. 2.2 Job Creation: Stimulate local job creation both for construction and development activities associated with the laying of broadband infrastructure, as well as creation of new jobs that require improved digital literacy and internet access. 2.3 Workforce Development: Coordinate with the Department of Labor and Regulation (DLR) to establish a long-term partnership to ensure the workforce has the required digital literacy to progress in its choice of career trajectory.	3.1 Competent Use of Internet Education: Build competent and responsible users of the internet through early and ongoing education, training, and other resources. 3.2 Digital Government: Provide access to government services online to improve the quality of life of every citizen and enhance the government's efficiency of service delivery. 3.3 Public Safety: Ensure public safety services have sufficient tools, training, and broadband access to effectively coordinate with one another and protect the general public.	4.1 Broadband Deployment: Create a strategy to establish fiber as the State's preferred type of broadband. 4.2 Ongoing Digital Literacy: Create resources to provide continued support to businesses and households to use broadband beyond 2028.

Figure 1: South Dakota BEAD Program Framework

The following sections describe each of these goals and supporting objectives in more detail.

Objective 1 – Provide rural and urban residents, agricultural and commercial businesses, and community anchor institutions with the means to access broadband by 2027.

By the end of the implementation of the Five-Year Action Plan, South Dakota plans to equip citizens, commercial and agricultural businesses, and community institutions with the means to

access broadband by 2027. The timeline is aggressive but achievable. For South Dakotans to keep up with a national and international marketplace that is increasingly online (and to fully reap the personal and economic benefits of these efforts), internet access across the state is necessary.

Objective 1.1 Deployment

Objective 1.1: Deploy broadband infrastructure throughout all regions of the state with the potential of minimum download speeds of at least 250 Mbps and upload speeds of at least 20 Mbps, with 500 Mbps symmetrical and beyond by 2027.

Broadband technologies advance at an accelerated pace in order to keep pace with ever-increasing demand. In anticipation of this, South Dakota plans to increase target download and upload speeds in a phased manner. This approach provides an evolving goal that acknowledges the pace of innovation expected for the industry. As one of the most business-friendly states in the country, South Dakota will continue to incentivize and encourage economic activity within its borders. A key component of that is offering widespread broadband access that gains strength and speed through 2027 and beyond.

Objective 1.2 Access

Objective 1.2: Ensure every South Dakota citizen has reliable access to high-speed internet through personal devices or public access points.

Access means access for everyone, regardless of income level, geographic location, or other factors that might have limited access to high-speed Internet. In South Dakota, this means encouraging public access points through public computer centers and Wi-Fi. Further, as personal devices become more universal, internet access includes consideration of the tools to engage and benefit from the internet.

Objective 1.3 Affordability

Objective 1.3: Provide affordable access to broadband that every South Dakota citizen needs for work, school, healthcare, and other aspects of daily life.

The affordability of broadband is key to ensuring South Dakotans can experience the full benefits of the service. As South Dakota recognized in its 2019 report, vastly disparate service for varying price points currently exists, especially for rural communities and other covered populations.⁴ South Dakota does not want price to be the sole deterrent for residents and businesses. South Dakota wants to ensure the monthly cost for dependable broadband access is not prohibitively expensive.

While a certain percentage of households may not opt into broadband access, removing as many barriers as possible for South Dakotans is key to overall success. One way South Dakota intends to address the barrier of affordability is by continuing to publicize the Affordable Connectivity Program (ACP) offered by the Federal Communications Commission (FCC), which provides discounts on internet services for qualifying low-income households.⁵ While ACP is expected to

⁴ South Dakota Governor's Office of Economic Development. "Broadband in South Dakota." May, 2019. Accessed September 28, 2023. <https://sdgoed.com/wp-content/uploads/2020/08/State-Broadband-Plan.pdf>

⁵ Federal Communications Commission. "Affordable Connectivity Outreach Grant Program." Accessed March 15, 2023. <https://www.fcc.gov/acp-grants>.

run out of funds in 2024, this program offers an important avenue to keep broadband affordable in the state.

Objective 1.4 Adoption

Objective 1.4: Engage community stakeholders to determine roadblocks to broadband adoption in their respective communities and ways the state can address gaps or support the communities in overcoming these issues.

South Dakota is fortunate that a network of community groups and advocacy organizations are engaged in the efforts to bridge the digital divide. These stakeholders hold insights into roadblocks to broadband adoption within their respective communities. The drivers of adoption vary by community, but increasing the percentage of broadband subscriptions to residents and businesses that want to participate is a key objective for South Dakota.

Objective 1.5 Digital Equity

Objective 1.5: Increase awareness around existing programs that address digital equity and initiatives established through the Digital Equity Act.

South Dakota is building a detailed Digital Opportunity Plan in parallel to this Plan with a strategy to capture equity initiatives in the expansion of broadband access in the state.

Objective 2 – Economic Enhancement: Support economic growth, job creation, and workforce development through expanded broadband access and adoption.

South Dakota has a long history of a business-friendly environment. The state recognizes that a healthy economic environment involves an easily navigable regulatory environment, a skilled and trained workforce, and sufficient opportunity to start and grow new ventures. Leveraging broadband access to unlock economic potential is a core goal of South Dakota.

Objective 2.1 Economic Development

Objective 2.1: Encourage South Dakotans to realize economic benefits of expanded broadband access through associated increase in productivity and innovation in areas such as education, healthcare services, and workforce development, among others.

South Dakota's small and medium-scale businesses, tradespeople, and other entities can all leverage the power of being connected to the global marketplace and create local opportunities to enhance productivity and innovation. The state aims to facilitate the growth that can be achieved by businesses through adopting a more digital approach enabled by high-speed broadband. For example, a South Dakotan soybean farmer can access wider markets online to move excess inventory.

Objective 2.2 Job Creation

Objective 2.2: Stimulate local job creation both for construction and development activities associated with laying of broadband infrastructure, as well as creation of new jobs that require improved digital literacy and internet access.

South Dakota's initiatives to expand broadband infrastructure will create jobs for telecommunications technicians, construction workers, civil engineers, and other associated workers that will be engaged in laying out the fiber cables and providing internet services directly to consumers.

Broadband connections will also spur the incubation of new internet-intensive businesses and expand existing businesses that can grow with improved internet connectivity. The growth can create new jobs for South Dakotans who will not only have access to digital tools but will have access to resources to learn how to use them, as outline under Objective 2.3.

Objective 2.3 Workforce Development

Objective 2.3: Establish a long-term partnership with the Department of Labor and Regulation (DLR) and coordinate efforts to ensure a digitally literate workforce.

The mission of the South Dakota Department of Labor and Regulation (DLR) is “to promote economic opportunity and financial security for individuals and businesses through quality, responsive, and expert services; fair and equitable employment solutions; and safe and sound business practices.”⁶ DLR currently funds and provides affordable access to certification and licensing programs that train residents not just in computer and digital-based skills, but in a wide range of skill sets through college and university campuses. While some of these are offered to residents in hybrid form, high-speed broadband access can encourage underserved communities to access these programs at higher rates.

Partnering with DLR can expand existing programs and facilitate the creation of new workforce development programs to connect residents to higher paying jobs in an internet-based economy. A modern workforce must be prepared to take on the challenges of advancing technology through continuous and ongoing training, which high-speed broadband will enable.

Objective 3 – Digital Citizenship: Expand opportunity for South Dakotans to exercise competent civic engagement.

As previously underserved and unserved locations in South Dakota gain access to high-speed broadband, the state will ensure that they have seamless online access to existing essential services that they need to engage and benefit from the internet.

Objective 3.1 Competent Use of Internet Education

Objective 3.1: Build competent and responsible users of the internet through early and ongoing education, training, and other resources.

While the internet has the potential to expand opportunities for residents, it can also put them at risk of digital scams, fraud, and unsafe interactions. As high-speed broadband access expands to communities that may have limited previous experience in using the internet, South Dakota will provide broadband users with the tools necessary to navigate digital citizenship. Several cities, counties, and educational institutions already provide some form of digital citizenship education. South Dakota will connect residents to such existing resources to equip them to use the internet in a safe and productive manner.

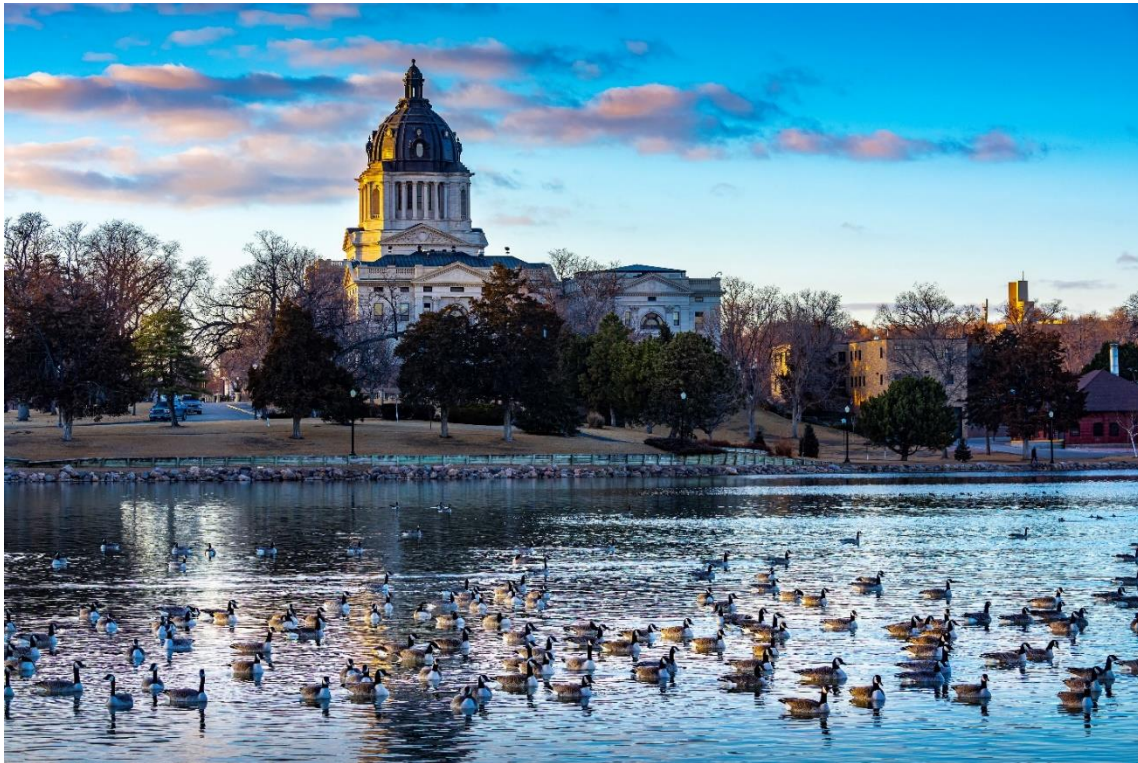
Objective 3.2 Digital Government

Objective 3.2: Provide access to government services online to improve the quality of life of every citizen and enhance government's efficiency of service delivery.

⁶ South Dakota Department of Labor and Regulation. “Staff Directory.” Accessed March 29, 2023. https://dlr.sd.gov/staff_directory.aspx#:~:text=The%20omission%20of%20the%20Department,safe%20and%20sound%20business%20practices.

The COVID-19 pandemic led to several citizen-government interactions moving online. By universalizing broadband access, the state will encourage South Dakotans to access these services. Using an online portal allows for a seamless experience without having to travel long distances and expend additional time and money.

Services such as driver license renewals, hunting permits, and others are already available on South Dakota's state, county, and city government portals, but the range of available services continue to be expanded to serve all sections of society. The experience of South Dakota residents who need to access benefits such as the Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF) can also be simplified by building intuitive online forms and providing access to crucial information at the click of a button.



Objective 3.3 Public Safety

Objective 3.3: Ensure public safety services have sufficient tools, training, and broadband access to effectively coordinate with one another and protect the general public.

First responders of all kinds rely on broadband to direct and inform their efforts. It is essential that the South Dakota Public Safety Broadband Network (SDPSBN) reach first responder agencies across the state. Fundamental public safety services and the effective civil participation they facilitate for South Dakotans rely on dependable and high-speed broadband.

Objective 4 – Longevity: Ensure broadband access continues beyond 2028.

While the analysis supporting this Plan uses a five-year time horizon, South Dakota's efforts during this timeframe will lay the groundwork for success beyond 2028. The ConnectSD program is already aiming to surpass the NTIA 100 Mbps minimum and deliver 250 Mbps to residents wherever possible, as well as reach 500 Mbps symmetrical speeds by 2027. South

Dakota is working to ensure residents can continue to grow in their broadband speed capacity as the number of devices per household increase and higher speeds become necessary.

Objective 4.1 Broadband Deployment

Objective 4.1: Create a strategy to establish fiber as the state's preferred type of broadband.

Because fiber infrastructure consistently delivers high-quality broadband service at scale, South Dakota plans to prioritize fiber as the state's primary type of broadband. In exceptional cases where laying fiber is cost prohibitive and does not make sense given the terrain, alternatives will be considered. South Dakota is investing for the long-term. Inherent in that commitment is the desire to ensure that high-quality broadband through fiber infrastructure is expanded and made a permanent fixture of South Dakota.

Objective 4.2 Ongoing Digital Literacy

Objective 4.2: Create resources to provide continued support to businesses and households to use broadband beyond 2028.

Regardless of someone's baseline digital literacy, South Dakota aims to maintain continued focus and support to ensure every household and business can access high-speed internet. Closing the digital divide beyond 2028 means combining coordinated digital literacy efforts with sustainable deployment. South Dakota plans to highlight existing resources and programs around digital literacy, especially those targeted to covered populations with a lower starting baseline. Where programming gaps or a lack of coordination between digital literacy programs exist, South Dakota can help create or facilitate programming to promote ongoing digital literacy.

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

2.2.1 Steps to Support Local, Tribal and Regional Broadband Planning

South Dakota has long researched local, Tribal, and regional broadband efforts through the ConnectSD program. For BEAD, initial engagement has been critical to understanding the needs and implementation considerations for broadband expansion. South Dakota is keen to develop a long-term collaboration mechanism. Longevity is a goal of South Dakota, and the following areas provide an overview for how the state plans to work with key stakeholders. The Broadband Team continues to coordinate with Tribes in the state to figure out the best way to support broadband expansion on Tribal lands.

Any stakeholder can share feedback with the Broadband Team through the team's email inbox. This email address has been available since the State Broadband Initiative sometime around 2010 and will remain active beyond the planning phase and will be utilized to continue capturing input and feedback. This promotes inclusivity, as it allows diverse voices from the public to provide input.

In addition to the email inbox, South Dakota will continue to maintain and monitor the portal where South Dakotans can report poor internet or lack of internet all together. This tool is an important mechanism to continue capturing information on broadband availability in the state. Further, the team receives, researches, and accepts all types of inquiries (word of mouth, social media, etc.) to better understand broadband access in South Dakota.

The Broadband Team, in coordination with the South Dakota Bureau of Information and Telecommunications (BIT), maintains a map of coverage across South Dakota. This tool offers multiple layers to inform local, Tribal, and regional entities about coverage across the state. These insights allow for shared information between the Broadband Team and other initiatives in this space.

South Dakota has hosted outreach events for BEAD as part their ongoing ConnectSD Broadband Team efforts. In 2023 and 2024, South Dakota hosted the South Dakota Broadband Summit. This event invited all stakeholders, including local and tribal governments, to attend. Information presented at the Summit included: the current state of broadband deployment in the state of South Dakota, including state and federal awards on tribal and non-tribal lands; NTIA overviews of the BEAD and Digital Equity programs; stories from local citizens and business on how access to high speed internet has added value to their daily lives. Attendees were also able to engage in question and answer sessions after presentations as well as engage in discussion about ongoing BEAD and DE program developments. These discussions allowed the Broadband Team to gather useful input from stakeholders. The state intends to continue hosting this event annually as part of the Governor's Office of Economic Development Conference.

As part of outreach to Tribal governments, South Dakota also held an open invitation online webinar to which all nine tribes were invited via email and certified letter. South Dakota's Broadband Team has also attended Tribal Consultation meetings on BEAD in person on two Tribal Nations. Further communications are ongoing with Tribal Leaders from across the state to continue meetings on BEAD and other Broadband deployment efforts on tribal lands.

South Dakota coordinates with ISPs and other representative organizations, such as the South Dakota Telecommunications Association (SDTA) throughout the application process. As the state enhances its existing ConnectSD application to comport with BEAD requirements, South Dakota will consider input from ISPs and SDTA on ways to improve or streamline the application. Once the application is established, South Dakota will continue to communicate with and support ISPs in applying for the grant program. These activities will help to encourage inclusivity during the application process.

Importantly, the BEAD deployment is not the only effort at play – as outlined in South Dakota's Digital Opportunity Plan, sufficient support for digital opportunity must accompany expanded deployment. The South Dakota Department of Labor and Regulation (DLR) has hired a full time Digital Opportunity Coordinator to oversee efforts across the state and support coordination.

2.3 Local Coordination (Requirement 4)

2.3.1 Coordination Summary and Ongoing Efforts

Building on its history of strong relationships with providers, communities, and public agencies, the South Dakota Broadband Team prioritized local coordination throughout the BEAD Five-Year Action Plan drafting process. South Dakota convened stakeholders to gather feedback in a way that provided insight for both the BEAD Five-Year Action Plan and the state's Digital Opportunity Plan. The following sections outline the stakeholders engaged, methods of engagement, the impact of those interactions, and plan for ongoing local coordination as part of the BEAD program.

As listed in the table below, South Dakota conducted outreach across the entire state through its social media pages, dedicated webpage, email portal which is open to the public, one-on-one meetings, group meetings, and the annual Broadband Summit event. As described in Section 2.2.1, the Broadband Summit and Tribal Consultations allowed participation from stakeholders

across the state on both tribal and non-tribal lands in BEAD program information sharing and input. The Broadband team’s coordination with DLR outreach also allowed them to pair their Digital Opportunity Plan efforts with engagement of local labor organizations, workforce development stakeholders, and organizations representing historically underrepresented communities

Stakeholders for Local Coordination

The South Dakota Broadband Team engaged with a broad set of communities, businesses, and agencies in order to get a diverse set of perspectives and experiences. This outreach was conducted in coordination with the Digital Opportunity Plan, ensuring that feedback of all covered population groups was also included in this plan. These organizations represent and serve South Dakotans all across the state whether that be through physical presence or influence. The following tables provide a summary of the stakeholders consulted with during the development of the BEAD and Digital Opportunities Plans. These tables were last updated on June 23, 2023.

As outlined in South Dakota’s Digital Opportunity Plan and elsewhere in this document, engagement with these stakeholders has allowed the state to gather input from citizens and organizations representing marginalized and historically under-represented populations. Through both wide public outreach and direct interaction with these covered populations, South Dakota has been able to facilitate open discussion and tracking on where broadband is most needed in the state.

Table 1: Summary of Stakeholders who Participated in at least one Engagement Activity

Participating Stakeholders	
AARP	South Dakota Department of Corrections
Adult Education and Literacy Providers	South Dakota Department of Education
Avel eCare	South Dakota Department of Health
Black Hills Special Services Cooperative - Statewide Family Engagement Center	South Dakota Department of Human Services - Division of Rehabilitation Services
Career Learning Center of the Black Hills	South Dakota Department of Human Services (DHS) - Division of Service to the Blind and Visually Impaired
Center for Rural Affairs	South Dakota Department of Labor and Regulation
CenturyLink/Lumen	South Dakota Department of Public Safety
Communication Workers Union	South Dakota Department of Social Services (DSS)
Cornerstones Career Learning Center	South Dakota Department of Transportation
Dakota Link	South Dakota Department of Tribal Relations
Golden West Telecommunications	South Dakota Department of Veterans Affairs
Grow South Dakota	South Dakota Farm Bureau Federation
Interstate Telecommunications Cooperative, Inc.	South Dakota Housing Development Authority
Lake Area Technical College	South Dakota Municipal League
Lutheran Social Services of South Dakota	South Dakota Police Chief’s Association

Maxwell Strategies	South Dakota Public Utilities Commission
Midco	South Dakota Retailers Association
Mitchell Technical College	South Dakota Sheriff's Association
PCs for People	South Dakota State Library
SDN Communications	South Dakota Telecommunications Association (SDTA)
Siouxland Libraries	South Dakota Workforce Development Council
South Dakota Board of Regents	South Dakota Workforce Innovation and Opportunity Act (WIOA) Partners
South Dakota Board of Technical Education	TrioTel
South Dakota Bureau of Information and Telecommunications	West River Cooperative Telephone Company
South Dakota Cattlemen's Association	Western Dakota Technical College

Note: This table does not include a full list of all meetings conducted. Find the South Dakota Initial Proposal V2 Local Coordination Tracker Tool.xlsx

Table 2: Additional Entities Invited to Convene

Additional Stakeholders Invited to Convene	
Cheyenne River Sioux Tribe Telephone Authority	Oglala Lakota College
Ihanktonwan Community College	Sinte Gleska University
International Brotherhood of Electrical Workers	Sisseton Wahpeton College
Lutheran Social Services of South Dakota (Re-entry program)	Sitting Bull College
National Indian Council on Aging	Technical College - Southeast Tech
Native American Homeownership Coalition	Volunteers of America - Veteran Services

Engagement Activities

Next, the state worked to determine the appropriate method of engagement for identified stakeholders. In alignment with the requirement to utilize multiple mechanisms for feedback, the state used a variety of activities that ranged from lower to higher touch engagements. The full list of engagement activities is outlined below.

Table 3: Stakeholder Engagement Activities

Activity	Intended Audience	Activity Description	Value
Communication			

Social Media	Public, External Stakeholders, ISPs	Periodically posted on the ConnectSD Twitter account, and Facebook page to amplify messages (ex. public comment period)	Provided an opportunity to share messages and capture real time feedback from the general public
Dedicated Web Page	Public, External Stakeholders, ISPs	Posted BEAD and DE related updates on a web page	Allowed stakeholders to review information, including any notices, FAQ, or process documentation when needed
Press Release	Public, External Stakeholders, ISPs	Shared press releases with relevant information for stakeholders and the public – press releases can be distributed to mass media outlets and those that serve minority populations	Provided information about the project, upcoming engagement opportunities, and information on how to participate or where to submit comments
Consultation			
E-mail Inbox	Public, External Stakeholders, ISPs	An e-mail account dedicated to capture feedback on the BEAD and Digital Equity programs	Captured public feedback, including during the required minimum 30-day public comment period for the Digital Opportunity plan
One-on-one Meetings	Internal Stakeholders, External Organization Representatives	Semi-structured one-on-one conversations with representatives from relevant organizations	Provided insights on experiences in the represented communities as well as needed data for both the asset inventory and needs assessment
Group Meetings	Internal Stakeholders, External Organization Representatives	Met with focus groups of 8-10 people from representative organizations	Utilized as needed for follow up conversations based on the one-on-one meetings as well as group conversations with similar stakeholders, such as ISPs, which can provide deeper information needed as the projects progress, including for the BEAD initial proposal
Coordination			
Broadband Summit	External Organization Representatives, ISPs	Structured session to share information about the BEAD and DE programs and collect input from the public	Provided an opportunity to share a common message among multiple stakeholders and gather input from external stakeholders

Impact of Local Coordination to Date

The successful coordination to date offered insights that contributed to the Digital Opportunity Plan as well as BEAD program planning. Through the one-on-one conversations with providers, agencies, community organizations, and other entities, the Broadband Team gained information about the experiences on the ground for various covered populations across South Dakota. Many of these lessons are included in the Digital Opportunity Plan.

Because workforce plays such a critical role in the success of BEAD, much of the focus group engagement focused on workforce readiness, training, and helped expand the Broadband Team’s understanding of ongoing initiatives in this space.

Lastly, the Broadband Summit offered an opportunity to convene diverse stakeholders to engage with one another on the challenges and opportunities facing South Dakota when it comes to meaningful connectivity. As such, the state intends to continue hosting this event annually.

Plan for Ongoing Coordination

The South Dakota Broadband Team maintains its commitment to open and clear communication with stakeholders. The Broadband Team will continue to capture and review feedback shared through the team’s email inbox and develop and provide communication materials related to BEAD through its existing ConnectSD Listserv, including newsletters and updates, funding opportunities, and general program information. In addition to the email inbox, South Dakota will continue to maintain and monitor the portal where South Dakotans can report poor internet or lack of internet. This tool is an important mechanism to continue capturing information on broadband availability in the state.

As the state enters the Initial Proposal phase and begins to develop the application process for ISPs, South Dakota will consider input from ISPs and SDTA on ways to improve or streamline the application process. Once the application is established, South Dakota will continue to communicate with stakeholders and potential applicants. In addition, South Dakota is planning a broadband summit for 2024, which will provide the opportunity for providers and governments to coordinate broadband activities.

2.3.1.1 Attachment: Coordination Tracker Tool

The Local Coordination Tracker Tool will be submitted as part of Volume 2 of the Initial Proposal to certify that South Dakota has conducted coordination across a broad range of stakeholders. Once this proposal is finalized, it, along with all attachments, will be posted on South Dakota Broadband Team’s public website.

See attachment South Dakota Initial Proposal Vol 2 Local Coordination Tracker Tool.xlsx

2.3.2 Tribal Consultation Efforts

The South Dakota Department of Tribal Relations (SDTR) recognizes nine tribes within the state, although the headquarters for Standing Rock Agency falls in North Dakota according to the Bureau of Indian Affairs (indicated with an asterisk below).

- Cheyenne River
- Lower Brule
- Sisseton Wahpeton
- Crow Creek
- Oglala
- Standing Rock*
- Flandreau
- Rosebud
- Yankton

The South Dakota Broadband Team pursued a formal tribal consultation process to understand the assets, needs, and challenges of tribal communities with respect to broadband deployment and digital opportunity. In addition to initial discussions with the South Dakota Department of Tribal Relations, a virtual Tribal Consultation meeting was held by the ConnectSD Team and NTIA staff, to which all nine tribes were invited by certified mail notice and email notice. The Broadband Team has also held consultations on tribal lands in accordance with tribal guidelines for those tribes that have been able to schedule time to meet such as the Rosebud Sioux Tribe and the Oglala Tribe. There are tentative plans to meet with other tribes in the coming months in similar manners.

Other informal conversations have taken place with tribal leadership, consultants, and various technical personnel with most of the discussions focused on broadband deployment as well as the NTIA Tribal Broadband Connectivity awards. The ConnectSD program has deployed fiber connections to some locations (on tribal lands) in eight of the nine tribes. Tribal engagement and outreach also occurred through the ISPs that were funded through these awards. Communication with leaders and points of contact from the tribes is ongoing, documentation and details of which can be seen in the attachments.

2.3.2.1 Optional Attachment: Tribal Coordination Documentation

See South Dakota Initial Proposal Vol 2 Local Coordination Tracker Tool.xlsx and South Dakota BEAD Tribal Engagement.pdf

2.4 Deployment Subgrantee Selection (Requirement 8)

2.4.1 Fair, Open and Competitive Process

The Broadband Team intends to use the following process to solicit applications from potential subgrantees for BEAD funding.

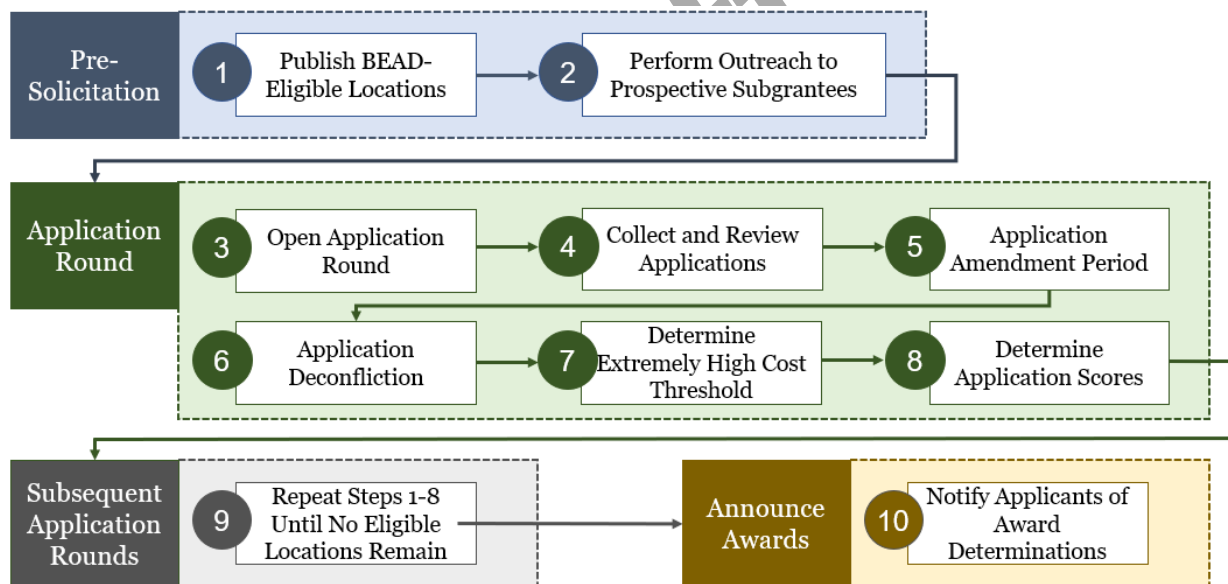


Figure 2: South Dakota BEAD Subgrantee Review Process

The following sections provide greater detail on steps 1-10 represented in the diagram above.

1. Publish BEAD-Eligible Locations

Eligible locations⁷ are already publicly posted on the South Dakota Interactive Broadband Map located at:

<https://sdbit.maps.arcgis.com/apps/dashboards/fc84d92a97dd48598d46d1db420853b1>. This

⁷ Eligible locations noted here are the Location IDs provided in Volume 1 for Unserved and Underserved locations taken from the Eligible Entity Planning Toolkit. See NTIA NBAM Unserved Location IDs 10_10_2023 and NTIA NBAM Underserved Location IDs 10_10_2023 documents at: <https://sdgoed.com/partners/connectsd/>

map will continue to be updated by the Broadband Team to true up location mapping and avoid overbuilding. The Broadband Team will publish the finalized list of all unserved and underserved locations and eligible CAIs on <https://sdgoed.com/partners/connectsd/> following the completion of the challenge process (outlined in Volume 1) and NTIA's approval of eligible locations. The Broadband Team intends to publish this list at least one week before opening the initial application round to allow for adequate preparation time for prospective subgrantees. During this time, the Broadband Team will also create and make available an application form that is specific to the BEAD application process. This form will contain the informational fields as required by the BEAD NOFO and described throughout this volume. Early publication of the form will promote early provider awareness of requirements and make outreach more productive.

For subsequent application rounds, the remaining BEAD-eligible locations will be published using the same process one week prior to opening those application rounds.

2. Perform Outreach to Prospective Subgrantees

The Broadband Team will conduct outreach to potential subgrantees based on previous ConnectSD applicants, internal listservs, and known broadband providers in the state to promote awareness of the BEAD application process. Current maps and the application process will also be promoted through social media, helping to ensure the information has as wide a reach as possible to potential applicants that do not fall under any of the previously mentioned categories. This outreach will occur both before the application round opens and during the application round to assist potential subgrantees. Prior to the opening of an application round, this communication will involve collecting voluntary information regarding planned service areas on a rolling basis and encouraging potential subgrantees to reach unclaimed locations. After the application round opens, outreach will be limited to assistance with troubleshooting applications or related technical assistance to ensure a fair and competitive process.

3. Open Initial Application Round

After the Broadband Team has published the BEAD-eligible locations, the team will announce the beginning of the application round on <https://sdgoed.com/partners/connectsd/> and via normal outreach such as internal listservs, possible press release, and known awareness avenues. The initial application round will last for at least 30 days after posting the BEAD application, anticipated to last through the month of July 2024, though this timeline is tentative and depends on the NTIA's initial proposal approval timeline. As described in step 2, the Broadband Team will continue to perform outreach to prospective subgrantees during this period.

For subsequent application rounds, the round will begin one week after the remaining BEAD-eligible locations have been published. Remaining BEAD-eligible locations may be published prior to determining final application scores from the previous round, but after all applications have been collected and remaining eligible locations determined, to enable rolling collection of applications.

4. Collect and Review Applications

After opening the application round, the Broadband Team will continue to accept applications through the round's closing date and will review applications on a rolling basis to check for completeness and compliance. After the application round closes, the review process will continue until all applications are reviewed before continuing to the next step. Applications will

be reviewed by a team of experts, including but not limited to the South Dakota Governor's Office of Economic Development Broadband Team and finance team, the South Dakota Bureau of Information and Telecommunications (BIT), and South Dakota Bureau of Finance and Management (BFM). These reviews provide safeguards in reviewing applicants' financial and technological capabilities for those applicants' proposed services areas. Should there be a conflict of interest for a reviewer, they will be recused, and a suitable replacement will be selected to ensure the process remains fair for all. This period will also be used to identify any BEAD-eligible locations contained within more than one application.

5. Application Amendment Period

Applicants will be engaged regarding conflicting service areas, nearby unclaimed locations, and required minor corrections to their applications on a rolling basis as applications are received. Any applicants that have submitted an application containing location IDs that overlap with any other application will be notified of those location IDs and may provide application amendments. The Broadband Team will also engage with geographically proximate providers to unclaimed locations for inclusion in an amended application. On a case-by-case basis, applicants may also be prompted to submit an amended application should minor components of their initial application be missing, however applications with major incomplete or missing components will be rejected.

During this period, allowable application amendments include:

- Voluntary removal of location IDs following notification that the application conflicts with another application. These location IDs should be confined to those locations that conflict with another application. Other location IDs that are no longer economical to serve due to the removal of conflicting locations may also be removed.
- Addition of unclaimed BEAD-eligible locations that are geographically proximate to the proposed service area.
- Updates to information related to project cost, service plan pricing, and speed to deployment.
- Minor corrections to the initial application for missing or incomplete information, as prompted by the Broadband Team.

6. Application Deconfliction

Following the amendment period, the Broadband Team will review the amended applications for location IDs that appear in more than one proposal. The related applicants will be required to submit, by location, project cost data for conflicting locations, total project cost data for non-conflicting locations, as well as provide information related to differences in affordability and speed to deployment in conflicting areas relative to their total proposed service area. Location-specific data will be used to generate average cost information across any given overlapping service areas to use as the basis of comparison in the scoring process. See 2.4.6 for complete detail on application deconfliction.

7. Determine Extremely High Cost Per Location Threshold

Based on historical ConnectSD application information and the submitted proposals, the Broadband Team will tentatively determine the Extremely High Cost per Location Threshold that best balances serving all locations and providing fiber broadband access to those locations.

This threshold will be determined if there are subsequent application rounds based on the information received during that round, as initially unclaimed areas are likely to be more expensive to serve than those that are claimed during the first round. Please note, this does not mean there will be multiple EHCT amounts per region, rather that if a region does not have applicants and therefore an EHCT amount is not established in the first application round, subsequent application rounds will allow for an EHCT dollar amount to be determined.

8. Determine Highest-Scoring Applications

Amended proposals will be reviewed to determine the highest-scoring applications. The scoring rubric is detailed in 2.4.2. These criteria provide a fair basis of comparison across applications that safeguard against bias or arbitrary decisions in the subgrantee selection process.

For applications with conflicting locations, the applicant with the highest score for those conflicting locations will preliminarily be considered the prospective awardee for their entire proposed service area. For applicants with conflicting locations that do not obtain the highest score for those conflicting locations, the applicants will be provided the opportunity to amend their proposals to include only non-conflicting locations and will be scored accordingly. Should applicants choose not to amend those proposals, the non-conflicting locations in their proposal will be considered unclaimed and re-published as BEAD-eligible locations in subsequent application rounds.

9. Subsequent Application Rounds

Previous steps will be used until all locations have been claimed before announcing awardees.

10. Notify Applicants of Award Determinations

After scoring the final round of proposals, the Broadband Team will make available award determinations and notify all applicants of award decisions via email. South Dakota will also put out a Press Release announcing awardees after awardees have been formally notified. Award decisions are dependent on NTIA approval as submitted in the state's Final Proposal.

Estimated Timeline

The Broadband Office anticipates the approximate timelines presented below for the total BEAD process. All estimated dates are tentative and subject to change.

1. Challenge Process (See Volume 1), April 2024
2. Release of Eligible Locations, August 2024 (at least 1 week prior to application round)
3. Initial Application Round, September 2024
4. Application Review and Amendment, October-November 2024
5. Application Deconfliction, September –November 2024
6. Determine Extremely High-Cost Threshold, September - November 2024
7. Determine Highest Scoring Applications, November - December 2024
8. Subsequent Application Rounds, September – December 2024 (anticipated to take less time due to much smaller number of location IDs)
9. Award Determinations – December 2024 – February 2025

Subgrant Accountability Procedures

The state will utilize several accountability procedures to provide oversight and monitoring of subgrantee performance.

Disbursement of Funding

South Dakota will disburse funds on a reimbursable basis by utilizing ConnectSD's existing procedures. Reimbursements are based on actual receipts and costs incurred, and in order to receive reimbursement subgrantees will be required to provide, at a minimum:

- Cancelled checks or proof of electronic funds transfer;
- Listing of project costs incurred to date;
- Invoices for all expenses; and
- Listing of staff time, work performed, and total cost;
- Reasonable reimbursement amounts only
 - (i.e.: monthly reimbursements will not be accepted)

To create a smooth process, South Dakota will provide the subgrantee with a spreadsheet or other documentation to ensure this information is submitted properly and items are not overlooked.

Clawback Provisions

South Dakota will include clawback provisions (provisions allowing for recoupment of funds previously disbursed) in agreements between the state and any subgrantee. These provisions will allow South Dakota to recoup funds in cases where subgrantees used BEAD funding outside of the scope of their agreement with the state. The Broadband Team has had previous experience in recouping funds through its ConnectSD program and will apply the same principles for BEAD subgrantees.

Subgrantee Reporting and Monitoring

South Dakota intends to use the existing ConnectSD monitoring process to provide guidelines for timely subgrantee reporting. During the BEAD program, subgrantees will be required to submit quarterly updates that include, but are not limited to:

- A schedule update including disclosure of any known potential delay-causing issues along with their potential impact and the applicant's proposed workarounds.
- A financial update including any budget concerns.
- Photos, stories, anecdotes, and data that shows progress and highlights examples of the program.

During the lifecycle of the program, awardees must also be available to periodically participate in surveys, questionnaires, or information-gathering emails from the state to contribute to the overall success of the program. The Broadband Team will also utilize its extensive records of citizen reports and inquiries regarding unserved and underserved locations to follow up on broadband service access and deployment throughout and beyond the lifecycle of the BEAD program.

Upon completion of the program, subgrantees will be required to submit closeout documentation that includes:

- The service area in .kmz or shapefile file format which must show the specific locations passed, built, and/or served as points and lines and should include a shaded polygon giving the outline of the funded service area;
- A close-out report to demonstrate successful project completion to include at a minimum:
 - Data about the funded technology and services, such as available speeds (download/upload), technologies in use, advertised speeds, average subscribed speeds, pricing of advertised speeds, and list of new subscribers;
 - Detail on the complete cost of the project and company financial contribution;
 - Technical information to guarantee the buildout meets industry standards; and
 - Photos, stories, anecdotes, and data that highlight examples of program usage.
 - These may include stories from the perspective of new customers.

2.4.2 Scoring Process Alignment with BEAD NOFO

South Dakota will accept applications for two types of projects, Priority Projects and Other Last Mile Projects. Priority Projects will provide service via fiber to the end-user and Other Last Mile Projects will provide services to the end-user through any non-priority technology other than fiber. The section below provides the scoring rubrics will be used in the BEAD subgrantee selection process for deployment projects. These scoring rubrics follow the BEAD NOFO requirements for primary, secondary, and other criteria and the associated weights for those criteria.

2.4.2.1 Attachment: Scoring Rubric

See attachment Scoring Rubrics South Dakota BEAD Initial Proposal V2.pdf

Scoring Rubrics will be used as follows:

Table 4: Priority Broadband Projects Scoring Rubric

Criteria	Maximum Points Available	Description
Minimal BEAD Outlay	120 <i>(60% of total score)</i>	<p>120 points will be assigned based on the average BEAD outlay per location in a given area. This outlay is calculated as the total project cost for the given area, minus the proposed matching funds, divided by the number of locations served. Additional information will be required for prospective subgrantees in areas with overlapping proposals to make this determination, as further detailed in 2.4.6.</p> <p>Points will be deducted for applications in a given area that have a higher average BEAD outlay per location when compared to the application with the lowest average BEAD outlay per location. The deduction will be based upon the percentage difference in BEAD outlay relative to the lowest offering, with applications double the lowest average BEAD outlay per location scoring zero points.</p>

		<p>For instance, in a service area that receives two proposals with average BEAD outlays per location of \$5,000 and \$4,000:</p> <ul style="list-style-type: none"> • The proposal with an average BEAD outlay per location of \$4,000 will receive 120 points • The proposal with an average BEAD outlay per location of \$5,000 will receive 90 points, calculated as follows: <ul style="list-style-type: none"> ○ Determine the difference by taking the average outlay for the proposal (\$5,000) minus the average outlay for the lowest offering (\$4,000), or \$1,000 ○ Determine the percentage difference by dividing the average outlay for the lowest offering, \$1,000 divided by \$4,000, or 25% ○ Multiply the percentage difference and maximum available points to determine the point deduction, or 30 points ○ Subtract the point deduction (30) from the maximum points available to generate the final score, or 90 points. <p>Unless granted a waiver, the prospective subgrantee must cover no less than 25 percent of the overall project cost.</p>
<p>Affordability</p>	<p>25 <i>(12.5% of total score)</i></p>	<p>Up to 25 points will be assigned for the lowest total monthly price to provide 1 Gigabit symmetrical service in a given area, inclusive of all taxes, fees, and charges. For areas with more than one applicant, 1 point will be deducted from each applicant for every \$2 above the lowest total monthly price submitted for that area, to a maximum of a 25-point deduction.</p>
<p>Fair Labor Practices</p>	<p>25 <i>(12.5% of total score)</i></p>	<p>The full 25 points will be awarded to applicants that demonstrate a record of past compliance and narratively provide plans to be in compliance with Federal labor and employment laws by submitting all required materials listed in Requirement 11. New entrants without a record of labor and employment law compliance may mitigate this fact by making specific, forward-looking commitments to strong labor and employment standards and protections with respect to BEAD-funded projects.</p> <p>Applicants that do not demonstrate a record of past compliance will receive point deductions. Points will be deducted for applicants who have received labor law violations in the last 3 years, up to 10 total points.</p> <p>Applicants that do not submit the required material in Requirement 11 will receive 0 points.</p>
<p>Speed to Deployment</p>	<p>20 <i>(10% of total score)</i></p>	<p>For projects completed by a given date, points will be assigned as follows:</p>

		<ul style="list-style-type: none"> • Estimated completion within 1 year of award = 20 points • Estimated completion within 2 years of award = 15 points • Estimated completion within 3 years of award = 10 points • Estimated completion within 4 years of award = 0 points
Local and Tribal Coordination	10 <i>(5% of total score)</i>	<p>5 points for applications where any location in the proposed service area(s) is within a Tribal Reservation.</p> <p>1 point for each citizen (individual or business) that demonstrates interest or pre-subscribes for broadband service, up to maximum of 5 points. An example of interest may include a letter of support from individuals or businesses, where 5 letters would be awarded the full 5 points. An example of pre-subscription may include results of a public poll or survey that demonstrates the desire to subscribe, where 5 responses indicating the desire to subscribe would be awarded the full 5 points. Additional methods that demonstrate interest or pre-subscription in a similar manner will be accepted within reason.</p>

Table 5: Other Last-Mile Broadband Deployment Projects Scoring Rubric

Criteria	Maximum Points Available	Description
Minimal BEAD Outlay	100 <i>(50% of total score)</i>	<p>100 points will be assigned based on the average BEAD outlay per location in a given area. This outlay is calculated as the total project cost for the given area, minus the proposed matching funds, divided by the number of locations served. Additional information will be required for prospective subgrantees in areas with overlapping proposals to make this determination, as further detailed in 2.4.6.</p> <p>Points will be deducted for applications in a given area that have a higher average BEAD outlay per location when compared to the application with the lowest average BEAD outlay per location. The deduction will be based upon the percentage difference in BEAD outlay relative to the lowest offering, with applications double the lowest average BEAD outlay per location scoring zero points.</p> <p>For instance, in a service area that receives two proposals with average BEAD outlays per location of \$5,000 and \$4,000:</p> <ul style="list-style-type: none"> • The proposal with an average BEAD outlay per location of \$4,000 will receive 100 points • The proposal with an average BEAD outlay per location of \$5,000 will receive 75 points, calculated as follows:

		<ul style="list-style-type: none"> ○ Determine the difference by taking the average outlay for the proposal (\$5,000) minus the average outlay for the lowest offering (\$4,000), or \$1,000 ○ Determine the percentage difference by dividing the average outlay for the lowest offering, \$1,000 divided by \$4,000, or 25% ○ Multiply the percentage difference and maximum available points to determine the point deduction, or 25 points ○ Subtract the point deduction (25) from the maximum points available to generate the final score, or 75 points. <p>Unless granted a waiver, the prospective subgrantee must cover no less than 25 percent of the overall project cost.</p>
Affordability	25 <i>(12.5% of total score)</i>	Up to 25 points will be assigned for the lowest total price to provide 100/20 service in a given area, inclusive of all taxes, fees, and charges. For areas with more than one applicant, 1 point will be deducted from each applicant for every \$2 above the lowest total price submitted for that area, to a maximum of a 25-point deduction.
Fair Labor Practices	25 <i>(12.5% of total score)</i>	<p>The full 25 points will be awarded to applicants that demonstrate a record of past compliance and narratively provide plans to be in compliance with Federal labor and employment laws by submitting all required materials listed in Requirement 11. New entrants without a record of labor and employment law compliance may mitigate this fact by making specific, forward-looking commitments to strong labor and employment standards and protections with respect to BEAD-funded projects.</p> <p>Applicants that do not demonstrate a record of past compliance will receive point deductions. Points will be deducted for applicants who have received labor law violations in the last 3 years, up to 10 total points.</p> <p>Applicants that do not submit the required material in Requirement 11 will receive 0 points.</p>
Speed to Deployment	20 <i>(10% of total score)</i>	<p>For projects completed by a given date, points are assigned as follows:</p> <ul style="list-style-type: none"> • Estimated completion within 1 year of award = 20 points • Estimated completion within 2 years of award = 15 points • Estimated completion within 3 years of award = 10 points • Estimated completion within 4 years of award = 0 points
Speed of Network	20	Points will be assigned for applications based on speed, latency and other technical capabilities of the technologies proposed.

	<p><i>(10% of total score)</i></p>	<ul style="list-style-type: none"> • Download speeds = 5 points: Applications that can demonstrate that download speeds exceeding 100 Mbps will be made available will be awarded the full 5 points • Upload speeds = 5 points: Applications that can demonstrate that upload speeds exceeding 20 Mbps will be made available will be awarded the full 5 points • Latency = 5 points: Applications that can demonstrate that the latency less than 100 milliseconds will be awarded the full 5 points <p>Other technical capabilities = 5 points: Applications that can demonstrate that proposed technology is of lower cost for both deployment and infrastructure maintenance over the course of the federal interest period for BEAD will be awarded the full 5 points</p>
<p>Local and Tribal Coordination</p>	<p>10 <i>(5% of total score)</i></p>	<p>5 points for applications where any location in the proposed service area(s) within a Tribal Reservation.</p> <p>1 point for each citizen (individual or business) that demonstrates interest or pre-subscribes for broadband service, up to maximum of 5 points. An example of interest may include a letter of support from individuals or businesses, where 5 letters would be awarded the full 5 points. An example of pre-subscription may include results of a public poll or survey that demonstrates the desire to subscribe, where 5 responses indicating the desire to subscribe would be awarded the full 5 points. Additional methods that demonstrate interest or pre-subscription in a similar manner will be accepted within reason.</p>

2.4.3 Prioritization of Unserved Locations

In line with the prioritization tiers outlined by the NTIA, South Dakota aims to cover all unserved areas, underserved areas, and community anchor institutions. Managing the known geographic areas in the state without proper service offerings with the prioritization framework mentioned above requires a balance the Broadband Team must manage throughout the subgrantee selection process. There are three areas pertaining to the subgrantee selection process where the state will support this prioritization.

Emphasize Pre-solicitation Information Gathering

As detailed in the 2.4.1 overview of the review process, South Dakota plans to manage a pre-solicitation phase where prospective outreach to potential subgrantees is the operative step after publishing BEAD-eligible locations for South Dakota. Through this information-gathering, the Broadband Team can progress confidently into the initial application round with a sense of where areas of interest exist. The state intends to leverage this information gathering to better understand which unserved and underserved locations might remain after the first application round.

Manage Multiple Proposal Rounds

South Dakota plans to hold multiple proposal rounds in succession before announcing grant awards. Each round will accept proposals for any unserved or underserved location that have not already been covered in previous proposal rounds, with the first round accepting proposals for all unserved and underserved locations. This iterative approach will allow for ongoing accounting of unserved and underserved locations that remain uncovered through previous rounds. It also offers the state the flexibility to manage all unserved locations in a manner consistent with the NTIA's prioritization tiers.

2.4.4 Non-deployment Projects

Not applicable.

2.4.5 Subgrantee Build America, Buy America (BABA) and Historic Preservation Act (EHP) Compliance

While no formalized Build America, Buy America (BABA) policy exists in South Dakota, it is common practice to source from manufacturers in the following locations in this order: local, statewide, regional, national, and finally, international. The state recognizes the impetus to focus BEAD funds to American businesses and workers and intends to communicate BABA requirements to prospective subgrantees during the pre-solicitation outreach phase of South Dakota's award process. Until specific instances arise to explore BABA waivers, the state intends to highlight the following key BABA areas to subgrantees:

- Requirement that all iron, steel, manufactured products (including but not limited to fiber-optic communications facilities), and construction materials used in the project or other eligible activities are produced in the United States unless a waiver is granted.
- In determining whether a product is produced in America, subrecipients must comply with definitions included in Section 70912 of the Build America, Buy America Act, which provides that a manufactured product is considered produced in the United States if the manufactured product was manufactured in the United States and the cost of the components of the manufactured product that are mined, produced, or manufactured in the United States is greater than 55 percent of the total cost of all components of the manufactured product, unless another standard for determining the minimum amount of domestic content of the manufactured product has been established under applicable law or regulation.
- In addition to the provisions above, subgrantees may not use BEAD funding to purchase or support any covered communications equipment or service, as defined in Section 9 of the Secure and Trusted Communications Networks Act of 2019 (47 U.S.C. § 1608).
- The Infrastructure Act expressly prohibits subgrantees from using BEAD funding to purchase or support fiber optic cable and optical transmission equipment manufactured in the People's Republic of China unless a waiver of this requirement is received from the Assistant Secretary.

There are two primary articles that comprise the Environmental and Historical Preservation (EHP) interests of the BEAD Program: the National Historical Preservation Act (NHPA) and the National Environmental Policy Act (NEPA). As with the BABA requirements, South Dakota intends to highlight the importance of EHP compliance during the pre-solicitation outreach to prospective BEAD subgrantees. Ultimately, it is the responsibility of the subgrantee to obtain the appropriate federal, state, and local government permits and approvals to proceed with the proposed work. However, South Dakota has been and will continue to meet with members of the

U.S. Forest Service and other state and federal agencies to facilitate a smooth permitting process.

2.4.6 Defining Project Areas

Project Areas

South Dakota will permit prospective subgrantees to define their own project areas. As part of the existing ConnectSD application, applicants must describe the physical location of the coverage area and submit the number households, businesses, farms/ranches, and CAIs covered by the proposed service area. For the BEAD process, to allow for deconfliction of applications and identification of unserved and underserved areas not included in an application, prospective subgrantees will be required to submit the location IDs of all unserved and underserved locations and eligible CAIs in the proposed service area.

Service Area Deconfliction

The Broadband Team will conduct a deconfliction process for any locations claimed by more than one prospective subgrantee on an ongoing basis during each application period. Deconfliction is expected to last for one month following the closure of the initial application period, with subsequent rounds taking less time due to the reduction in unclaimed locations. To deconflict applications, the Broadband Team will:

1. Identify any applications with overlapping Location IDs on an ongoing basis as applications are received.
2. Require submission of additional data by all prospective subgrantees for all locations that are included in more than one application, including individual location project cost data that would be required to determine the BEAD outlay, differences in affordability relative to the total proposed service area, and differences in speed to deployment relative to the total proposed service area.
3. Generate average BEAD outlay, affordability, and speed to deployment data using location-specific data across overlapping service areas for each proposal.
4. Generate scores for each conflicting service area based on the data provided by prospective subgrantees.
5. Determine the presumptive awardee for each conflicting service area.

For those applicants that have the highest score for conflicting areas and have submitted an application that falls within the required parameters of the BEAD program, they will be considered as the presumptive awardee for their entire proposed service area. For applicants that have the highest score for only some conflicting areas (if applicable), the applicants will be provided the opportunity to amend their proposal to remove conflicting locations for which they did not receive the highest score. For applicants that do not have the highest score for conflicting areas, the applicants will be provided the opportunity to amend their proposals to include only non-conflicting locations, which will be granted a final score based only on those non-conflicting locations should the applicant choose to make this amendment. Any applicant that does not amend their proposal during this period to remove areas for which they did not receive the highest score will not be considered to be a presumptive awardee for any location for which they submitted an application.

2.4.7 Potential Subsequent Grant Rounds

Should any unserved or underserved locations not be claimed by a prospective subgrantee, the Broadband Team will identify any eligible locations that are not included in any application based on the location IDs of applications received compared to the list of eligible locations identified in the finalized Volume 1.

Following identification of eligible locations that are not included in any proposals, the Broadband Team will engage with providers who submitted applications that are geographically proximate to those locations. During the application amendment period, prospective subgrantees will be allowed to submit updated applications to include those eligible locations in their proposed service areas.

Should any eligible locations remain unclaimed following this engagement period, South Dakota will undertake additional rounds of applications specifically for those unclaimed locations. South Dakota continuously keeps up with rigorous location mapping to track unserved locations. ISPs will be encouraged to apply for these areas and South Dakota has already been in contact with ISPs in currently unserved regions to encourage participation in the BEAD program.

2.4.8 Consent to Deployment on Tribal Lands

For projects proposed to cover locations on tribal lands, providers must submit proof of Tribal Government's consent to deployment. Because the Tribal Broadband Connectivity Program (TBCP) awarded grants to four Tribes in South Dakota, South Dakota continues to encourage providers to understand the purpose and coverage that is planned or in progress through this program.⁸ As with any other non-tribal locations, South Dakota will not award BEAD funding to areas known to have received other program grants in an effort to avoid overbuilding existing or planned broadband infrastructure. This includes the four TBCP deployment awarded tribes in South Dakota.

2.4.9 Extremely High Cost Threshold

The Extremely High-Cost Threshold (EHCT) is a key part of the subgrantee selection process. South Dakota is aware of locations that are expected to be of extremely high cost for Priority Broadband Deployment Projects. Therefore, the Broadband Team will evaluate EHCT once applications are submitted to determine instances where BEAD funding may be allocated to Other Last-Mile Projects. As applications come in, the Broadband Team will develop a better understanding of bids and cost to evaluate the EHCT based on the information received.

As defined in 2.4.1 of this document, the Extremely High Cost per Location Threshold will be established after the first round of applications is received. Please note, this does not mean there will be multiple EHCT amounts per region, rather that if a region does not have applicants and therefore an EHCT amount is not established in the first application round, subsequent application rounds will allow for an EHCT dollar amount to be determined.

The Broadband Team will gather information from a range of sources and determine a threshold after BEAD applications are received. Below are the four sources South Dakota will consider in constructing its EHCT:

⁸ Broadband USA National Telecommunications and Information Administration. "Tribal Broadband Connectivity Program Overview." Accessed October 4, 2023 at: <https://broadbandusa.ntia.doc.gov/funding-programs/tribal-broadband-connectivity>

1. Project costs from previous ConnectSD submissions

With a proud history of grant awards for broadband infrastructure, the portfolio of ConnectSD projects offers a window into the cost per location of projects to expand coverage in South Dakota. Moving forward, the locations that remain unserved and underserved will inevitably be more costly than those covered since 2019 through ConnectSD. This information will inform the development of the EHCT.

2. Estimates from a third-party costing analysis

The Fiber Broadband Association and Cartesian developed a financial model to provide states information as they develop their EHCTs.⁹ This tool allows Eligible Entities to estimate the effects of updated Max ISP Contribution/Location, Max ISP Match Percentage, Alternative Technology Cost per Passing, and ISP Match Percentage for Alternative Technology. South Dakota will consider this information as it develops its ECHT.

3. Work with the Eligible Entity Planning Toolkit

The Eligible Entity Planning tool offers a module to assist in developing the EHCT. The South Dakota Broadband Team will explore the tool to understand the effects of the EHCT on the future coverage of the state.

4. BEAD deployment applications

Because South Dakota is using a provider-driven approach to bidding on eligible areas, seeing the application details will provide an understanding of the costs and technologies providers are considering in their expansion plans. Through informational conversations with ISPs, consultants, other state broadband directors, and the cost outlays of the preliminary applications, the Broadband Team will leverage the details from the grant applications to inform the EHCT that works best for South Dakota.

2.4.10 EHCT and Subgrantee Selection

Past the establishment to define an EHCT for South Dakota, the Broadband Team also intends to use the EHCT to maximize the use with the best available technology while meeting the prioritization and scoring requirements set forth in Section IV.B.6.b of the BEAD NOFO.

There are three main ways the EHCT will be used throughout the deployment subgrantee selection process.

1. Declining Subgrantee Proposal

South Dakota remains a fiber-focused state; however, the EHCT can inform when a Priority Project proposal might be declined where the BEAD subsidy exceeds the EHCT. These cases might allow for locations to be served if a proposal for an alternative technology meets the BEAD program technical requirements and would be materially less expensive.

2. Revising Subgrantee Proposals

As the Broadband Team deliberates and manages the proposals from providers, the EHCT offers a benchmark to frame discussions around cost per location for a project proposal. Revising proposals to make sure BEAD funds are used efficiently will be important to the success of the

⁹ Fiber Broadband Association. "BEAD High Cost Threshold Model." Accessed October 4, 2023 at: [BEAD High Cost Threshold Model – Fiber Broadband Association](#)

program in South Dakota. Any Priority Projects with an average cost per location that exceeds the EHCT may be considered unclaimed locations and may be included in a next round of applications. This decision will be made at the discretion of ConnectSD and on a project-by-project basis. Applicants whose proposed projects exceed the EHCT will be contacted directly by ConnectSD via email for an opportunity to revise their proposal and re-submit so they no longer exceed the EHCT. If an applicant refuses to revise their application after receiving an invitation to do so from ConnectSD, the state reserves the right to decline the proposal.

3. Selecting Proposals for Alternative Technologies

South Dakota intends to focus the deployment efforts on end-to-end fiber projects. However, as a last resort, in the event that all Priority or Other Project applications meeting the definition of Reliable Broadband Service for a location exceed the EHCT to a degree that would cause other locations to go unfunded, ConnectSD may consider the selection of an alternative technology, even if it may not meet the BEAD program's definition of reliable. The EHCT may be used to benchmark proposals and provide further insight if this scenario arises.

Subgrantee Qualifications and Requirements

The Broadband Team intends to utilize as much of its existing ConnectSD application to meet the requirements of the BEAD NOFO regarding qualifications and requirements for prospective subgrantees. Through ConnectSD, the state has been issuing grants since 2019 and has built the necessary capacity to intake and evaluate proposals but will require additional capacity as the number of rules and requirements of the BEAD process are so complex and onerous. South Dakota will not approve any grant for deployment or upgrade of network facilities unless it determines that the documents submitted demonstrate the prospective subgrantee meets all qualifications and requirements in the BEAD NOFO with respect to the proposed project. The following subsections describe South Dakota's approach to meet BEAD proposal requirements.

2.4.11 Subgrantee Financial Qualifications

South Dakota is required to include the following elements in its BEAD application process related to the prospective subgrantee's financial qualifications to undertake a project. The Broadband Team intends to review these submissions as part of the evaluation compliance and suitability of the prospective subgrantee for the proposed project.

Certifications

South Dakota is required as part of the BEAD application that each prospective subgrantee certify that:

- The prospective subgrantee is qualified to meet the obligations associated with the project;
- The prospective subgrantee will have available funds for all project costs that exceed the amount of the grant;
- The prospective subgrantee will comply with all program requirements, including service milestones; and
- The prospective subgrantee has sufficient financial resources to cover eligible costs until the Broadband Team authorizes additional disbursements in cases where funds are dispersed upon completion of associated tasks.

Letter of Credit

The BEAD NOFO requires prospective subgrantees obtain of a letter of credit (LoC). South Dakota has submitted a waiver for this requirement for the Black Hills area. The requirement to obtain a LoC presents an extremely challenging obstacle for many of the providers in South Dakota that may preclude competent and capable prospective subgrantees from participating in a fair, open, and competitive process to obtain BEAD funding. However, should South Dakota's attempt at a separate waiver prove unsuccessful, the state will utilize NTIA's current LoC conditional programmatic waiver. Reducing the competitiveness of this process ultimately affects the ability of the state to judiciously award funds to those that will provide the greatest value to the people of South Dakota, particularly unserved and underserved populations.

Audited Financial Statements

The existing ConnectSD application requires the submission of audited financials to support a grantee's claims about their ability to provide financial support for a project. The Broadband Team will continue to require this submission by potential subgrantees as part of the BEAD application process. In lieu of submitting audited financial statements, applicants must submit unaudited financial statements from the prior fiscal year and certify that it will provide financial statements from the prior fiscal year that are audited by an independent certified public accountant by a deadline specified by the South Dakota Broadband Team.

Project Sustainability

Prospective subgrantees must demonstrate the sustainability of the project. As a requirement of NTIA, thus part of the application process, prospective subgrantees will be required to submit business plans and related analyses, including cash flow and balance sheet projects, and including at least three years of operating costs and cash flow projections post targeted completion of the project.

In order to assess the affordability criteria in selecting projects, prospective subgrantees must also submit their total proposed price for minimum BEAD requirement service (1 Gigabit symmetrical for Priority Broadband projects and 100/20 Mbps for Other Last Mile projects), inclusive of all taxes, fees, and surcharges. The Broadband Team will assess the provided materials to examine the sustainability of the proposed price and require that providers commit to providing service at that price for at least 1 year following completion of the project.

2.4.11.1 Optional Attachment:

Not applicable.

2.4.12 Subgrantee Managerial Qualifications

South Dakota will include the following required elements in its BEAD application process related to the prospective subgrantee's managerial qualifications to undertake a project. The Broadband Team intends to review these submissions to evaluate compliance and suitability of the prospective subgrantee for the proposed project.

As part of an application, prospective subgrantees will be required to provide:

- Resumes of key management personnel undertaking the project detailing relevant experience and qualifications;
- Organizational charts detailing all parents, subsidiaries, and affiliates of the prospective subgrantee; and

- A narrative describing the prospective subgrantee's readiness to manage a broadband services network, including:
 - Experience and qualifications of management personnel;
 - Experience of the prospective subgrantee in undertaking projects of similar size and scope;
 - Recent and upcoming organizational changes including mergers and acquisitions; and
 - Any relevant organizational policies.

2.4.13 Subgrantee Technical Qualifications

South Dakota will include the following required elements in its BEAD application process related to the prospective subgrantee's technical qualifications to undertake a project. The Broadband Team intends to review these submissions to evaluate compliance and suitability of the prospective subgrantee for the proposed project.

As part of an application, the prospective subgrantee will be required to provide:

- A certification that the prospective subgrantee is technically qualified to complete and operate the project, that they are capable of carrying out the funded activities in a competent manner, and that they will use an appropriately skilled and credentialed workforce; and
- A network design, diagram, project costs, build out timeline, milestones for implementation, and a capital investment schedule evidencing complete build out and initiation of service within four years of the date the prospective subgrantee receives the subgrant.

Additionally, the second requirement above will meet requirements of the BEAD NOFO. A form will be created to be certified by a professional engineer, stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations, during normal and peak usage times, served by the project. The Broadband Team intends to collect the engineer's signature certifying that the network can meet build-out timelines, milestones, and construction schedule within the costs specified in the proposal. They will also collect the engineer's state of registration and registration number to demonstrate that the engineer holds an applicable license.

2.4.14 Subgrantee Compliance with Federal, State and Local Laws

South Dakota will include the following required elements in its BEAD application process related to the prospective subgrantee's compliance with federal, state, and local requirements. The Broadband Team intends to review these submissions to evaluate compliance and suitability of the prospective subgrantee for the proposed project.

As part of an application, the prospective subgrantee will be required to provide:

- A narrative detailing the prospective subgrantee's ability and intent to carry out funded activities in a competent manner in compliance with all applicable federal, state, and local laws and requirements.
 - This narrative must also include how the prospective subgrantee intends to permit the creation of worker-led health and safety committees that management

will meet with upon reasonable request and any additional details relating to these committees.

2.4.15 Subgrantee Operational Qualifications

South Dakota Team will include the following required elements in its BEAD application process related to the prospective subgrantee's operational capability. These submissions will be reviewed to evaluate compliance and suitability of the prospective subgrantee for the proposed project.

As part of an application, the prospective subgrantee will be required to provide:

- A certification that the prospective subgrantee possesses the operational capability to qualify to complete and operate the project;
- If the prospective subgrantee has provided a voice, broadband, and/or electric transmission or distribution service for at least two consecutive years prior to the date of its application submission or is a wholly owned subsidiary of such an entity, an attestation specifying the number of years the prospective subgrantee or its parent company has been operating;
- If the prospective subgrantee has provided a voice and/or broadband service, a certification 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;
- If the prospective subgrantee has only operated an electric transmission or distribution service, qualified operating or financial reports that it has filed with the relevant financial institution for the relevant time period, and a certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution; and
- If the prospective subgrantee is a new entrant to the broadband market, a narrative and supporting evidence sufficient to demonstrate that the newly formed entity has obtained, through internal or external resources, sufficient operational capabilities, which may include:
 - Resumes of key personnel;
 - Contractor and subcontractor project descriptions;
 - Partnerships with entities familiar with the broadband market;
 - Experience undertaking projects and/or providing services of a similar nature; and
 - Other evidence as the prospective subgrantee finds appropriate.

2.4.16 Subgrantee Ownership Disclosure

South Dakota will include the following required elements in its BEAD application process related to the prospective subgrantee's operational capability. Prospective subgrantees will be required to submit ownership information as part of their applications pursuant to the requirements set forth in 47 C.F.R. § 1.2112(a)(1)-(7). Prospective subgrantees must fully disclose the following as part of their applications:

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

2.4.17 Subgrantee Existing Projects Using Public Funds

South Dakota will include the following required elements in its BEAD application process related to the prospective subgrantee's existing broadband projects using public funds.

Prospective subgrantees will be required to submit the following information:

- A list of all broadband deployment projects that the subgrantee or its affiliates are undertaken or have committed to undertake at the time of the application using public funds; and
- For each of these broadband deployment projects, the following components must also be submitted:
 - The speed and latency of the broadband service to be provided (as measured and/or reported under the applicable rules),
 - The geographic area to be covered,

- The number of unserved and underserved locations committed to serve (or, if the commitment is to serve a percentage of locations within the specified geographic area, the relevant percentage),
- The amount of public funding to be used,
- The cost of service to the consumer, and
- The matching commitment, if any, provided by the subgrantee or its affiliates.

2.5 Non-Deployment Subgrantee Selection (Requirement 9)

2.5.1 Focus on Deployment

The Broadband Team intends to utilize BEAD funding to maximize fiber deployment consistent with the state's decision to prioritize approval and funding future-proof, reliable, fiber projects that are the gold standard for broadband deployment. The state will revisit the non-deployment activities pending availability of funds after prioritizing unserved locations, underserved locations, and CAIs.

2.6 Eligible Entity Implementation Activities (Requirement 10)

2.6.1 South Dakota's Role in Implementation

The Broadband Team intends to implement key oversight, administrative, and implementation initiatives as the recipient of BEAD funding, including the following:

- Challenge process implementation;
- Stakeholder engagement throughout the BEAD program period;
- Subgrantee selection process;
- Grant award and management process;
- Ongoing subgrant monitoring activities;
- Ongoing data collection and mapping throughout the BEAD program period; and
- Any other administrative, oversight, and implementation functions related to management of BEAD subgrants.

The Broadband Team will lead the challenge process, subgrantee selection process, award and subgrantee management and monitoring, and data collection and mapping in-house, with secondary support from South Dakota's Bureau of Information & Technology (BIT). The Broadband Team will follow the steps outlined in the Initial Proposal and NTIA guidelines to complete these activities. The Broadband Team, in coordination with other state agencies like BIT, is best placed to conduct these activities as they already manage existing ConnectSD grants and have increased their administrative capacity and knowledge to successfully implement the required BEAD activities. Because South Dakota has been operating a successful broadband deployment grant program since 2019, many of these implementation activities are already

managed by the Broadband Team. While the BEAD Program has too many onerous rules and requirements, the funding is an opportunity to support full connectivity in the state.

The Broadband Team will also conduct local and stakeholder coordination meetings, as well as facilitate consultations with Tribal Governments within South Dakota's boundaries; these consultations will help the State maintain a continuous understanding of the broadband needs on Tribal Lands and obtain a letter of consent for any deployment activities on Tribal Lands. BEAD funds will also be used to cover site visits; these monthly site visits will be conducted during non-winter months (8 months a year) for the length of the deployment period (5 years). The Broadband Team is best placed to conduct these activities given their geographical location, existing relationships through ConnectSD, and experience in stakeholder engagement.

2.7 Labor Standards and Protection (Requirement 11)

2.7.1 Subgrantee Labor Compliance

South Dakota plans to capitalize on the economic opportunity made possible by BEAD investments to create good jobs and foster safe work environments. From the outset, the Broadband Team has been a collaboration between the Governor's Office of Economic Development (GOED) and the South Dakota Department of Labor & Regulation (DLR), along with other involved agencies and stakeholders. The labor standards and protections that will be required of subgrantees in South Dakota are outlined below.

As part of prospective subgrantees' BEAD applications, prospective subgrantees will be required to provide information related to compliance with federal labor and employment laws. The application form will have required sections containing the following:

- A narrative section regarding prospective subgrantees' record of past compliance with federal labor and employment laws, including the Occupational Safety and Health Act, Fair Labor Standards Act, or other applicable labor and employment laws over the preceding three years. The prospective subgrantee must certify that it and its contractors and subcontractors are currently in compliance with applicable laws. Additionally:
 - The prospective subgrantee must detail any such violations over the previous 3 years by the prospective subgrantee and any of its contractors and subcontractors, including when the violation occurred, the nature of the violation, and remedial actions taken following the violation; and
 - An Officer or Director-level employee of the prospective subgrantee must certify that all applicable violations during the previous 3 years by the prospective subgrantee and any of its contractors and subcontractors have been disclosed as part of the prospective subgrantee's applications.
 - New entrants without a record of labor and employment law compliance may mitigate this fact by making specific, forward-looking commitments to strong labor and employment standards and protections with respect to BEAD-funded projects.
- A narrative section regarding prospective subgrantees' plans for ensuring its compliance with federal labor and employment laws, including for its contractors and subcontractors. This section must provide:

- 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
- 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.

The Broadband Team will review the submitted information for completeness and assess the submitted information in accordance with its plan in Requirement 8 for scoring applications, which awards points for a history of compliance with federal labor standards.

2.7.2 Additional Mandatory Labor Standards

South Dakota will not make mandatory for subgrantees (including contractors and subcontractors) any additional labor standards requirements, nor will the state incorporate any additional standards into binding legal commitments when providing subgrants outside of the general contract standards of the state.

2.8 Workforce Readiness (Requirement 12)

2.8.1 Workforce Development and Job Quality

South Dakota's workforce development initiatives are led by the Department of Labor and Regulation (DLR), and the implementation of workforce training programs under Workforce Innovation and Opportunity Act (WIOA) are overseen by the state's Workforce Development Council. As such, BEAD and Digital Opportunity planning and development has been a collaboration between the Governor's Office of Economic Development (GOED) and the South Dakota Department of Labor & Regulation (DLR).

Building off a history of successful broadband investments made through the ConnectSD program, South Dakota will continue to encourage the use of a skilled, diverse workforce to reach its coverage goals in a timely manner. South Dakota will promote and share information with providers on the following resources to support development and use of high skilled workforce and safe and effective deployment:

- educational workforce pipelines;
- workforce training and programming;
- agency and community coordination; and,
- include subgrantee requirements that promote a strong workforce (more detail on how the state will plan for an appropriately skilled and credentialed workforce included in Section 2.8.2).

Educational Pipelines

Education plays an important role in the pipeline of talent that transition into short-term or long-term careers in broadband within South Dakota. South Dakota is fortunate to have a robust network of training programs to prepare individuals for work in the broadband industry, including technical colleges with curriculums that reflect the evolving needs of the South Dakota economy. For example, Mitchell Technical College offers a Wi-Fi & Broadband Technologies

program to prepare students for career opportunities with telecom companies, electrical cooperatives, financial institutions, health care facilities, schools, and others.¹⁰

Workforce Training & Programming

The focus on workforce needs and preparedness in South Dakota has jump-started several initiatives to build on existing success in this space. DLR is expanding Registered Apprenticeship Programs, offering UpSkill certifications in high-demand fields to incarcerated individuals and those receiving public assistance, assisting public schools to improve work-based learning opportunities for students, increasing GED® attainment, improving the digital skills of South Dakotans, among other such programs to further this initiative.

The Registered Apprenticeship Program has developed a mentor training toolkit which can be used for both participants and non-participants. This helps build culture within an organization and ensure that those newly hired can receive quality training and on-boarding. The toolkit includes an online, learn-as-you-go module to train on-the-job mentors. Available at no cost, this allows employers to easily implement mentorship programs in their workplace and train new mentors. In addition, the Registered Apprenticeship Program serves as a professional development opportunity for incumbent workers looking to expand their skills and advance in their career.

Furthermore, DLR has recently received a QUEST National Dislocated Worker Grant through the United States Department of Labor Employment and Training Administration. The focus of this grant is to assist dislocated workers, individuals referred for Reemployment Services and Eligibility Assessment (RESEA), those deemed long-term unemployed, incarcerated individuals, and individuals receiving Temporary Assistance for Needy Families (TANF) or Supplemental Nutrition Assistance Program (SNAP). Financial resources for training are focused on industries related to infrastructure as well as climate and environmental needs. At this time, outreach is being conducted to engage these populations in training programs that offer on-ramps to the broadband industry due to the increased investment in broadband deployment from both the state and the BEAD program. This opportunity will run through the end of 2026.

The implementation of workforce training programs under the WIOA in South Dakota is overseen by the state's Workforce Development Council (WDC), with a vision to "collaborate amongst government, education, business, and community to develop skilled workforce which will allow employers in South Dakota to expand business when opportunity arises."¹¹ This council aims to meet the economic needs of the state, in which broadband will be a priority for the council over the next five years. Further, resources on the DLR website include a wide range of workforce services for individuals, including job search tools, resources for new and expecting mothers, and resources for veterans, young adults, individuals age 55+, and citizens reentering the workforce.¹²

The American Job Centers across the state, overseen by this WDC, serve a diverse range of communities including low-income individuals, recipients of public assistance, youth, dislocated workers, veterans, long-term unemployed, justice-involved individuals, those lacking basic

¹⁰ Mitchell Tech Programs. "Wi-Fi & Broadband Technologies Overview." Accessed October 4, 2023 at: <http://mitchelltech.edu/programs/wi-fi-broadband-technologies/>

¹¹ South Dakota Unified State Workforce Plan. "Goals and Strategies." Accessed October 4, 2023 at: https://dlr.sd.gov/workforce_services/wioa/documents/handout_%20stateplanpublicforum.pdf

¹² South Dakota Department of Labor & Regulation. "Workforce Services for Individuals." Accessed October 4, 2023 at: https://dlr.sd.gov/workforce_services/individuals/default.aspx

skills, English language learners, individuals lacking a high school diploma or equivalency, individuals with disabilities, and many more. Many of these individuals may be eligible for funding. Training and wrap around supports such as transportation, childcare, and mentoring are offered through the Registered Apprenticeship program, the QUEST grant, WIOA Title I funding, TANF, and SNAP.

With the low unemployment rate and high workforce participation rate in South Dakota, employers' have had to be creative with engaging those not in the workforce. As a result, the workforce system has established connections between these underserved populations with training allowing them an on-ramp to employment in high demand fields, including broadband.

Continued Coordination

DLR has focused on building relationships with businesses to learn of their workforce needs and connect them to resources and a potential workforce. DLR continues to identify creative strategies to connect businesses to their future workforce through secondary schools and Department of Corrections programming, develop structured Registered Apprenticeship training opportunities, and formalize multiple partnerships through Memoranda of Understanding and data share agreements to align workforce services. For broadband specifically, DLR has begun hosting virtual career fairs for secondary schools and have had initial discussions to incorporate the broadband field into these, exposing students to the potential career options that it provides.

Locally, partner meetings take place at least quarterly with an annual state-level partnership meeting. Joint trainings continue statewide to improve relationships and understandings of the various services available to businesses and the workforce. The variety of initiatives planned and underway are only made possible by the extensive groundwork DLR has already laid to enhance and expand its workforce.

The Broadband Summit, mentioned previously in this document, is South Dakota's largest example of a sector-based partnership specific to the broadband industry. This annual event will convene internet service providers and relevant partners, including the workforce system, to review and discuss the planning and eventual implementation of the BEAD Program.

2.8.2 Skilled Workforce

Subgrantee Requirements

Detail on the subgrantee requirements can be found in Requirements 8, 11, 12, 13, and 19. Many of these requirements aim to enhance transparency and promote a diverse, highly skilled workforce. The development of the BEAD application and the subsequent monitoring processes are key areas where the grant program can highlight workforce priorities. As outlined in the BEAD NOFO, the following information will be required of prospective subgrantees to encourage an appropriately skilled and credentialed project workforce:

- A. The ways in which the prospective subgrantee will ensure the use of an appropriately skilled workforce, e.g., through Registered Apprenticeships or other joint labor-management training programs that serve all workers;

- B. The steps that will be taken to ensure that all members of the project workforce will have appropriate credentials, e.g., appropriate and relevant pre-existing occupational training, certification, and licensure;
- C. Whether the workforce is unionized;
- D. Whether the workforce will be directly employed or whether work will be performed by a subcontracted workforce; and
- E. The entities that the proposed subgrantee plans to contract and subcontract with in carrying out the proposed work.

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

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

2.9 Minority and Women's Business Enterprises / Labor Surplus Area Firms Inclusion (Requirement 13)

2.9.1 Inclusion of Minority and Women-Owned Business Enterprises (WBEs)

South Dakota recognizes the importance of diverse experiences, perspectives, and ownership of businesses in South Dakota, and will take steps to proactively engage these businesses when possible. The South Dakota Department of Transportation maintains a directory of disadvantaged business enterprises (DBEs)¹³ that the state intends to leverage by sharing upcoming grant round information with this list. In addition, the state will use the services and assistance of the U.S. Small Business Administration (SBA) through utilizing the SBA's experts and taking advantage of the SBA's existing business guides. The state also intends to continue engagement efforts with Tribal leadership in Oglala Lakota county, which is the only labor surplus area in South Dakota.¹⁴ Labor surplus areas are defined by the U.S. Department of Labor as jurisdictions with an annual average civilian unemployment rate 20% higher than the national average during the previous two calendar years.¹⁵ With the DBE list, coordination with

¹³ South Dakota Department of Transportation: DBE (accessed on September 26, 2023.) Accessed at: <https://dot.sd.gov/doing-business/contractors/dbe#>

¹⁴ U.S. Department of Labor (accessed September 26, 2023) "Labor Surplus Area: Fiscal Year 2024." Accessed at: [Labor Surplus Area | U.S. Department of Labor \(dol.gov\)](https://www.dol.gov/agencies/eta/lssa/faq).

¹⁵ U.S. Department of Labor (accessed on September 29, 2023) "Frequently Asked Questions." Accessed at: <https://www.dol.gov/agencies/eta/lssa/faq>

the SBA, and continued engagement with Oglala Lakota county, there is sufficient information to understand and track engagement with Minority and Women's Business Enterprises and Labor Surplus Area Firms.

While South Dakota does not have a formalized state-level Minority and Women's Business Enterprises (MWBE) program, the Broadband Team intends to retain information submitted by applicants pertaining to contractors and subcontractors that are MWBEs and share this information with SDDOT.¹⁶

As described in the BEAD NOFO and pursuant to 2 C.F.R. § 200.321, the South Dakota's strategy to encourage the engagement, recruitment, use, and retention of minority and women-owned business enterprises and labor surplus area firms includes:

- A. Placing qualified small and minority businesses and women's business enterprises on solicitation lists;
 - Encourage eligible business to register as Small Disadvantaged Businesses (SDB), WBEs, and MBEs;
 - Advertise registration at existing business groups;
 - Distribute informational materials that provide guidance on registration and answer questions.
- B. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources;
 - Develop and distribute informational materials to WBEs and MBEs;
 - Send online notices about available opportunities to eligible businesses from solicitation lists.
- 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;
 - Create workstreams with phases to utilize WBEs and MBEs.
- D. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority businesses, and women's business enterprises;
 - Collaborate with WBEs and MBEs to understand potential constraints on timeline to develop delivery schedules.
- 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
 - Take advantage of resources from the Small Business Administration (SBA) and the Minority Business Development Agency (MBDA);
 - Utilize existing business guides from the SBA.

¹⁶ NTIA. "Frequently Asked Questions and Answers Version 2.0." Accessed September 26, 2023. https://broadbandusa.ntia.doc.gov/sites/default/files/2022-09/BEAD-Frequently-Asked-Questions-%28FAQs%29_Version-2.0.pdf

- F. Requiring subgrantees to take the affirmative steps listed above as it relates to subcontractors.
- Require subgrantees to acknowledge their commitment and understanding of the affirmative steps.

2.9.2 Check Box: Certify that the South Dakota will take all necessary affirmative steps to ensure minority businesses, women's business enterprises, and labor surplus area firms are used when possible.

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

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

2.10 Cost and Barrier Reduction (Requirement 14)

2.10.1 Reducing Costs and Barriers

Through ConnectSD, South Dakota has direct experience managing a grants process for broadband deployment. While every project is unique, there are often common barriers experienced during the implementation of broadband infrastructure, many of which were identified in South Dakota's BEAD Five-Year Action Plan. South Dakota intends to support cost and barrier reduction efforts within the state through assisting subgrantees through the permitting process, coordination with the South Dakota Department of Transportation (SDDOT) and seeking waivers of the Letter of Credit and matching funds requirements which may prove prohibitively restrictive.

Assisting Subgrantees through Permitting

As identified in the BEAD Five-Year Action Plan, permitting, especially for certain service areas in federal lands, is a potential barrier to speedy broadband deployment. These areas generally fall within the western part of the state (around the Black Hills) and are under the federal

purview of the United States Forest Service.¹⁷ Further, local permitting can pose challenges and delays to deployment.

The Broadband Team is in regular contact with local permitting leads to help alleviate bottle necks in the permitting process. These relationships were both cultivated through past experiences with ConnectSD and also sought out in regions needing connectivity. Leveraging these touchpoints, the Broadband Team intends to support subgrantees as they work through the permitting process at local, state, and federal levels. These efforts may include work with federal and state agencies, expanding tracking capabilities to understand where permitting delays may occur, and promoting practices that support permitting speed and compliance. Building open communication channels with providers as they navigate the permitting process will help the Broadband Team achieve its ultimate goals to connect South Dakota.

Coordination with SDDOT

Because SDDOT oversees many infrastructure projects, in particular the Statewide Transportation Improvement Program (STIP), the organization plays an important role in broadband deployment efforts. The STIP is a listing of projects over a four-year time horizon, developed through the Department of Transportation, Transportation Commission, state and federal agencies, local and tribal governments, metropolitan planning organizations, public agencies, transportation providers, citizens, and other relevant parties.¹⁸ This comprehensive overview of projects is available in tabular form, as well as an interactive map.

While South Dakota does not have a codified dig-once policy, in practice the existing relationships between providers and SDDOT paired with the broadband coordinator's efforts create the environment for coordination to take place. The Broadband Team plans to build on the strong existing relationship it has with SDDOT, especially as the broadband deployment activity increases over the duration of the BEAD program.

There is already ongoing collaboration among municipalities, utility companies, local organizations and other relevant players to streamline rights of way, allow reasonable access, and coordinate SDDOT projects for dig once opportunities. Through coordination with SDDOT, the Broadband Team can bolster communication, mitigate delays, and reduce some of the common barriers to speedy deployment.

Letter of Credit and Matching Funds Waivers

Because ConnectSD has been expanding broadband connectivity since 2019, South Dakota is in the unique position of having a low percentage of unserved locations left to connect. The Broadband Team is aware that these remaining locations are in areas where broadband deployment is of the highest cost and most challenging terrain. Preliminary and ongoing information gathering from prospective subgrantees by the Broadband Team has yielded cost estimates that in some cases are in excess of \$38,500 per location to connect currently unserved citizens. Industry consultants have communicated to the Broadband Team that some locations in the Black Hills will be in excess of \$300,000 per location.

¹⁷ U.S. Department of Transportation Federal Highway Administration. "Map of Federal Lands (South Dakota)." Accessed October 11, 2023 at: https://highways.dot.gov/sites/fhwa.dot.gov/files/docs/federal-lands/flap/sd/12551/sd_flma_map.pdf

¹⁸ South Dakota Department of Transportation. "Statewide Transportation Improvement Program – STIP." Accessed on October 11, 2023 at: <https://dot.sd.gov/projects-studies/planning/stip>

In order that prospective subgrantees are not excluded from BEAD funding opportunities based on cost barriers to the subgrantee, South Dakota will seek waivers for both the Letter of Credit (described in section 2.4.11) and the 25 percent matching funds requirement. These waivers are sought in the interest of serving the public and enabling South Dakota to effectuate the purposes of both the BEAD program and ConnectSD objective to connect every citizen to high-speed reliable broadband internet.

2.11 Climate Assessment (Requirement 15)

2.11.1 Climate Threats and Mitigation

South Dakota is subject to several climate and weather-related hazards and risks that can cause damage to broadband infrastructure or delay deployment, particularly blizzards and winter weather conditions that affect the entire state. These hazards require careful consideration to mitigate their impact on new BEAD infrastructure.

The following subsections describe South Dakota's assessment of counties that should be subject to initial hazard screenings, types of climate and weather hazards and their risk to infrastructure, and risk mitigation methods.

Initial Hazard Screening of Vulnerable Areas

South Dakota reviewed key literature outlined in the BEAD NOFO, and specifically utilized the Federal Emergency Management Agency's (FEMA) National Risk Index to identify hazards specific to South Dakota counties.¹⁹ This Risk Index provides information on the risk of a variety of weather and climate events to individual counties and census tracts on a scale of "very low" to "very high." The overall risk for a geography is calculated based on the expected annual loss of that county or census tract due to a specific type of event, and the social vulnerability and community resilience of those areas.

Winter weather conditions are particularly present throughout the state, including blizzards, cold temperatures, ice, and snow accumulation, which may cause damage to above-ground infrastructure, delays in deployment, and limits the viable months for construction in South Dakota. Additional weather and climate hazards that pose lower risk to infrastructure but may affect deployment are described in the following subsection. These other hazards include storm-related conditions such as high winds, lightning and hail, and the prevalence of high summer temperatures in some parts of the state. South Dakota has not chosen to include these hazards in the process of identifying counties as this would subject nearly the entire state to initial screenings, and providers and crews are already well-prepared to mitigate and respond to these hazards.

Three major hazards were identified that pose at least a moderate risk to one or more South Dakota counties and pose a potentially high threat of damage to broadband infrastructure when those events occur. These hazards, which we refer to as "highly destructive weather and climate hazards," include flooding, wildfires, and tornadoes. They collectively pose the largest danger of significant infrastructure loss to South Dakota's fiber-first deployment strategy across all types of broadband deployment.

¹⁹ Federal Emergency Management Agency. "National Risk Index." Accessed September 22, 2023. <https://hazards.fema.gov/nri/map>.

The state identified 22 of 66 South Dakota counties (33%) that are subject to an initial hazard screening based on their moderate or higher risk of at least one of the three highly destructive weather and climate hazards. These counties are outlined in Table 5 below.

Table 6: South Dakota Counties identified for initial hazard screening

County	Flooding	Tornado	Wildfire	County	Flooding	Tornado	Wildfire
Brookings	X	X		Lincoln	X	X	
Brown	X	X		McCook		X	
Butte			X	Meade			X
Clay	X	X		Minnehaha	X	X	
Codington	X	X		Oglala Lakota			X
Custer			X	Pennington	X		X
Davison		X		Spink	X		
Fall River			X	Todd			X
Hutchinson		X		Turner	X	X	
Lake		X		Union	X	X	
Lawrence			X	Yankton	X	X	

Weather and Climate Hazards and Risks to New Infrastructure

South Dakota is subject to high variance in temperatures and precipitation that create several disaster risks including, wildfire and flooding disaster events, the potential for deployment impacts due to extreme temperatures, high incidence of blizzards and winter weather conditions, and other weather events such as hail and storms. Some eastern parts of the state, particularly in the southeast, are also vulnerable to tornadoes.

Winter Weather Conditions

South Dakota and other northern states face reliably cold winters and possibility of blizzards that can affect the deployment of new broadband infrastructure across the entire state and cause potential damage to above-ground infrastructure. FEMA’s Risk Index indicates that 37 counties (56%) are at moderate or higher risk for ice storms, and 62 counties (94%) are at moderate or higher risk for cold waves.²⁰ While South Dakota is experienced at managing through extreme weather conditions, frozen ground and heavy snow accumulation during winter months diminish the ability to dig new lines and cold weather may impede crews, affecting deployment timelines which are already constrained by a short construction season.

²⁰ Federal Emergency Management Agency. “National Risk Index.” Accessed September 22, 2023. <https://hazards.fema.gov/nri/map>.

Winter weather conditions are a fact of life for the entire state, thus have not been included as part of the initial hazard screening. However, some projects are more vulnerable to damage due to these conditions, particularly those with above-ground infrastructure. As a result, primarily above-ground projects such as aerial fiber may be subject to additional scrutiny on mitigation of weather and climate-related hazards.

Highly Destructive Weather and Climate Hazards

Flooding

South Dakota is home to several rivers that carry flooding risks which can cause damage to or degradation of broadband infrastructure. Increased winter precipitation in South Dakota, and recent increased propensity for 2-inch rainfall events, may set the conditions for more frequent and destructive flooding along the lengths of South Dakota rivers. In 2011, runoff from the mountains and heavy rain to the west caused extreme flooding along the Missouri River, inflicting over \$2 billion in damages across all the states through which the river flows and causing the evacuation of thousands of people around Pierre.^{21,22} Smaller rivers such as the James and Big Sioux rivers have historically posed flooding risks to their communities as well.

According to the Federal Emergency Management Agency's (FEMA) National Risk Index, 11 South Dakota counties are at moderate risk for river flooding, and multiple counties have at least \$1 million in expected annual losses due to flooding. Minnehaha County has the highest expected annual loss of \$6.1 million, and counties to the South of Minnehaha have similarly high expected losses. Brown, Spink, Codington, and Brookings counties in the Northeast and East, and Pennington County in the West also carry higher risk of flooding compared to the national average and expected annual losses in the millions. While other counties in the central and southern part of the state have low overall risk, when major flooding events do occur in these areas, they can cause considerable damage to local communities and their infrastructure.

Wildfire

Yearly variation in precipitation and increased temperatures over historical averages can set the conditions for wildfires in the state that pose potential risks to broadband infrastructure. Like other states in the Great Plains, South Dakota is periodically subject to severe drought conditions that can set the conditions for widespread, intense wildfires.²³

Current wildfire risk is concentrated in the Western part of the state in the area surrounding Black Hills National Forest. According to FEMA's National Risk Index, Meade and Pennington counties are particularly vulnerable to wildfire damage, with expected annual losses of \$7.6 million and \$9.7 million respectively.²⁴ Nearby counties of Butte, Custer, Fall River, Lawrence, and Oglala Lakota also have relatively high expected annual losses of at least \$1 million.²⁵

²¹ National Oceanic and Atmospheric Administration. "Service Assessment: The Missouri/Souris River Floods of May – August 2011." May, 2012. Accessed September 22, 2023.

https://www.weather.gov/media/publications/assessments/Missouri_floods11.pdf

²² National Weather Service. "Flooding in South Dakota." Accessed September 22, 2023.

<https://www.weather.gov/safety/flood-states-sd>

²³ National Oceanic and Atmospheric Administration National Centers for Environmental Information. "States Summaries 2022 South Dakota." Accessed September 22, 2023. <https://statesummaries.ncics.org/chapter/sd/>

²⁴ Federal Emergency Management Agency. "National Risk Index." Accessed September 22, 2023.

<https://hazards.fema.gov/nri/map>.

²⁵ Ibid.

Tornadoes

The southeastern geography of South Dakota is particularly susceptible to tornado events based on FEMA's Risk Index. Minnehaha County, the most populous in the state, and Lincoln County are high-risk, while 11 other counties are considered moderate risk. According to the National Oceanic and Atmospheric Administration, the state averaged 22 tornadoes per year from 2013 to 2022.²⁶ While below average for many states in the Great Plains and Midwest, the particularly destructive nature of tornadoes and high concentration of risk in a relatively small geography of the state warrants extra consideration when deploying broadband infrastructure in those areas.

Other Weather and Climate Hazards

Hail, Lightning, and Winds

South Dakota has many counties with moderate or high risk of storm-related weather events, including hail (34), lightning (4), and heavy winds (28), with statewide expected annual losses in the millions. These events primarily pose a risk of damage to above-ground broadband infrastructure, therefore South Dakota assessed that these events should not be the basis for an initial hazard screening as they are not likely to cause damage to below-ground infrastructure. However, due to the prevalence of storm and winter weather conditions, aerial fiber or other primarily above-ground infrastructure may be subject to additional review of mitigation measures of weather and climate-related hazards.

Other Weather Conditions

Climate Mapping for Resilience and Adaptation (CMRA), a federal inter-agency effort to map exposure to climate effects across the United States, estimates a high number of hot days (>90° Fahrenheit) in the southern and central regions of South Dakota during the early and mid-century.²⁷ Sustained high temperatures may impact crews performing deployment of new infrastructure, or repair and maintenance of existing infrastructure.

Risk Mitigation

To mitigate risks in vulnerable areas due to weather and climate, South Dakota will require that subgrantees:

- Incorporate climate and weather resilient designs specific to the hazards in a given geography; and
- Develop weather and climate response plans to provide effective and timely responses to extreme weather events.

Due to the prevalence of winter weather and storm conditions that primarily affect above-ground infrastructure, projects such as aerial fiber or others utilizing this type of infrastructure may be subject to additional scrutiny on mitigation of weather and climate-related hazards. ISPs are already well prepared to handle these hazards due to the prevalence of these conditions across the state. These projects may additionally be required to take similar steps as projects in areas subject to the initial hazard screening to mitigate the risks these conditions pose.

²⁶ National Oceanic and Atmospheric Administration, National Weather Service. "Severe Weather Maps, Graphics, and Data Page." April 25, 2023. Accessed September 26, 2023. <https://www.spc.noaa.gov/wcm/#ATP>

²⁷ U.S. Global Change Research Program. "Climate Mapping for Resilience and Adaptation Assessment Tool." Accessed September 23, 2023. <https://resilience.climate.gov/#assessment-tool>

Periodic Review

South Dakota will review periodic publications on a yearly basis, subject to modification once the program begins, such as the NOAA State Climate Summaries, as they are released to ensure that evolving risks are understood, characterized, and addressed. The team will also review informational tools such as the FEMA National Risk Index, the National Oceanic and Atmospheric Administration's (NOAA) Disaster Risk Mapping tools²⁸, the Climate Mapping for Resilience and Adaptation Assessment Tool, and state-specific information provided by the United States Geological Survey (USGS). The Broadband Team will also coordinate with the South Dakota Office of Emergency Management as it develops South Dakota's hazard mitigation plan for 2024.

2.12 Low-Cost Broadband Service Options (Requirement 16)

2.12.1 Low-Cost Service Option Guidelines

South Dakota is committed to providing high-quality, reliable, and affordable broadband access to all its residents. South Dakota is required that subgrantees offer a low-cost broadband service option as a condition of receiving BEAD subgrants. This means that any subscriber that would qualify for the Affordable Connective Program criteria from the FCC will be offered a rate that adheres to the below criteria. Note, Internet Service Providers will not be expected to determine whether subscribers qualify for ACP or any successor program. The following low-cost option, adopted from the BEAD NOFO, must have the following characteristics:

- A. Costs per month cannot exceed \$74.95, based on the FCC Urban Rate Survey Data. All low-cost plans must be below these monthly dollar amount thresholds, inclusive of all taxes, fees, and charges and with no additional non-recurring costs or fees;
 - a. This cost cap of \$74.95 is the median broadband service rate specifically for the state of South Dakota and is calculated based on data from the 2024 FCC Urban Rate Survey Data collection.
 - b. Because the FCC Urban Rate Survey is conducted each year, this lowest price option may be recalculated annually based on the updated data and by using the same methodology of finding the median broadband service rate for the state of South Dakota.
- B. Allows the end user to apply the Affordable Connectivity Program subsidy, or whatever successor program may become available, to the service price;
- C. Provides the greater of (a) typical download speeds of at least 100 Mbps and typical upload speeds of at least 20 Mbps, or the fastest speeds the infrastructure is capable of if less than 100 Mbps/20 Mbps or (b) the performance benchmark for fixed terrestrial broadband service;
- D. Provides typical latency measurements of no more than 100 milliseconds;

²⁸ National Oceanic and Atmospheric Administration. "Billion-Dollar Weather and Climate Disasters." Accessed September 26, 2023. <https://www.ncei.noaa.gov/access/billions/>

- E. Is not subject to data caps, surcharges, or usage-based throttling, and is subject only to the same acceptable use policies to which subscribers to all other broadband internet access service plans offered to home subscribers by the participating subgrantee must adhere; and
- F. In the event the provider later offers a low-cost plan with higher speeds downstream and/or upstream, permits Eligible Subscribers that are subscribed to a low-cost broadband service option to upgrade to the new low-cost offering at no additional cost.

Additionally, subgrantees are required to participate in the Affordable Connectivity Program or any successor program, and Eligible Subscribers that are eligible for a broadband service subsidy can apply the subsidy to the proposed service option.

The components of the defined low-cost service option regarding participation in the Affordable Connectivity Program or successor programs is contingent on federal continuation of the program or creation of any successor program. In the event that there is no ACP extension, the low-cost service option will remain the same.

The outlined low-cost option above demonstrates how South Dakota has adjusted the model from the BEAD NOFO to best fit the needs of the residents in the state. To create the low-cost service option, the state aimed to balance the need for program participation and financial sustainability of networks against what is most affordable for subscribers. Additionally, unique deployment challenges in the state, including extreme weather, low population density, and geographic variables, can make construction and maintenance more expensive than in other states that have mild climates, higher population densities, and more infrastructure-friendly landscapes.

As a result, the low-cost option is set at a cost cap of \$74.95. This approach utilizes the FCC Urban Rate Survey, in which the data set published by the FCC is analyzed to find the median price point provided by South Dakota providers only. Using the median rather than the average prevents outliers from skewing the data. Similarly, using South Dakota specific data prevents prices from more flexible states from affecting South Dakota's low-cost plan. By aligning itself to this survey, ConnectSD is following a data-driven approach for determining the low-cost plan in the state.

Achieving 100% access to broadband throughout the state is far more challenging in South Dakota than in other states. Therefore, the state is adjusting the low-cost broadband service option from the BEAD NOFO to best fit the needs of South Dakota and its residents.

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

South Dakota certifies that all subgrantees will be required to participate in the Affordable Connectivity Program or any successor program.

2.13 Middle Class Affordability Plans (Requirement 20)

2.13.1 BEAD-funded Network Service Affordability

South Dakota is committed to providing high-quality, reliable, and affordable broadband access to all its residents. To ensure continued access and affordability for all South Dakota families, the state intends to adopt the following strategies.

Coordination with State Broadband Providers

South Dakota maintains strong relationships with the diverse network of providers offering service in the state and emphasize the importance of middle-class affordability. Working with key industry associations like the South Dakota Telecommunications Association (SDTA) and SDN Communications, is another way the state intends to build upon an already strong relationship with all types of providers.

The Broadband Team is in regular communication with providers and will continue to develop an understanding of the pricing possible in various parts of the state. By gathering this information, the Broadband Team not only builds on its strong relationship with providers, but also gains insights into the affordability of service options across South Dakota.

Affordability Scoring Criteria

As a requirement of the BEAD program, affordability is a priority consideration for scoring proposals and ultimately selecting subgrantees based on their ability to provide 1Gb symmetrical service, or the highest feasible speeds, at the lowest cost. These criteria ensure that providers offering more affordable services to customers are more likely to be selected as BEAD subgrantees. More detail on the scoring criteria for South Dakota deployment grant program can be found in Requirement 8.

By making affordability considerations an important part of the subgrantee selection process, the Broadband Team hopes to center middle class affordability considerations over the BEAD implementation period and encourage affordability offerings across the state beyond the next five years.

Low-Cost Service Option

As a requirement of receiving BEAD funding, providers must offer the Low-Cost Service Option detailed in Requirement 16 to its customers. This provision ensures that providers accepting BEAD subgrants offer reasonable broadband service at affordable prices to middle class families. This measure sends an important signal as to the importance of not only expanded coverage to unserved and underserved areas, but also the affordability of those plans to the middle-class households.

2.14 Use of 20 Percent of Funding (Requirement 17)

2.14.1 South Dakota Funding Request

The Broadband Team and the state of South Dakota are committed to providing high-quality, reliable, and affordable broadband service to all residents of the state. South Dakota requests 100% of its funding allocation to be obligated, of which no more than \$41,445,504.74 (20 percent of the total funding) will be used before approval of South Dakota's Final Proposal for the following uses:

- Programmatic purposes, including **running the Challenge Process** as described in Volume 1 of the Initial Proposal and for **Subgrantee Selection** and awards that will go towards eligible last-mile broadband deployment projects identified in the BEAD NOFO,

Section IV.B.5.b. As described in the South Dakota Consolidated IPFR BEAD Budget Form, the exact dollar amounts of subgrantee awards will be determined in the Subgrantee Selection.

- **Personnel:** The personnel costs for directly employed State Broadband staff – including the Program Manager, BEAD Program Coordinator, Digital Equity Coordinator, and Broadband Intern. These staff members will be instrumental in overseeing, informing, and shaping the outcomes of the State’s BEAD processes.
- **Contractors:** Contractors will be responsible for implementing various processes outlined within the Initial Proposal. This includes 1) The Challenge Process; 2) Subgrantee Selection Process; 3) Broadband Mapping; 4) Ongoing Local and Tribal Engagement; and 5) Development of Final Proposal. The South Dakota Bureau of Information and Technology is supporting the mapping needs of the program, as well as development of the Challenge Portal and support during the application process.

ConnectSD anticipates the bulk of the 20 percent funding request dollars will go toward deployment activities once subgrantees are selected as stated above in the programmatic purposes. However, South Dakota also plans to use initial funding for personnel and contractors to implement the challenge process and subgrantee selection; this will ensure the State is capable of conducting a comprehensive and competitive process for awards towards deployment projects covering all unserved and underserved locations in the state.

South Dakota has years of tested experience of awarding grants to providers for broadband expansion and strives to achieve universal access as soon as possible. Through its ConnectSD program, the Broadband Team has experience distributing broadband infrastructure grants, an established process for receiving and reviewing grant applications, and an understanding of the known needs in unserved and underserved communities across the state. Over 2019-2023, ConnectSD provided roughly \$270M in broadband expansion in South Dakota. Through active engagement with providers and multiple grant rounds through ConnectSD, the Broadband Team is aware of the unserved or underserved parts of the state and requires additional funding to turn that need into opportunity for unconnected households and businesses.

As a second consideration, South Dakota has extensive experience working around harsh winters, which constrict construction seasons in South Dakota. As a result, deployment of broadband infrastructure in the state requires careful planning most of the year, followed by rapid construction in the few months of the year where construction is viable. Again, ConnectSD and the years of experience in administering and monitoring broadband infrastructure projects mean this risk of delay can be mitigated through detailed planning and ability to quickly obligate funding to projects to allow maximization of viable workdays in the years to come.

ConnectSD’s existing history with broadband planning and grant management will ensure effective and timely use of BEAD funding as soon as it is received to help connect every rural and urban resident, agricultural and commercial business, and community anchor institution to high-speed broadband.

2.14.2 Financial Data Entry:

South Dakota is requesting its full allocation of \$207,227,523.92.

See attachments South Dakota Consolidated IPFR Budget Form.xlsx and

2.14.3 Check Box: Certify that the Eligible Entity will adhere to BEAD Program requirements regarding Initial Proposal funds usage.

The Broadband team certifies that it will adhere to BEAD Program requirements regarding Initial Proposal funds usage. Deployment efforts of subgrantees will be contingent upon grant round awards and construction season in South Dakota, which is limited.

2.15 Eligible Entity Regulatory Approach (Requirement 18)

2.15.1 State Regulatory Requirements

South Dakota recognizes that a healthy economy thrives on an easily navigable regulatory environment where innovation and entrepreneurship can spur new growth, create jobs, and generate prosperity across the state and beyond. As such, South Dakota does not have any state laws that prohibit or disincentivize public ownership of broadband assets, nor limit participation in bidding for those infrastructure expansion opportunities.

The Broadband Team remains focused on providing coverage to all locations across the state and welcomes feedback from communities, providers, public or private organizations, and any other entity interested in improving connectivity across South Dakota.

2.16 Certification of Compliance with BEAD Requirements (Requirement 19)

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

The Broadband Team certifies that it intends to comply with all applicable requirements of the BEAD Program, including the reporting requirements.

2.16.2 Subgrantee Accountability Procedures

The Broadband Team will utilize several accountability procedures to provide oversight and monitoring of subgrantee performance, previously outlined in Requirement 8.

Disbursement of Funding

The Broadband Team will disburse funds on a reimbursable basis by utilizing ConnectSD's existing procedures. Reimbursements are based on actual receipts and costs incurred and to receive reimbursement subgrantees will be required to provide, at a minimum:

- Cancelled checks or proof of electronic funds transfer;
- Listing of project costs incurred to date;
- Invoices for all expenses; and
- Listing of staff time, work performed, and total cost;
- reasonable reimbursement amounts only
 - (i.e.: monthly reimbursements will not be accepted)

To create a smooth process, South Dakota will provide the subgrantee with a spreadsheet or other documentation to ensure this information is submitted properly and items are not overlooked.

Clawback Provisions

The Broadband Team will include clawback provisions (provisions allowing for recoupment of funds previously disbursed) in agreements between the state and any subgrantee. These provisions will allow South Dakota to recoup funds in cases where subgrantees used BEAD funding outside of the scope of their agreement with the state. The Broadband Team has had previous experience in recouping funds through its ConnectSD program and will apply the same principles for BEAD subgrantees.

Subgrantee Reporting and Monitoring

The Broadband Team intends to use the existing ConnectSD monitoring process to provide guidelines for timely subgrantee reporting. During the BEAD program, subgrantees will be required to submit quarterly updates that include, but are not limited to:

- A schedule update including disclosure of any known potential delay-causing issues along with their potential impact and the applicant's proposed workarounds.
- A financial update including any budget concerns.
- Photos, stories, anecdotes, and data that shows progress and highlights examples of the program.

During the lifecycle of the program, awardees must also be available to periodically participate in surveys, questionnaires, or information-gathering emails from the state to contribute to the overall success of the program.

Upon completion of the program, subgrantees will be required to submit closeout documentation that includes:

- The service area in .kmz or shapefile file format which must show the specific locations passed, built, and/or served as points and lines and should include a shaded polygon giving the outline of the funded service area;
- A close-out report to demonstrate successful project completion to include at a minimum:
 - Data about the funded technology and services, such as available speeds (download/upload), technologies in use, advertised speeds, average subscribed speeds, pricing of advertised speeds, and list of new subscribers;
 - Detail on the complete cost of the project and company financial contribution;
 - Technical information to guarantee the buildout meets industry standards; and
 - Photos, stories, anecdotes, and data that highlight examples of program usage.
 - These may include stories from the perspective of new customers.

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

The Broadband Team certifies that it will account for and satisfy authorities relating to civil rights and nondiscrimination in the selection of subgrantees.

2.16.4 Check Box: Certify that the Eligible Entity will ensure subgrantee compliance with the cybersecurity and supply chain risk management requirements.

South Dakota certifies that it will ensure compliance with the cybersecurity and supply chain risk management requirements on pages 70-71 of the BEAD NOFO to require that 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 2 Public Comment

South Dakota held a 30 day Public Comment Period for the Initial Proposal drafts of both Volume 1 and Volume 2. During this period, stakeholder outreach was conducted to notify stakeholders listed in section 2.3 of the Public Comment period. The Broadband Team sent email announcements to stakeholders (tribal leaders included), posted notice to ConnectSD social media outlets, and sent certified letters to each of the nine tribes to notify all potentially interested parties of the Public Comment Period.

The state received comments from local providers and stakeholders, as well as non-profits and unions (some from outside the state) regarding various suggestions for subgrantee selection and other requirements. The vast majority of the changes advocated for were related to elements of the Initial Proposal that are directly taken from the BEAD NOFO and therefore could not be changed. For example, one public comment suggested more flexibility in the documentation being required to be submitted by applicants; specifically, the financial documentation that must be submitted by potential subgrantees. As this type of financial documentation is part of the requirements set forth in the NOFO, South Dakota was not able to incorporate this suggestion into the Initial Proposal.

South Dakota did receive public comments from local, trusted ISPs which indicated support for the state's approach to the BEAD program. In particular, our ISPs supported the waivers outlined in Volume 2 which South Dakota is seeking for the Matching Funds requirement and the Letter of Credit. Our ISPs agree that these requirements are barriers to competition in the application process, especially considering the extremely high cost per location that ISPs have already estimated throughout the state.

2.18 Appendix

Appendix 1

Detailed Methodology for Determining Underserved and Unserved Locations Going Forward

The purpose of this analysis is to find specific addresses that are classified as unserved or underserved according to state policies. Across the broadband industry experts have long argued policies around what are considered underserved locations, what speed is a minimum, what technologies should be used, etc. It should be noted that, since 2019, the ConnectSD Broadband Development Program has been a fiber-first program. Other technologies such as copper, fixed wireless, and satellite, while they have their place in the ecosystem, are considered temporary "stop-gap" technologies. These technologies are undesirable to the end user experience; as consumers connect more devices to their networks, the performance for long term broadband sustainability drastically declines. South Dakota is not satisfied with the "good enough" mentality that would utilize a technology that barely (or usually) reaches minimum speeds.

Rather, the state has made the policy decision to approve and fund future-proof fiber projects that are the gold standard for broadband deployment.

Using the South Dakota state guidelines and as ConnectSD is a fiber first program, the broadband technologies approved for considering underserved locations are fiber and cable technology. The State has allowed cable technology as most cable providers are converting to fiber and most existing cable networks are capable of 1Gig download speeds. Copper, fixed wireless, and satellite were not considered during this analysis because of these guidelines.

The first step is to gather all data which will be used in the analysis. The data that was used in this study was:

1. Version 3 of the Costquest Broadband Serviceable Location Fabric
 - a. Used with the BDC filing as of June 30, 2023
2. The Fixed Broadband Availability Data
 - a. Data as of December 31, 2022
 - b. Used to map out the coverages of fiber and cable across the state
3. All known and reported **federal** awards issued from 2019 – December 2023
 - a. Includes: USDA Reconnect, RDOF, Tribal (If known)
4. All known and reported **state** ConnectSD awards issued from 2019 – December 2023.

Once all the data has been gathered it is then brought into ArcGIS pro. The Broadband Fabric was charted using the Latitude and Longitude coordinates that were provided inside the table which created 398,483 address location points for total addresses inside the state borders. The next step is to create the latest Fixed Broadband coverage that was downloaded from the FCC, these CSV files must be joined with the newly adopted hexagon pattern. By running a join between the H3INDEX field (South Dakota hex 8 pattern) and the h3_9 field (FCC data tables) we can link the state hex pattern with the newest version of the FCC coverage data (it should be noted that this process will need to run for each broadband technology separately).

Now that the coverages have been built, the next step is to isolate those areas which fall into the 100/20 Mbps download/upload speed. This is done by running a selection tool with coded values programmed to find only those hexagons that meet the 100/20 guidelines which selects 36,073 hexagons. By keeping these features selected we can run a copy tool which will only copy the selected hexagons, thus creating features that are only within the 100/20 Mbps guidelines. If we hit the switch tab inside the attribute table, the selected hexagons will change to those that are under the 100/20 (underserved) which will then select 1,232 hexagons. The same process for copying these selected features will apply in order to isolate the cable hexagons as well, which will create 2,289 covered hexagons within the 100/20 Mbps guidelines and 0 underserved.

Our background data having been built, the next steps will be to start the analysis to find which of the fabric points are outside of coverage and or already award areas (either state or federal). To find these areas the erase geoprocessing tool will be used against the 100/20 Mbps coverages of Fiber/Cable and all awarded areas from 2019-2023. The result from running the erase tool for every compounding feature class will leave only fabric points that are outside of the coverage and/or award areas.

The result from this analysis leaves a total of 21,398 unserved broadband serviceable locations and 3,217 underserved locations across the state. Totaling these locations tell us we have 24,615 locations to connect. As South Dakota's vision is for every location to be connected we'll

continue to process this methodology to as much precision as possible. Our goal is to finalize connecting these last locations one-by-one if we have to.

Other methods to determine what locations are unconnected may include speed test data (our own, purchased, or citizen-based) and the state will also utilize outreach with providers, citizens, and local experts. Our goal is to strengthen the accuracy of our review by any available methods. This will only enhance our ability to maximize this program to help us do what is in the best interest of our citizens.

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