



OFFICE OF MANAGEMENT AND BUDGET

OMB

GOBIERNO DE PUERTO RICO

Puerto Rico BEAD Final Proposal

December 12, 2025



Table of Contents

Final Proposal Data Submission	3
Requirement 3: Timeline for Implementation	7
Requirement 4: Oversight & Accountability Processes	8
Requirement 5: Local Coordination	9
Requirement 7: Unserved & Underserved Locations.....	10
Requirement 11: Implementation Status of Plans for Cost/Barrier Reduction, Compliance with Labor Laws, Low-cost Plans, & Network Reliability & Resiliency	12
Requirement 12: Substantiation of Priority Broadband Projects	13
Requirement 13: Subgrantee Selection Certification	14
Requirement 14: Environmental & Historical Preservation Documentation	14
Requirement 15: Consent from Tribal Entities	15
Requirement 16: Prohibition on Excluding Provider Types.....	15
Requirement 17: Waivers	15
Attachment 1	17
Attachment 2	39
Attachment 3	40



Final Proposal Data Submission

0.1 Attachment (Required): Complete and submit the Subgrantees CSV file (named “fp_subgrantees.csv”) using the NTIA template provided.

https://docs.pr.gov/files/Broadband/Documentos/CSV-FILES-FINAL%20PROPOSAL/Puerto%20Rico%20fp_subgrantees.csv?d=w1171c54846dd4ba4a2fe2a18c380ae8a

0.2 Attachment (Required): Complete and submit the Deployment Projects CSV file (named “fp_deployment_projects.csv”) using the NTIA template provided.

https://docs.pr.gov/files/Broadband/Documentos/CSV-FILES-FINAL%20PROPOSAL/Puerto%20Rico%20fp_deployment_projects.csv?d=wc55b22b096af45018ecc58b46679b3a4

0.3 Attachment (Required): Complete and submit the Locations CSV file (named “fp_locations.csv”) using the NTIA template provided. The Location IDs in this list must match the NTIA-approved final list of eligible locations.

https://docs.pr.gov/files/Broadband/Documentos/CSV-FILES-FINAL%20PROPOSAL/Puerto%20Rico%20fp_locations.csv?d=w1f88bec93cef48ba937b608f45d6ba6c

0.4 Attachment (Required): Complete and submit the No BEAD Locations CSV file (named fp_no_BEAD_locations.csv”) using the NTIA template provided. The Location IDs in this list must match the NTIA-approved final list of eligible locations.

https://docs.pr.gov/files/Broadband/Documentos/CSV-FILES-FINAL%20PROPOSAL/Puerto%20Rico%20fp_no_BEAD_locations.xlsx?d=weddb6b27b73d4e3096dec312760d771d



0.5 Question (Y/N): If the Eligible Entity intends to use BEAD funds to serve CAIs, does the Eligible Entity certify that it ensures coverage of broadband service to all unserved and underserved locations, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C. § 1702(h)(2)?

No.

0.6 Attachment (Required – Conditional on a ‘Yes’ Response to Intake Question 0.5): Complete and submit the CAIs CSV file (named “fp_cai.csv”) using the NTIA template provided. Although CAIs are not included under (f)(1) deployment projects, to confirm the Eligible Entity’s compliance with the BEAD prioritization framework and identify BEAD-funded CAIs, the NTIA template is required. The Eligible Entity must only include CAIs funded via BEAD in this list; the Eligible Entity may not propose funding CAIs that were not present on the approved final list from the Eligible Entity’s Challenge Process results.

https://docs.pr.gov/files/Broadband/Documentos/CSV-FILES-FINAL%20PROPOSAL/Puerto%20Rico%20fp_cai.xlsx?d=wa1f1ca88f8af43bba050c9527a553452



Requirement 1: Subgrantee Selection Process Outcomes

1.1 Describe how the Eligible Entity's deployment Subgrantee Selection Process undertaken is consistent with that approved by NTIA in Volume II of the Initial Proposal as modified by the BEAD Restructuring Policy Notice.

To provide an adequate response, the Eligible Entity must consider its deployment subgrantee selection timelines, phases, project area definitions, evaluation procedures, and strategies to ensure universal coverage among other elements of its deployment Subgrantee Selection Process.

The Eligible Entity must describe how the Subgrantee Selection Process undertaken was consistent with that approved in the Initial Proposal, as modified by the BEAD Restructuring Policy Notice. If the Eligible Entity has completed or is in the process of completing its Subgrantee Selection Process at the time of the release of the BEAD Restructuring Policy Notice, the Eligible Entity must use this section to describe how it conducted at least one additional "Benefit of the Bargain Round" for every BEAD-eligible location. The Eligible Entity must detail how it conducted the "Benefit of the Bargain" round, including how it addressed prequalification (if applicable) and resubmission of applications.

Puerto Rico's Final Proposal is consistent with the strategy and principles outlined in our Initial Proposal Volume II. Due to a federal enforceable commitment via the Uniendo a Puerto Rico fund, Puerto Rico did not have any BEAD-eligible BSLs, as per NTIA guidance and requirements. Therefore, all proposed projects in the Initial Proposal were classified "Non-Deployment" and "Non-Deployment Deployment" projects.

Consistent with the Trump administration's goals to ensure BEAD's benefit of the bargain, Puerto Rico is not expending resources in this initial "Deployment" round of funding simply for the sake of executing a grant award. NTIA leadership has stated that additional guidance on non-deployment activities is expected in the first quarter of 2026. As a result, and with guidance from NTIA, Puerto Rico is opting to wait until that guidance is received in order to continue pursuing our needed projects to support critical infrastructure to close the digital divide across the island.



1.2 Text Box: Describe the steps that the Eligible Entity took to ensure a fair, open, and competitive process, including processes in place to ensure training, qualifications, and objectiveness of reviewers.

The PRBP implemented a fair, open and competitive process to solicit subgrantees for broadband expansion through the BEAD Program. By ensuring transparency throughout the planning and application phases, the PRBP maximized participation.

The PRBP took significant steps to prevent collusion, bias, conflicts of interest and arbitrary decisions that could undermine the integrity of the process. All applicants were required to complete a mandatory conflict of interest and disclosure statement, which included information about proposed personnel with prior employment history with the Commonwealth of Puerto Rico, as well as other potential conflicts.

After careful consideration and guidance from senior NTIA leadership, Puerto Rico did not ultimately select subgrantees. The PRBP greatly appreciates the stakeholders, including the providers that participated in the application process.

1.5 Question (Y/N): Certify that the Eligible Entity will retain all subgrantee records in accordance with 2 C.F.R. § 200.334 at all times, including retaining subgrantee records for a period of at least 3 years from the date of submission of the subgrant's final expenditure report. This should include all subgrantee network designs, diagrams, project costs, build-out timelines and milestones for project implementation, and capital investment schedules submitted as a part of the application process.

N/A



Requirement 3: Timeline for Implementation

3.1 Text Box: Has the Eligible Entity taken measures to: (a) ensure that each subgrantee will begin providing services to each customer that desires broadband service within the project area not later than four years after the date on which the subgrantee receives the subgrant; (b) ensure that all BEAD subgrant activities are completed at least 120 days prior to the end of the Eligible Entity's period of performance, in accordance with 2 C.F.R. 200.344; and (c) ensure that all programmatic BEAD grant activities undertaken by the Eligible Entity are completed by the end of the period of performance for its award, in accordance with 2 C.F.R. 200.344.

N/A



Requirement 4: Oversight & Accountability Processes

4.1 Question (Y/N): Does the Eligible Entity have a public waste, fraud, and abuse hotline, and a plan to publicize the contact information for this hotline?

Yes.

Any citizen can report irregularities in the use of public funds or that may represent the crime of fraud or acts of public corruption. Send an email to informa@oig.pr.gov or submit a complaint through <https://www.oig.pr.gov/informa>. The public can also contact the confidential line of the Office of the Inspector General (OIG) at 787-679-7979. The complainant is protected by law against reprisals for filing a complaint. <https://oig.pr.gov/>

4.2 Attachments: Upload the following two required documents:

(1) BEAD program monitoring plan;

(2) Agency policy documentation which includes the following practices: a. Distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursable basis (which would allow the Eligible Entity to withhold funds if the subgrantee fails to take the actions the funds are meant to subsidize) or on a basis determined by the terms and conditions of a fixed amount subaward agreement; and b. Timely subgrantee (to Eligible Entity) reporting mandates.

Attachment 1: BEAD Monitoring Plan

Attachment 2: OMB Policy Documentation

4.3 Question (Y/N): Certify that the subgrant agreements will include, at a minimum, the following conditions:

- a. Compliance with Section VII.E of the BEAD NOFO, as modified by the BEAD Restructuring Policy Notice, including timely subgrantee reporting mandates, including at least semiannual reporting, for the duration of the subgrant to track the effectiveness of the use of funds provided;
- b. Compliance with obligations set forth in 2 C.F.R. Part 200 and the Department of Commerce Financial Assistance Standard Terms and Conditions;
- c. Compliance with all relevant obligations in the Eligible Entity's approved Initial and Final Proposals,



including the BEAD General Terms and Conditions and the Specific Award Conditions incorporated into the Eligible Entity's BEAD award;

d. Subgrantee accountability practices that include distribution of funding to subgrantees for, at a minimum, all deployment projects on a reimbursable basis;

e. Subgrantee accountability practices that include the use of clawback provisions between the Eligible Entity and any subgrantee (i.e., provisions allowing recoupment of funds previously disbursed);

f. Mandate for subgrantees to publicize telephone numbers and email addresses for the Eligible Entity's Office of Inspector General (or comparable entity) and/or subgrantees' internal ethics office (or comparable entity) for the purpose of reporting waste, fraud or abuse in the Program. This includes an acknowledgement of the responsibility to produce copies of materials used for such purposes upon request of the Federal Program Officer; and

g. Mechanisms to provide effective oversight, such as subgrantee accountability procedures and practices in use during subgrantee performance, financial management, compliance, and program performance at regular intervals to ensure that subgrantee performance is consistently assessed and tracked over time.

Yes

Requirement 5: Local Coordination

5.1 Text Box: Describe the public comment period and provide a high-level summary of the comments received by the Eligible Entity during the public comment period, including how the Eligible Entity addressed the comments.

To be completed after public comment period

Requirement 6: Challenge Process Results

6.1 Question (Y/N): Certify that the Eligible Entity has successfully completed the BEAD Challenge Process and received approval of the results from NTIA.

Yes.



PRBP certifies that it successfully completed the first BEAD Challenge Process and received approval of the results from NTIA on November 26, 2024.

6.2 Text Box: Provide a link to the website where the Eligible Entity has publicly posted the final location classifications (unserved/underserved/CAIs) and note the date that it was publicly posted.

Posted on November 26, 2024

<https://docs.pr.gov/files/Broadband/BEAD%20CHALLENGE/Listado%20de%20Instituciones%20Anclas%20Comunitarias%20-%20BEAD%20Challenge.pdf>

Requirement 7: Unserved & Underserved Locations

7.1 Question (Y/N): Certify whether the Eligible Entity will ensure coverage of broadband service to all unserved locations within its jurisdiction, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C. § 1702(h)(2).

Yes

7.2 Text Box: If the Eligible Entity does not serve an unserved location because it is either financially incapable or has determined that costs to serve the location would be unreasonably excessive, explain and include a strong showing of how the Eligible Entity made that determination.

7.3 Attachment (Optional): If applicable to support the Eligible Entity's response to Question 7.2, provide relevant files supporting the Eligible Entity's determination.

7.4 Question (Y/N): Certify whether the Eligible Entity will ensure coverage of broadband service to all underserved locations within its jurisdiction, as identified in the NTIA-approved final list of eligible locations and required under 47 U.S.C. § 1702(h)(2).

Yes



7.5 Text Box: If the Eligible Entity does not serve an underserved location because it is either financially incapable or has determined that costs to serve the location would be unreasonably excessive, explain and include a strong showing of how the Eligible Entity made that determination.

7.6 Attachment (Optional): If applicable to support the Eligible Entity's response to Question 7.5, provide relevant files supporting the Eligible Entity's determination.

7.7 Question (Y/N): Certify that the Eligible Entity has utilized the provided reason codes to investigate and account for locations that do not require BEAD funding, that the Eligible Entity will utilize reason codes 1, 2, and 3 for the entire period of performance, and that the Eligible Entity will maintain documentation, following the guidelines provided by NTIA, to justify its determination if there is a reason to not serve any unserved or underserved location on the NTIA-approved final list of eligible locations through a BEAD project. The documentation for each location must be relevant for the specific reason indicated by the Eligible Entity in the fp_no_BEAD_locations.csv file. The Eligible Entity shall provide the documentation for any such location for NTIA review, as requested during Final Proposal review or after the Final Proposal has been approved.

Yes

7.8 Question (Y/N): Certify that the Eligible Entity has accounted for all enforceable commitments after the submission of its challenge results, including state enforceable commitments and federal enforceable commitments that the Eligible Entity was notified of and did not object to, and/or federally-funded awards for which the Eligible Entity has discretion over where they are spent (e.g., regional commission funding or Capital Projects Fund/State and Local Fiscal Recovery Funds), in its list of proposed projects.

Yes



Requirement 11: Implementation Status of Plans for Cost/Barrier Reduction, Compliance with Labor Laws, Low-cost Plans, & Network Reliability & Resiliency

11.1 Text Box: Provide the implementation status (Complete, In Progress, or Not Started) of plans described in the approved Initial Proposal Requirement 14 related to reducing costs and barriers to deployment.

In its approved IPVII, Puerto Rico identified initiatives that could reduce costs and barriers to broadband deployment. The PRBP's primary focus was a carrier-neutral, island-wide conduit system that would allow multiple users the opportunity to provide a variety of services. Prospective tenants without the capital to make last-mile connections on their own would be supported by conduit infrastructure, providing the access points needed to deploy reliable high-speed internet in areas previously unconnected. With the conduit system, tenants could provide seamless broadband service throughout Puerto Rico in a cost-effective, collaborative system, eliminating previous barriers including high costs of infrastructure and time-consuming right-of-way processes. The PRBP would promote cooperative efforts for access to new routes and ensure professional, responsive management of the open conduit. The conduit system would be designed using a "dig-once" policy, with additional capacity built into the system for future expansion. Last-mile, middle-mile, and backhaul services will be made more available and more resilient through use of this system.

Priorities for the Puerto Rico Broadband Program include:

- Promoting and adopting dig-once regulations;
- Ensuring clear, consistent, and expeditious processes for utility pole and conduit access;
- Engaging small and medium enterprises; and
- Collaborating with relevant stakeholders.

11.2 Question (Y/N): Affirm that the Eligible Entity required subgrantees to certify compliance with existing federal labor and employment laws.

N/A



11.3 Text Box (Optional – Conditional on a ‘No’ Response to Intake Question 11.2): If the Eligible Entity does not affirm that subgrantees were required to certify compliance with federal labor and employment laws, explain why the Eligible Entity was unable to do so.

11.4 Question (Y/N): Certify that all subgrantees selected by the Eligible Entity will be required to offer a low-cost broadband service option for the duration of the 10-year Federal interest period.

N/A

11.5 Text Box (Optional – Conditional on a ‘No’ Response to Intake Question 11.4): If the Eligible Entity does not certify that all subgrantees selected by the Eligible Entity will be required to offer a low-cost broadband service option for the duration of the 10-year Federal interest period, explain why the Eligible Entity was unable to do so.

11.6 Question (Y/N): Certify that all subgrantees have planned for the reliability and resilience of BEAD-funded networks.

N/A

11.7 Text Box (Optional – Conditional on a ‘No’ Response to Intake Question 11.6): If the Eligible Entity does not certify that subgrantees have planned for the reliability and resilience of BEAD-funded networks in their network designs, explain why the Eligible Entity was unable to do so.

Requirement 12: Substantiation of Priority Broadband Projects

12.1 Text Box: Describe how the Eligible Entity applied the definition of Priority Project as defined in the Infrastructure Act and the BEAD Restructuring Policy Notice.

N/A



Requirement 13: Subgrantee Selection Certification

13.1 Text Box: Provide a narrative summary of how the Eligible Entity applied the BEAD Restructuring Policy Notice's scoring criteria to each competitive project application and describe the weight assigned to each Secondary Criteria by the Eligible Entity.

N/A

Requirement 14: Environmental & Historical Preservation Documentation

14.1 Attachment (Required): Submit a document which includes the following:

Submit a document which includes the following:

- Description of how the Eligible Entity will comply with applicable environmental and historic preservation (EHP) requirements, including a brief description of the methodology used to evaluate the Eligible Entity's subgrantee projects and project activities against NTIA's National Environmental Policy Act (NEPA) guidance. The methodology must reference how the Eligible Entity will use NTIA's Environmental Screening and Permitting Tracking Tool (ESAPTT) to create NEPA project records, evaluate the applicability of categorical exclusions, consider and document the presence (or absence) of Extraordinary Circumstances, and transmit information and draft NEPA documents to NTIA for review and approval.
- Description of the Eligible Entity's plan to fulfill its obligations as a joint lead agency for NEPA under 42 U.S.C. 4336a, including its obligation to prepare or to supervise the preparation of all required environmental analyses and review documents.
- Evaluation of the sufficiency of the environmental analysis for your state or territory that is contained in the relevant chapter of the FirstNet Regional Programmatic Environmental Impact Statement (PEIS), available at <https://www.firstnet.gov/network/environmental-compliance/projects/regional-programmatic-environmental-impact-statements>.
- Evaluation of whether all deployment related activities anticipated for projects within your state or territory are covered by the actions described in the relevant FirstNet Regional PEIS.
- Description of the Eligible Entity's plan for applying specific award conditions or other strategies to ensure proper procedures and approvals are in place for disbursement of funds while projects await EHP clearances.



Attachment 3

Requirement 15: Consent from Tribal Entities

15.1 Attachment(s) (Required if any deployment project is on Tribal Lands): Upload a Resolution of Consent from each Tribal Government (in PDF format) from which consent was obtained to deploy broadband on its Tribal Land. The Resolution(s) of Consent submitted by the Eligible Entity should include appropriate signatories and relevant context on the planned (f)(1) broadband deployment including the timeframe of the agreement. The Eligible Entity must include the name of the Resolution of Consent PDF in the Deployment Projects CSV file.

Not applicable as Puerto Rico does not have any recognized Tribal Lands.

Requirement 16: Prohibition on Excluding Provider Types

16.1 Question (Y/N): Does the Eligible Entity certify that it did not exclude cooperatives, nonprofit organizations, public-private partnerships, private companies, public or private utilities, public utility districts, or local governments from eligibility for a BEAD subgrant, consistent with the requirement at 47 U.S.C. § 1702(h)(1)(A)(iii)?

Yes.

Requirement 17: Waivers

17.1 Text Box: If any waivers are in process and/or approved as part of the BEAD Initial Proposal or at any point prior to the submission of the Final Proposal, list the applicable requirement(s) addressed by the waiver(s) and date(s) of submission.

1. Extension waiver requested by PRBP denied by NTIA on September 19, 2025:



“NTIA denies as unnecessary the request from the Puerto Rico for a waiver of the BEAD Program's Final Proposal submission deadline. Since this waiver request was submitted, NTIA has issued a sua sponte waiver of the Final Proposal submission deadline for the Puerto Rico, and, pursuant to that waiver, its Final Proposal must now be submitted by November 3, 2025. As a result, the request for a waiver is denied as unnecessary. NTIA is available to discuss further at the Eligible Entity's request.”

2. Extension waiver requested by PRBP granted. Suas Sponte Waiver. NTIA Text

“Puerto Rico Team,

NTIA issues a waiver for Puerto Rico of the BEAD Program requirement to submit a Final Proposal by September 4, 2025, and extends the submission deadline to November 3, 2025.

In order to grant a waiver associated with timing requirements, the Assistant Secretary must find that: (1) there are extraordinary circumstances present that prevent a timely submission; and (2) that the waiver is in the best interest of the Federal government.

NTIA believes that extraordinary circumstances exist warranting an extension of time because Puerto Rico's Initial Proposals focused on non- deployment projects now under review and Puerto Rico will need to substantially modify their proposals to comply with the RPN. This waiver's issuance is in the best interest of the Federal Government because it will provide Puerto Rico time to develop a Final Proposal to fund broadband infrastructure deployment, advancing the goal of expanding high-speed Internet access.

NTIA may provide additional technical assistance and/or guidance to support the submission of a compliant Final Proposal.”

17.2 Attachment (Optional): If not already submitted to NTIA, and the Eligible Entity needs to request a waiver for a BEAD program requirement, upload a completed Waiver Request Form here. If documentation is already in process or has been approved by NTIA, the Eligible Entity does NOT have to upload waiver documentation again.



Attachment 1

PUERTO RICO BROADBAND PROGRAM

BEAD Subrecipient Monitoring High-Level Compliance Plan

Contents

Purpose & Scope.....	3
Roles, Responsibilities and Regulatory Requirements.....	4
Roles and Responsibilities.....	4
Regulations.....	5
Subrecipient Accountability.....	6
Compliance, Risk Assessments, and Monitoring Process.....	7
Risk Assessment Process.....	8
Monitoring Plan.....	10
Reimbursement Process.....	11
Reporting Requirements.....	12
Reporting Process.....	13
Financial Management.....	14
Desk Reviews.....	15
Site Visits.....	15



<u>Prevention of Waste, Fraud, and Abuse.....</u>	<u>15</u>
<u>Desk Review and/or Site Visit Outcomes Reporting.....</u>	<u>16</u>
<u>Remedies for Noncompliance/Nonperformance (“Default”).....</u>	<u>17</u>
<u>Procurement Requirements.....</u>	<u>19</u>
<u>Domestic Preference for Procurements (Build America, Buy America (BABA)).....</u>	<u>19</u>
<u>Prohibition on Use of Covered Communications Equipment or Services (2 CFR §200.216) ..</u>	<u>20</u>
<u>Environmental and Historic Preservation (EHP) Review.....</u>	<u>20</u>
<u>Signage and Public Acknowledgement.....</u>	<u>20</u>
<u>Prevailing Wage.....</u>	<u>21</u>
<u>Audit Requirements.....</u>	<u>21</u>
<u>Special Award Conditions (SAC) Requirements.....</u>	<u>21</u>

Purpose & Scope

The Puerto Rico Broadband Program (PRBP) is committed to ensuring that Broadband Equity, Access, and Deployment (BEAD) Program funds and other broadband funding resources are invested responsibly, transparently, and effectively. This Compliance and Monitoring Plan (the “Plan”) provides the framework for administering these funds, ensuring that subrecipients not only comply with applicable federal and territory laws, but also deliver broadband services that meet the needs of unserved and underserved Puerto Ricans.

PRBP’s oversight activities are grounded in the requirements of the Infrastructure Investment and Jobs Act (IIJA), 2 C.F.R. Part 200 (Uniform Guidance), the BEAD Notice of Funding Opportunity (NOFO), and all relevant federal and territory procurement and contracting rules. The Plan also reflects the Puerto Rico BEAD Subrecipient Agreement, program guidelines, and Puerto Rico procurement statutes.

PRBP is responsible for administering BEAD Program funds and providing oversight of the BEAD Program to ensure compliance with applicable federal requirements and performance expectations are being achieved. 2 CFR § 200.332 requires pass-through entities such as PRBP to monitor subrecipients to ensure federal funds are used in accordance with federal, state, and local requirements, and with the terms and conditions of the federal award. PRBP is required by 2 CFR § 200.332(b) to evaluate each subrecipient’s risk of noncompliance for the purpose of determining the appropriate level of subgrantee monitoring.



Based on PRBP's risk assessment of the subrecipient, PRBP will provide training and technical assistance to subrecipients, as well as monitoring of subrecipients' activities.

The purpose of this Plan is to provide guidance to PRBP management, staff, and consultants on the subrecipient risk assessment, monitoring, and grant administration process as it relates to the BEAD Program. This Plan is not intended to amend or replace the Subrecipient Subaward Agreement and should be used in conjunction with the Subrecipient Subaward Agreement and applicable statutory requirements.

This Plan describes, at a high-level, how PRBP intends to systematically track, assess, and report on BEAD Program activities by subrecipient and project, as applicable. The monitoring process includes subrecipient engagement, identification and assessment of risks, systematic data collection and analysis, and reporting. The goal of subrecipient monitoring is to keep subrecipient projects on-track by meeting objectives, deadlines, and budgets in a compliant manner.

At its core, this Plan is intended to:

- Promote accountability and mitigate waste, fraud, and abuse
- Support timely, cost-effective broadband deployment
- Ensure compliance with the BEAD NOFO, BEAD IPFR, BEAD Policy and Waiver Notices, Uniform Administrative Requirements, Cost Principals, and Audit Requirements for Federal Awards (2 CFR § 200), Build America, Buy America (BABA), Davis-Bacon Act, PRBP's Initial Proposal Volume 2, PRBP Final Proposal, and other statutory provisions; and
- Provide clear, reliable reporting to stakeholders including NTIA, the Puerto Rico Office of Management and Budget, the Puerto Rico Legislature, and the public

Additionally, the benefits of effective compliance and monitoring include:

- Showcasing project successes
- Early identification and mitigation of potential waste, fraud, or abuse;
- Assurance that the project is effectively meeting performance measures and milestones;
- Grant file organization and required record retention;
- Determination of tailored technical assistance and training; and,
- Determination and understanding of necessary process improvements and documentation of lessons learned for continuous improvement.



This plan will be updated as necessary to incorporate changes to federal regulations, NTIA guidance, or Government of Puerto Rico requirements, ensuring continued alignment with both compliance standards and broadband deployment best practices.

The compliance and monitoring plan documented below is not intended to be a comprehensive guide to PRBP's approach to subrecipient compliance and monitoring. This document will be used to guide the development of the comprehensive plan once PRBP has received approval for subgrantee selection and awards.

Roles, Responsibilities and Regulatory Requirements

PRBP will approach monitoring as a process-based set of quality and performance reviews, responses, and documentation of activities to provide reasonable assurance against noncompliance and underperformance in achieving BEAD goals. Monitoring process activities are distributed and assigned to facilitate ownership, consistency, shared understanding, internal controls, and quality assurance.

Roles and Responsibilities

Key roles and responsibilities in the monitoring and compliance process include:

- Grantor and/or Funder: National Telecommunications and Information Administration (NTIA)
- Grantee: Puerto Rico Broadband Program (PRBP) through the Puerto Rico Office of Management and Budget
- Subrecipient(s)/Subgrantee(s): Monitored Entities who receive BEAD subawards
- Grant Management and Compliance Team: PRBP staff and consultants

Regulations

The regulations set forth below form the basis for subrecipient monitoring for the BEAD program by PRBP. PRBP shall provide oversight and monitoring of subrecipients to ensure compliance with all approved programs, functions, and activities under their grant. PRBP subrecipients must comply with all requirements contained in 47 U.S.C. § 1702, the BEAD NOFO, the Department of Commerce Standard Terms and Conditions, the General Terms and Conditions for the BEAD Program, and the Specific Award Conditions (SACs) applicable to each individual award.

- [BEAD NOFO.pdf \(doc.gov\)](#) - The NTIA, under the U.S. Department of Commerce, issued NOFO to describe the requirements for all grant awards under the BEAD program, authorized by the Infrastructure Investment and Jobs Act of 2021, Division F, Title I, Section 60102, Public Law 117-



58, 135 Stat. 429 (November 15, 2021) (Infrastructure Act or Act) also known as the Bipartisan Infrastructure Law.

- [BEAD_IPFR_GTC_04_2024.pdf \(ntia.gov\)](#) – The General Terms and Conditions for the NTIA BEAD program requires PRBP to ensure each subrecipient, contractor, or subcontractors, complies with all applicable federal, state, and local laws and regulations, and all applicable terms and conditions of this award. PRBP is responsible for ensuring all contracts, including those necessary for design and construction of facilities, are implemented in compliance with the Terms and Conditions of this Award.
- [BEAD Policy and Waiver Notices | Broadband USA \(ntia.gov\)](#) – This site contains various policy notices and notices of waivers issued by NTIA in connection with the BEAD Program.
- [2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards](#) – The government-wide regulations issued by the United States Office of Management and Budget (USOMB) that contain USOMB Guidance for Federal Financial Assistance. Included in 2 CFR Part 200 is Subpart D - Subrecipient Monitoring and Management, which provides the overall framework for subrecipient monitoring.
- [PRBP Final Proposal](#) – The PRBP Final Proposal is the official submission to NTIA for PRBP’s BEAD grant funding and establishes the overarching compliance framework, policies, and standards governing all BEAD-funded activities. While initial funding is anticipated to prioritize last-mile deployment consistent with NTIA guidance, the compliance requirements set forth in the Final Proposal and this High-Level Compliance Plan shall apply to all current and future BEAD-eligible activities, including any future deployment or infrastructure projects authorized by NTIA.

In any case where language between two or more authorities appears inconsistent, the relevant authorities should be read and interpreted in a manner which emphasizes consistency and harmonization across all relevant authorities. Where harmonization is impossible, PRBP will prioritize following the language contained in these authorities in the following order (from highest to lowest priority):

1. The Subrecipient Subaward Agreement and any amendments thereto
2. The Government of Puerto Rico Contractual Provisions Attachment A : Standard Terms and Conditions
3. 47 U.S.C. § 1702
4. The Specific Award Conditions applicable to PRBP’s BEAD award
5. The General Terms and Conditions for the BEAD Program.
6. The BEAD NOFO



7. The BEAD Letter of Credit (LOC) Waiver Guidance
8. The U.S. Department of Commerce Standard Terms and Conditions
9. PRBP's BEAD Initial Proposal

Subrecipient Accountability

A subrecipient is either a for-profit entity or non-federal entity, such as a state government, local government, Institution of Higher Education, or nonprofit organization, that receives a subaward for the purpose of carrying out part of a federal award. Subrecipients are subject to PRBP's monitoring and oversight.

Subrecipients play an active role in fulfilling their contractual and statutory obligations to provide reasonable assurance that their activities are compliant through the following:

- Provide the required information and documentation to enable PRBP to assess the subrecipient's risk of noncompliance
- Establish internal controls, including quality assurance/quality controls and self-monitoring procedures to reasonably ensure compliance
- Cooperate with PRBP to carry out risk assessments, quality assurance/quality control, monitoring, and technical assistance initiatives

Subrecipients are responsible for:

- Ensuring that the subrecipient meets all deadlines in approved plans and specifications;
- Monitoring the progress of grant funded activities;
- Reporting project progress;
- Providing for required construction permits and adequate construction inspection;
- Promptly paying costs incurred for grant funded activities;
- Monitoring contractors' and/or subrecipients' compliance with federal, state, and local requirements; and
- Constructing and maintaining in good condition throughout the construction period a sign or signs, at the site of grant funded activities in a conspicuous place, indicating that the federal government is participating in the activities.

The subaward creates a federal assistance relationship with the subrecipient. In addition to demonstrating how it expects to satisfy the monitoring and management requirements identified in 2 CFR Part 200



Subpart D, PRBP must include sufficient accountability procedures within its program to ensure subrecipient compliance with all applicable BEAD requirements.

The Subrecipient Subaward Agreement establishes the framework and obligations for subrecipients that receive BEAD funding to deploy broadband infrastructure. A Subrecipient Subaward Agreement will be executed with each subrecipient that includes a comprehensive statement of the goals, responsibilities, objectives, and measurable outcomes of the specific services to be provided by the subrecipient. In addition, the Subrecipient Subaward Agreement specifies the reports and documentation required for verification of compliance.

PRBP shall include in all Subrecipient Subaward Agreements reasonable provisions allowing for recovery of funds in the event of a subrecipient's noncompliance with the BEAD requirements, including but not limited to failure to deploy network infrastructure in accordance with mandated deadlines. Subrecipient Subaward Agreements will include the following requirements:

1. Distribution of funding to subrecipient for, at a minimum, all deployment projects on a reimbursable basis (which shall allow PRBP to withhold funds if the subgrantee fails to take the actions the funds are meant to subsidize);
2. The inclusion of clawback provisions (i.e., provisions allowing recoupment of funds previously disbursed); and
3. Timely subgrantee reporting mandates.

Compliance, Risk Assessments, and Monitoring Process

The objective of monitoring and compliance is to determine if a subrecipient is carrying out its activities in a timely manner and in accordance with the Subrecipient Subaward Agreement. To accomplish this:

- PRBP deployed an initial risk assessment during the review of applications to identify high risk applicants.
- PRBP will deploy an initial and ongoing risk-based targeted assessment for BEAD subgrantees, including quality checks, controls, monitoring instances, and technical assistance to mitigate the risk of noncompliance and underperformance.
- PRBP will respond to deficiencies and noncompliance risks through progressive technical assistance.
- PRBP will lead standardized, risk-informed reviews of program activities and documentation to ensure compliance and identify opportunities for operational improvements.



- PRBP will implement and require all BEAD subrecipients to implement internal controls and quality assurance/quality control processes to ensure compliance. These internal controls will be reviewed as part of the regular monitoring reviews.
- PRBP will emphasize quality assurance, quality control, communication, and feedback among all partners to ensure performance and mitigate the risk of noncompliance.
- PRBP will conduct on-site reviews of deployment activities.

Risk Assessment Process

A comprehensive risk assessment is the foundation of effective grant oversight. Under 2 CFR § 200.332(b), PRBP is required to evaluate the capacity of each subrecipient to manage federal funds before making an award, and to periodically reassess risk during the project period. As such, PRBP will evaluate each subrecipient's risk of noncompliance with federal statutes, regulations, and the terms and conditions of the BEAD Program subaward for purposes of determining the appropriate level of subrecipient monitoring. The following factors will be considered as part of the risk assessment process:

- Assess whether the subrecipient has new personnel or new or substantially changed systems.
- Assess the extent and results of federal awarding agency monitoring.
- Assess the subrecipient's prior experience with the same or similar awards.
- Assess the results of previous audits, including whether or not the subaward receives a Single Audit in accordance with 2 CFR 200 Subpart F.

The Compliance Team will use the risk assessment performed to assess and calculate the risk level applied to the monitoring approach for each subrecipient, including frequency and requirements per [2 CFR 200.332\(e\)](#). See also [2CFR 200.206\(b\)\(1\)](#) and [2 CFR 200.329\(a\)](#).

The risk assessment and monitoring process will be divided into two phases.

1. **Pre-Award (Provisional Award) Risk Assessment:** This initial risk assessment examines financial stability, organizational capacity, prior grant performance, audit history, and compliance with cybersecurity and supply chain standards. The pre-award risk assessment also evaluates readiness to meet NTIA financial assurance requirements. The pre-award risk assessment is performed prior to fully executing the subaward agreement and may result in additional monitoring or compliance requirements being added to the subaward agreement, as applicable, for each subrecipient.



2. Post-Award (Ongoing Monitoring) Risk Assessment: PRBP will perform an ongoing risk assessment process, which may be triggered by changes in project scope, performance delays, or new compliance concerns based on subrecipient reporting.

Typical risk assessment considerations include, but are not limited to:

- Has the provisional subrecipient ever undertaken the proposed activity before, and what was the result?
- Does the provisional subrecipient have experience with federal broadband programs or other federal programs?
- What is the provisional subrecipient's past performance regarding compliance with federal and territory requirements associated with federal grants?
- Does the provisional subrecipient meet the criteria set forth in the BEAD NOFO and by PRBP? If not, does the applicant have a plan for upgrading these aspects of their application?
- Does the provisional subrecipient have qualified staff for all the necessary functions associated with the proposed activity, and is there adequate staff time available? If not, how does the organization plan to fill these gaps in personnel?

Other areas of risk consideration may include:

- Financial Stability: The provisional subrecipient's financial stability based on review of financial statements.
- Management systems and standards: Quality of provisional subrecipient's management systems and ability to meet required management standards.
- History of Performance: The provisional subrecipient's record in managing federal awards, if it is a prior recipient of federal awards, including timeliness of compliance with applicable reporting requirements, conformance to the terms and conditions of previous federal awards and, if applicable, the extent to which any previously awarded amounts will be expended prior to future awards.
- Audit Reports and Findings: Reports and findings from audits performed under federal Single Audit requirements or the reports and findings of any other available audits.
- Ability to Effectively Implement Requirements: The provisional subrecipient's ability to effectively implement statutory, regulatory, or other requirements imposed on non-federal entities.

PRBP classifies subrecipients into three categories, low, medium, or high-risk based on initial and ongoing assessments. Risk level dictates the intensity of oversight:



- Low-risk subrecipients may require only annual site visits and standard reporting.
- Medium-risk recipients may require semiannual site visits and more frequent check-ins.
- High-risk recipients may be subject to quarterly visits, detailed desk reviews, and enhanced reporting requirements.

By tailoring monitoring intensity to risk, PRBP ensures that resources are directed where they are most needed, while allowing high-performing subrecipients to operate efficiently.

Monitoring Plan

The Compliance Team is responsible for developing a monitoring plan tailored to each subrecipient based on the assessed level of risk, which may be adjusted during ongoing monitoring and risk assessments. Monitoring may include conference calls with subrecipients, ongoing financial and programmatic reporting, desk reviews of documentation submitted by subrecipients, and site visits for verification of deployment activities. Subrecipient monitoring will be informed by the assessed risk level identified above.

At a minimum, ongoing monitoring will include the following:

- **Communication with Subrecipients:** Frequent communication between the reviewer and the subrecipient is essential to ensure compliant and successful collaboration. Documentation of communication will be captured. This may include one-on-one technical assistance sessions/calls, program-wide office hours and webinars, and various email communications and email blasts to individual and all program subrecipients.
- **Reimbursement Request Review:** To ensure proper use of BEAD funds, requests for funding release will be monitored for completeness, allowability, appropriateness and accuracy, as described in the Subrecipient Subaward Agreement. Documentation of reimbursement requests and review will be documented. See the Reimbursement Process section below for further details on the reimbursement process.
- **Progress Reports:** Progress Reports will be required to document progress of work completed versus funds spent and planned. The frequency of reporting will be determined by the assessed risk level but will be no less than quarterly. Progress reports will be reviewed, as necessary, by a subject matter expert (e.g., technical providers) to determine progress.
- **Deployment Activity Review:** Monitoring of deployment activities for compliance with BEAD NOFO requirements related to Network Capabilities (i.e., Speed and Latency, Network Outages), Deployment Requirements (i.e., Deployment Deadlines and Benchmarks, Conduit Access Points), and Service Obligations (Affordability and Low-Cost Plans, Access to Service, Interconnection Requirements, Cybersecurity) will be performed periodically throughout the program period.



- Risk Assessments – Addressing Specific Items of Interest: To assist subrecipients in adhering to federal and programmatic guidelines, specific high-risk items related to the risk assessment may also be included for awareness in the monitoring plan.
- Additional Reviews: Additional monitoring may include desk reviews of staffing, policies and procedures that have changed; technical on-site visits to determine progress and/or verify project completion.
- Closeout Process: Award closeout includes activities related to ensuring that the work was performed and properly billed. At the end of the award, the subrecipient is responsible for ensuring that all documentation related to project performance and financial obligations are received.

If documentation previously requested and not provided is required to support compliance monitoring, the subrecipient will be provided with a curing period to submit outstanding documentation. If the subrecipient does not provide the required documentation within the curing period, the subrecipient will be considered noncompliant and PRBP may begin enforcement procedures.

Reimbursement Process

While all subrecipients will enter into a Fixed Award as part of their Subrecipient Subaward Agreement, where reimbursement payments will be based on agreed to milestones and deliverables, PRBP will reimburse subrecipients for allowable costs that are directly related to the deployment of broadband services as described in the approved project scope, in conformity to federal cost principles. All reimbursement requests must be supported by complete, accurate, and verifiable documentation.

Eligible costs may include:

- Construction and installation of broadband facilities
- Engineering, design, permitting, and compliance-related activities
- Acquisition of network equipment and electronics
- Cybersecurity upgrades and training
- Workforce development programs tied to project implementation

Ineligible costs include:

- Entertainment, alcohol, and unrelated travel expenses
- Political contributions or charitable donations
- Purchases not connected to the project's broadband objectives



- Fines, penalties, or other costs unallowable under federal cost principles

For instance, a request for reimbursement will be approved only if it aligns with the approved budget and milestones, is supported by vendor invoices and proof of payment, and clearly contributes to the BEAD project deliverables.

Subrecipient reimbursement requests will be made to PRBP using the appropriate portal and format, including all required supporting documentation for verification and compliance review. Supporting documentation may include requests for program-specific general ledgers, budget to actual reporting, and other underlying support. If the subrecipient is unable to provide this documentation at the time of submission, the Compliance Team will work with the subrecipient to determine what can be provided in lieu; however, failure to provide the reimbursement request in the appropriate format with all required supporting documentation may delay compliance review and ultimately reimbursement processing.

Reporting Requirements

Consistent and accurate reporting allows PRBP to monitor progress, identify challenges, and ensure compliance with both state and federal requirements.

Subrecipients are required to submit:

- **Project Performance Reports:** Pursuant to 47 U.S.C. § 1702(h)(4)(C), PRBP shall ensure that each subrecipient deploys its funded networks and begins providing qualifying broadband service to each end user that desires broadband service not later than four (4) years after the date on which the subrecipient receives the subaward for the applicable network. PRBP shall establish interim buildout milestones, enforceable as conditions of the subaward, sufficient to ensure that Subrecipients are making reasonable progress toward meeting the four-year deployment deadline. The Compliance Team will monitor project performance against the established metrics and activity goals as outlined in the Subrecipient Subaward Agreement. This review will include specific reporting requirements, objectives, and outcomes.
- **Deployment Obligation Reporting:** PRBP will monitor subrecipient deployment activities annually to ensure compliance with applicable deployment obligations. These obligations include the following.
 - o **Network Capabilities: Speed and Latency**
 - § The BEAD NOFO requires subrecipients to deliver speeds of not less than 100 Mbps for downloads and 20 Mbps for uploads for broadband serviceable locations; speeds of not less than 1 Gigabit symmetrical for CAIs; and 95 percent of latency measurements during testing windows to fall at or below 100 milliseconds round trip time. The Compliance Team



will review performance testing conducted by the subrecipient to verify compliance with this requirement. The Compliance Team may conduct additional testing at its discretion.

- o Network Capabilities: Network Outages

- § Subrecipients must have protocols in place to ensure network outages do not exceed, on average, 48 hours over any 365-day period except in the case of natural disasters or other force majeure occurrence. Subrecipients should have a comprehensive outage management plan that includes preventive maintenance schedules, quick response teams for outage resolution, and clear communication channels for informing customers about outages and expected restoration times. The Compliance Team will review outage plans as part of the overall monitoring process.

- o Deployment Deadlines and Benchmarks

- § The Compliance Team will monitor subrecipient performance against interim build milestones (i.e., miles of fiber deployed per unit of time) included in the Subrecipient Subaward Agreement as well as project timelines provided by the subrecipient. Benchmarks may include miles of fiber deployed per unit of time.

- o Service Obligations

- § Subrecipients are required to comply with service obligations included in the NOFO. These obligations include Affordability and Low-cost Plans, Consumer Protection, Access to Service, Public Notice, Interconnection Requirements and Wholesale Access and Cybersecurity and Supply Chain Risk Management. The Compliance Team will monitor subrecipients for compliance with these requirements.

- o Inspection and Testing of Materials

- § The Compliance Team will monitor subrecipients to ensure all materials and equipment used in the completion of the work are subject to adequate inspection and testing in accordance with accepted and standard industry standards. Materials of construction, particularly those upon which the strength and durability of any structure may depend, shall be subject to inspection and testing to establish conformance with specifications and suitability for intended uses. PRBP will ensure the same document is preserved.

- Final Closeout Report: Subrecipients are required to submit a final close out report within 30 days of project completion, certifying that all contractual and program obligations have been fulfilled. This includes all requirements identified above related to project performance, deployment obligations, and final budget to actual reporting.

- Post-Closeout Reports: Following project completion, Subgrantee will be required to submit an in-depth annual post-project report for three years.



Reporting Process

All reports must be submitted through the PRBP grants management portal by the deadlines outlined in the subrecipient agreement. Reports must include all required documentation as outlined above. Failure to provide timely, complete, and accurate reports may result in delayed reimbursements, corrective action requirements, or enforcement measures.

Financial Management

Sound financial management is critical to ensure that BEAD funds are used as intended. Subrecipients must implement systems that produce accurate, current, and complete financial reports; safeguard assets; and prevent unauthorized use of funds.

PRBP requires that subrecipients follow Generally Accepted Accounting Principles (GAAP) or another recognized accounting framework. They must maintain separate accounting for BEAD project funds to clearly distinguish these expenditures from other operations. Internal controls, such as segregation of duties, documented approval processes, and regular budget-to-actual comparisons are essential.

The Compliance Team is responsible for ongoing subrecipient monitoring and assessment of the subrecipient's capacity to meet the requirements of the Subrecipient Subaward Agreement. Subrecipients must demonstrate they have and will continue to have sufficient financial resources to cover eligible costs for the BEAD project. In addition, subrecipients must maintain financial management systems that record and document compliance, permit the preparation of reports required for BEAD reporting, and facilitate accounting of BEAD funds per terms and conditions of the award.

This monitoring will be performed primarily through the reimbursement process but will include a desk review as determined by the assessed risk level for each subrecipient.

Per 2 CFR 200.302, each subrecipient's financial management system must provide for the following:

- Identification, in its accounts, of all federal awards received and expended, and the federal programs under which they were received. Federal program and federal award identification must include, as applicable, the Assistance Listings title and number, the federal award identification number and year, the name of the federal agency, and the name of the pass-through entity, if any.
- Accurate, current, and complete disclosure of the financial results for each federal award or program under the reporting requirements outlined in 2 CFR 200.328 and 2 CFR 200.329.
- Records that adequately identify the source and application of funds for federally funded activities. These records must contain information about federal awards, authorizations, financial



obligations, unobligated balances, assets, expenditures, income, and interest and be supported by appropriate source of documentation.

- Effective control over and accountability for all funds, property, and other assets. The non-federal entity must adequately safeguard all assets and ensure that they are used solely for authorized purposes. See 2 CFR 200.303.
- Comparison of expenditures with budget amounts for each Federal award.
- Written procedures to implement the requirements of 2 CFR 200.305.
- Written procedures for determining the allowability of costs under 2 CFR 200 Subpart E and the terms and conditions of the Federal award.

Desk Reviews

Desk reviews are in-depth evaluations of subrecipient spending, internal controls, and programmatic compliance. They are conducted on a risk-based schedule, with higher-risk subrecipients subject to more frequent and detailed reviews. Risk factors include award size, prior monitoring findings, fiscal stability, project complexity, and reporting concerns.

For each desk review, the Compliance Team will select a sample of BEAD program expenditures using a risk-based methodology outlined in the monitoring plan. Subrecipients must provide supporting documentation for the selected expenditures, such as purchase orders, invoices, and time sheets. The Compliance Team will reconcile this documentation to the approved budget and project scope. Any unapproved, ineligible, or unallowable costs will be classified as questioned costs and may be subject to clawback.

The desk review also assesses the effectiveness of internal controls related to the management and expenditure of grant funds.

Site Visits

PRBP conducts site visits to verify project status, confirm adherence to technical specifications, and assess compliance with contractual and regulatory requirements. Site visits are scheduled according to subrecipient risk levels.

During a site visit, PRBP staff and consultants may conduct field inspections, review on-site records, and interview project staff. For example, on a quarterly visit to a high-risk project, staff may walk the fiber route, review invoices and work orders, and discuss construction timelines with the project manager.



Prevention of Waste, Fraud, and Abuse

The Compliance Team will monitor award activities for common fraud schemes, including but not limited to:

- False claims for materials and labor;
- Bribes related to the acquisition of materials and labor;
- Product substitution;
- Mismatching or mislabeling on products and materials; and
- Time and materials overcharging.

Monitoring will occur through a combination of ongoing reporting, desk reviews, and site visits.

Desk Review and/or Site Visit Outcomes Reporting

After a desk review and/or site visit is completed, including obtaining any follow-up documentation requests, the Compliance Team will draft a desk review/site visit outcomes monitoring report/memo for each subrecipient for each monitoring performed. The outcomes reporting will identify any areas of noncompliance or deficiencies as findings or concerns, and include the following information:

- **Monitoring Summary:** A summary of the grant award that was reviewed and the process followed to reach the conclusion drawn.
- **Findings:** The report will describe the findings, the recommended corrective action(s), the deadline for corrective action implementation, and potential consequences of the corrective action not being taken. Each finding should include the following:
 - o **Condition:** A list, description, and location of what was determined incorrect or wrong during the monitoring (i.e., in violation of requirements - where possible, descriptions and documentation of specific dates, documents, payments, costs, or activities associated with each finding).
 - o **Criteria:** The specific regulatory, statutory, or programmatic citation(s) of the requirement(s) the monitoring entity has violated.
 - o **Cause:** An explanation of why the condition (issues) occurred.
 - o **Effect:** A description of what happened because of the condition (issue) or the potential consequences that could arise from the noncompliance.
 - o **Corrective Action(s):** Recommendations from PRBP that identify the action(s) needed to resolve the issue (condition/issue). Unless inapplicable or there are extenuating



circumstances, this should include any necessary documentation and a deadline for completion. The report must sufficiently explain any corrective actions to enable the monitored entity to understand the requirements of future compliance.

- **Concern:** A concern is a deficiency in administrative or program performance that is not tied to a statutory, regulatory, or program requirement, which does not rise to the level of a finding. A subrecipient's failure to address the concern may lead to a finding that requires formal corrective action and other remedies. Where a concern is identified, the following should be documented:
 - o **Condition:** A list, description, and location of the area of concern. Due to the nature of concerns, PRBP may describe concerns more broadly than findings. Still, PRBP must identify the deficiency and any conditions contributing to the issue. If necessary, the report can reference specific dates, documents, payments, costs, or activities associated with the concern;
 - o **Cause:** An explanation of why the condition (issue) occurred and the condition that contributed to the area of concern;
 - o **Effect:** A description of what happened because of the condition (issue) or what further deficiency could happen; and
 - o **Recommendation(s):** Where applicable, a recommended or suggested list of steps that the monitored entity may take to address concerns, including a timeline/deadline for completion. Note that corrective actions are not required for concerns.
- **Subrecipient Technical Assistance:** If required, the report will include information on available training and technical assistance to strengthen a subrecipient's performance.
- **Areas of Merit:** PRBP will include areas of merit in which the subrecipient exhibited exemplary performance or outcomes. PRBP will note and describe areas of merit in the report to inform best practices and case studies for future projects.

Upon issuance of the monitoring report, the subrecipient shall be afforded the opportunity to provide a written response to any findings and/or concerns identified. Subrecipients are required to submit their response within the prescribed timeline set forth in the report. Failure to respond within the specified timeframe may result in a determination of non-compliance.

The subrecipient's response must either:

1. Concur with the corrective actions identified in the monitoring report and provide a plan and timeline for implementation, or
2. Propose alternative corrective actions, which must be submitted in writing and formally approved by PRBP prior to implementation.



The Compliance Team will review the subrecipient's response and supporting documentation to verify that corrective actions are sufficient, feasible, and consistent with applicable federal and state requirements.

Once all findings and concerns have been satisfactorily resolved, either through corrective action or an approved corrective action plan, the monitoring event will undergo a formal quality assurance review. Closure of the monitoring event will require written approval by PRBP, with documentation retained in the official monitoring file as evidence of resolution.

Remedies for Noncompliance/Nonperformance ("Default")

If a Subrecipient is in default under any provision of the Subrecipient Subaward Agreement and fails to cure such breach, PRBP may exercise any or all the remedies available to it, in its discretion, concurrently or consecutively, as described in 2 CFR 200.339 and the NOFO. These remedies are in addition to, and not in lieu of, those remedies permitted in or required by the General Terms and Conditions for the BEAD program.

PRBP and NTIA may enforce applicable rules and laws by imposing penalties for default. Specific examples of default include, but are not limited to:

- Failure to comply with the low-cost broadband service option requirement set out in Section 60102(h)(4)(B) of the Infrastructure Act;
- Failure to meet other federal or Puerto Rico statutory obligations;
- Wasteful, fraudulent, or abusive expenditure of award funds;
- Failure to provide qualifying broadband service at the minimum advertised connection speed and cost at the advertised rate as set forth in the Subrecipient Subaward Agreement;
- The failure by Subrecipient to apply the Award in accordance with the Subrecipient Subaward Agreement and the approved Final Proposal without the prior written consent of PRBP;
- The misrepresentation by Subrecipient of any information in their BEAD application, in any report submitted to PRBP, subsequent information submitted to PRBP, information released to the public or another third party related to the provisions of this program.
- The failure of Subrecipient to provide timely reports;
- The failure of Subrecipient to complete the proposed project as described in their BEAD application.



Such penalties include, but are not limited to, imposition of additional award conditions, payment suspension, award suspension, Award termination, de-obligation/clawback of funds, and debarment of organizations and/or personnel. Specific examples of remedies for default include, but are not limited to:

- **Additional Conditions:** Penalties for non-performance or default by Subrecipients may include the imposition of additional conditions, as described in 2 CFR 200.208.
- **Remedies when Additional Conditions are Insufficient:** If PRBP or NTIA determine that non-performance or default cannot be remedied by imposing additional conditions, PRBP or NTIA may take one or more of the following actions, as appropriate in the circumstances:
 - o Temporarily withhold cash payments pending correction of the deficiency by Subrecipient or more severe enforcement action by PRBP or NTIA.
 - o Disallow (that is, deny both use of funds and any applicable matching credit for) all or part of the cost of the activity or action not in compliance.
 - o Suspend or terminate the subaward in whole or in part.
 - o Recommend the initiation of suspension or debarment proceedings by NTIA or U.S. Department of Commerce as authorized under 2 CFR part 180 and DOC regulations.
 - o Withhold further federal funds (i.e., new awards or continuation funding).
 - o Pursue other legally available remedies.
- **Clawback:** If PRBP or NTIA determine the Subrecipient has failed to comply with any material requirement under applicable law or the Subrecipient Subaward Agreement and the Subrecipient cannot or will not remedy such failure, PRBP may require Subrecipient to return up to the entire amount of the grant funds to PRBP, subject to the authority of the Assistant Secretary to direct PRBP to clawback funds for material non-performance or Default.
- **Reversion:** If a Subrecipient fails to perform and fails to return the full forfeited amount required pursuant to this Section, the ownership and use of the broadband infrastructure funded by the Program shall revert to the Commonwealth of Puerto Rico.
- **Make Whole:** If Subrecipient fails to complete the proposed project in a material respect, Subrecipient, at the discretion of PRBP, may be required to reimburse PRBP the actual cost to finish the project.

Procurement Requirements

PRBP requires subrecipients to follow both federal procurement standards as set forth in 2 CFR § 200.217, § 200.321-200.323, and § 200.327 and applicable Puerto Rico statutes as well as any local procurement codes. Procurement standards 2 CFR § 200.318-320 and § 200.324-326 are not required for Subgrantees



receiving fixed amount subawards per [NTIA's Uniform Guidance Exceptions Policy Notice](#). These rules exist to ensure fair competition, cost reasonableness, and integrity in contracting.

Subrecipients must use competitive procurement methods unless a valid, documented exception applies, such as sole source or emergency procurement. Even in cases of small purchases, some level of competition must be sought to an extent practicable.

All costs charged to a BEAD Program must be necessary, reasonable, and allocable to the approved project. Procurement documentation must demonstrate the method used, the rationale for contractor selection, the basis for pricing, and evidence that costs are reasonable in relation to market conditions. For example, if an entity is procuring fiber-optic cable for a BEAD-funded build, the procurement record should include the solicitation, bids received, bid evaluation scoring, selection justification, and cost analysis. Failure to maintain such documentation may result in disallowed costs.

Domestic Preference for Procurements (Build America, Buy America (BABA))

Subrecipients must comply with the Build America, Buy America Act, which established domestic content procurement preference requirements for Federal assistance projects for infrastructure, including the BEAD Program, consistent with Section 70912(2) of the Infrastructure Investment and Jobs Act (IIJA). As such, subrecipients must comply with BABA consistent with applicable legal authorities, such as the IIJA, Executive Order 14005, 2 CFR Part 184, OMB Memo M-24-02, and any applicable waivers issued by the Department of Commerce. The final version of the Limited General Applicability Nonavailability Waiver of the Buy America Domestic Content Procurement Preference as Applied to Recipients of the Broadband Equity, Access, and Deployment Program, along with the [FAQs](#) on the waiver, are currently available on the Department of Commerce website. See Build America Buy America | U.S. Department of Commerce, <https://www.commerce.gov/oam/build-america-buy-america> (last visited Mar. 25, 2025). NTIA issued the waiver pursuant to authority given to it to waive the BABA requirements in the IIJA, and consistent with requirements included in an USOMB memorandum providing implementation guidance on application of Buy America preference in federal financial assistance programs for infrastructure ([OMB M-24-02](#)) and Executive Order 14005.

The Compliance Team is responsible for monitoring subrecipient compliance with Domestic Preference requirements, which will be monitored during subrecipient financial and programmatic reporting, and desk review and site visits, as applicable.



Prohibition on Use of Covered Communications Equipment or Services (2 CFR § 200.216)

Subrecipients (including contractors and subcontractors of Subrecipients) may not use BEAD grant funds (including non-Federal cost share) to purchase or support any communications equipment or service covered by either the Secure and Trusted Communications Networks Act of 2019 (47 USC 1608) or 2 CFR 200.216 (Prohibition on certain telecommunications and video surveillance services or equipment). The Compliance Team will monitor subrecipients for compliance with this requirement through ongoing subrecipient monitoring.

Environmental and Historic Preservation (EHP) Review

Subrecipients will be monitored for compliance with the requirements of all applicable Federal, state, and local environmental laws, regulations, and standards, including those set forth in the Subrecipient Subaward Agreement and the NEP/EHP plan.

Signage and Public Acknowledgement

The subrecipient is required to post signage that is in good condition throughout construction for any sites utilizing BEAD grant funds. Signs must be in a conspicuous place and indicate that the Federal Government is participating in activities. The Compliance Team is responsible for ensuring these requirements are met through periodic site visits.

Prevailing Wage

For projects over \$5,000,000, the Compliance Team will monitor subrecipients to ensure compliance with the requirement that all laborers and mechanics employed by contractors and subcontractors in the performance of such project are paid wages at rates not less than those prevailing, as determined by the U.S. Secretary of Labor in accordance with subchapter IV of chapter 31 of title 40, United States Code (commonly known as the “Davis-Bacon Act”), for the corresponding classes of laborers and mechanics employed on projects of a character similar to the contract work in the civil subdivision of the State (or the District of Columbia) in which the work is to be performed.



Audit Requirements

All subrecipients must comply with the audit requirements in 2 CFR 200 Subpart F and any applicable Puerto Rico audit provisions.

- Subrecipients expending less than \$750,000 in federal funds during the fiscal year may still be required to submit financial statements
- Subrecipients expending \$750,000 or more in federal funds must undergo a Single Audit
- Additional state audits may be required depending on the funding source or program

Subrecipients must retain all financial and programmatic records for at least six years following final reporting and must make these records available to PRBP, NTIA, the U.S. Department of Commerce, and other authorized oversight entities.

Special Award Conditions (SAC) Requirements

Specific Award Conditions (SACs) are additional, binding requirements imposed by NTIA that apply to recipients and subrecipients. These may include financial assurance requirements, deployment milestones, enhanced reporting obligations, or technical specifications. For example, SACs might require quarterly submission of updated GIS shapefiles documenting newly served locations, or periodic renewal of a performance bond to ensure project completion.



Attachment 2

OMB Policy Documents :

Policy Finance for Federal Funds -

https://docs.pr.gov/files/Broadband/Documentos/OMB_Policy_Finance_for%20Federal%20Funds_Final.pdf

Financial Internal Controls Guide -

https://docs.pr.gov/files/Broadband/Documentos/OMB_Guide_Financial%20Internal%20Controls_.pdf



Attachment 3

Environmental and Historic Preservation

Purpose

The purpose of this document is to describe how the Puerto Rico Broadband Program (PRBP) will ensure that subgrantees comply with environmental and historic preservation requirements, including but not limited to the National Environmental Policy Act of 1969 (42 U.S.C. § 4321, et seq.) (NEPA), the National Historic Preservation Act of 1966 (54 U.S.C. § 300101, et seq.) (NHPA), the Endangered Species Act (16 U.S.C. § 1521, et seq.), the Clean Water Act (33 U.S.C. § 1251, et seq.), and other applicable federal, state, and local environmental laws and regulations.

Environmental and Historic Preservation Requirements

PRBP will ensure full compliance with all applicable environmental and historical preservation requirements as part of the project review and approval process. All subgrantee projects will undergo environmental and historic preservation screening, with project approvals contingent on completion of NTIA-required reviews. Subgrantees will be required to provide all necessary documentation prior to receiving reimbursement or commencing ground-disturbing activities.

NEPA Compliance

PRBP will serve as a joint lead agency with NTIA under 42 U.S.C. § 4336a to maximize NEPA review efficiency by supporting environmental compliance and permitting oversight for BEAD projects. PRBP will supervise and/or prepare required NEPA documentation for each subgrantee project.

All selected subrecipients shall be required to fully cooperate with the Puerto Rico Broadband Program (PRBP) and NTIA in the completion of all applicable environmental and historic preservation reviews. This includes, but is not limited to, timely submission of complete and accurate site-specific project information, design plans, location data (including GIS shapefiles when required), photographs, and any supporting documentation necessary to support NEPA and NHPA compliance determinations.

PRBP will utilize a permit tracking system to manage and track all permit applications received. Subrecipients shall submit all EHP permitting to PRBP for their review. PRBP will review the information and notify the subrecipient if any changes are required to meet federal requirements. Once the permitting



submission is considered complete and correct, PRBP will submit the application to NTIA utilizing NTIAs Environmental Screening and Permitting Tracking Tool (ESAPTT) or other NTIA-approved systems for submission and tracking of all environmental and historic preservation materials. No ground-disturbing activities, construction, installation, or procurement related to construction may begin until PRBP and NTIA have issued written clearance authorizing the project to proceed.

Failure to comply with environmental and historic preservation requirements may result in delays, suspension of reimbursement, termination of the subaward, or other remedies available under federal and territorial law.

- PRBP will use the Environmental Screening and Permitting Tracking Tool (ESAPTT) to:
 - o Create NEPA project records,
 - o Evaluate applicability of categorical exclusions (CATEX),
 - o Document extraordinary circumstances, and
 - o Transmit information and draft NEPA documents to NTIA for review and approval.
- PRBP anticipates that most BEAD deployment activities in Puerto Rico will qualify for CATEX review, consistent with NTIA's April 2024 NEPA Procedures.
- For projects requiring Environmental Assessments or more complex reviews, PRBP will coordinate with subject matter experts, GIS specialists, and state agencies such as the Puerto Rico Department of Transportation.

NHPA Compliance

PRBP shall ensure that no project activities begin until all applicable reviews under Section 106 of the National Historic Preservation Act (NHPA) are completed. This includes coordination with the Puerto Rico State Historic Preservation Office (SHPO) and consideration of historic, archaeological, and cultural resources.

Although Puerto Rico does not currently have any federally recognized tribes located on the island, Section 106 requirements still fully apply. Tribal consultation will be initiated if any federally recognized tribe asserts cultural affiliation, ancestral interest, or concern regarding an undertaking area. PRBP and NTIA will conduct such consultation in accordance with federal requirements if triggered.

Subrecipients shall be responsible for providing all information necessary to support Section 106 review, including but not limited to site location data, photographs, descriptions of proposed ground disturbance, and identification of existing structures or resources within the Area of Potential Effects (APE).

Joint Lead Agency Responsibility Summary

PRBP acknowledges its role as a joint lead agency with NTIA. PRBP will prepare or supervise the preparation of all required environmental analyses and review documents, ensure that project-



specific conditions are addressed and provide oversight of consultants and subgrantees to ensure compliance with federal requirements.

Agencies and Contractors Supporting Joint Lead Agency Responsibilities

PRBP will coordinate with the following partners described throughout this report:

- NTIA will act as the federal co-lead agency, consistent with 42 U.S.C. § 4336a, which allows joint lead agency arrangements under NEPA. NTIA is responsible for reviewing NEPA project documentation sent by PRBP and providing final approval.
- The State Office of Historic Preservation of Puerto Rico (OECH) and Tribal Government and THPO's will provide consultation under Section 106 of the NHPA by ensuring projects do not impact historic or cultural resources. Subject Matter Experts including archaeologists who meet the Secretary of the Interior's Professional Qualification Standards, will provide oversight of projects located near National Register eligible archaeological sites and or suspected or known burials. If archaeological resources or human remains are uncovered during construction, the subgrantee must notify PRBP immediately, and PRBP will in turn notify NTIA and ensure all applicable laws and protocols are followed. Such construction activities may then only continue with the written approval of NTIA.
- GIS Specialist and environmental contractors will provide support in preparing analyses for complex projects that require additional environmental reviews.
- PRBP will manage permits and environmental requirements when projects impact roads, highways, or sensitive natural areas.

FirstNet Regional PEIS Evaluation

PRBP has reviewed the Non-Contiguous Region FirstNet Programmatic Environmental Impact Statement (PEIS). At this time the exact scope and location of subrecipient projects have yet to be determined. Currently, it is anticipated that deployment related activities for projects within Puerto Rico are covered by the actions described in Chapter 8 of the PEIS covering Puerto Rico. In all cases project scopes will be reviewed, once proposed and awarded, to evaluate whether the activities are covered by the FirstNet Regional PEIS. If subrecipient proposed projects are not sufficiently covered by the FirstNet Regional PEIS, additional analysis will be conducted by subject matter experts to determine whether supplemental environmental assessment is required to address identified gaps or deficiencies.

Although final project scopes and locations are not known, the following activities described in the PEIS may be implemented and aligned with the high-level scope of potential awards: new buried fiber, aerial fiber, tower collocation, wireless network towers, and other infrastructure that will be typical of BEAD projects. PRBP will rely on the FirstNet PEIS for baseline analysis and will conduct additional review only where project-specific conditions fall outside the PEIS coverage.



PRBP also reviewed the PEIS with regard to the following:

- **Regulatory Changes:** There are several rule changes that have been proposed concerning Water Quality, Air Quality and Solid and Hazardous Waste.
- **Affected Environment:** The Puerto Rico Department of Natural and Environmental Resources (DRNA) maintains and periodically updates Puerto Rico's official lists of endangered and vulnerable species (pursuant to the New Wildlife Act of 1999 and its Regulation No. 6766). The most current DRNA data on protected species and critical habitats will be referenced in all project-level environmental analyses to ensure alignment with the environmental baseline in Puerto Rico.

PRBP will continue to monitor for any regulatory changes and updates to lists of protected species, landmarks and heritage areas.

NEPA Screening & Extraordinary Circumstances

PRBP will apply NTIA's categorical exclusion criteria and screen each subgrantee project for extraordinary circumstances. If extraordinary circumstances are identified, PRBP will require additional environmental review to ensure compliance before releasing funding.

Specific Award Conditions (SACs)

PRBP will apply EHP-focused Specific Award Conditions to subgrants to ensure no construction or ground-disturbing activities proceed before NEPA/NHPA clearance. These conditions include:

- The Subgrantee will not commence implementation, and funds will not be disbursed until all necessary environmental review is complete and NTIA has approved any necessary NEPA decision document, except for the listed limited permissible activities.
- Requirement that subgrantees submit milestone schedules identifying specific deadlines and that describe how the Subgrantee proposes to meet these timelines, including, as required, the completion of the consultations, the completion of NEPA and Section 106 reviews, and the submission of EAs or EISs.
- The Subgrantee must prepare any required NEPA documents and obtain any required permits in a timely manner and must adhere to any applicable statutory deadlines, as described in 42 U.S.C. 433a(g).

Archaeological Resources

Burial sites, human remains, and funerary objects are subject to the requirements of all applicable federal, tribal, state, and local laws and protocols, such as the Native American Graves Protection and Repatriation Act ("NAGPRA"), in addition to Section 106 of the NHPA. If any potential archeological resources or buried human remains are discovered during construction, Subgrantee must notify PRBP immediately. PRBP will notify the NTIA of inadvertent discoveries and potential impacts to these resources and identify and follow all applicable laws or protocols. PRBP will instruct the Subgrantee to immediately



stop work in that area, secure that area, and keep information about the discovery confidential, except to notify NTIA and the interested SHPO. Subgrantee shall have an archaeologist who meets the Secretary of the Interior's Professional Qualification Standards monitor ground disturbance for grant funded activities proposed in the vicinity of National Register eligible archaeological sites and suspected or known burials. Such construction activities may then only continue with the written approval of NTIA.