

# CNMI BPD

## BEAD Program Monitoring Plan

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 Juan A. Sablan Memorial Building,  
Caller Box 10007  
Pagan Loop, Capitol Hill  
Saipan, MP 96950

 [cnmi.bpd@gmail.com](mailto:cnmi.bpd@gmail.com)  
 [bpd.cnmi.gov](http://bpd.cnmi.gov)  
 [cnmi\\_bpd](https://www.instagram.com/cnmi_bpd)

 CNMI Broadband  
Policy and Development  
Office

The Commonwealth of the Northern Mariana Islands (CNMI) Broadband Policy and Development (BPD) Office has developed a comprehensive monitoring plan for its Broadband Equity, Access, and Deployment (BEAD) program. This plan is designed to ensure robust oversight, accountability, and successful implementation of broadband infrastructure projects across the Commonwealth.

The CNMI BPD's monitoring plan is critical for **identifying and mitigating issues and risks** throughout the subgrantee selection and project implementation phases, ultimately ensuring compliance with BEAD program requirements and progress towards **100% connectivity**.

## I. Foundational Principles and Objectives of Monitoring

- **Comprehensive Accountability Procedures:** BPD's plan includes "Subgranting Accountability Procedures" that cover funding disbursement, clawback rights, subgrantee reporting, and ongoing monitoring. These are explicitly designed to ensure subgrantees comply with all applicable BEAD Program requirements.
- **Robust Monitoring Practices:** The BPD commits to implementing rigorous monitoring practices for all its subgrantees, involving **regular check-ins, project reviews, and audits**. This oversight extends throughout the entire BEAD Program lifecycle, from the development of the Initial Proposal to the awarding of subgrant funding, and continues post-award through deployment.
- **Purpose:** Monitoring serves to proactively identify potential issues, risks, or concerns during subgrantee selection and project implementation, allowing for their mitigation before the Final Proposal submission. It also confirms compliance with BEAD program requirements and tracks progress towards the goal of universal connectivity.
- **Coordination with NTIA:** The BPD maintains close collaboration with the National Telecommunications and Information Administration (NTIA) through its Federal Program Officer (FPO), Regional Director and other officials. This includes ongoing dialogue, technical assistance, and review of their plans and progress. NTIA's FPO provides one-on-one support and identify needs for specialized assistance from subject matter experts.
- **Progressive Monitoring Approach:** The BPD, in coordination with NTIA, practices progressive monitoring. This approach emphasizes **regular communication** between the BPD and its FPO to track progress, identify and mitigate risks, findings, and issues, and collect data to measure performance against objectives.

## II. Key Components and Methods of Monitoring

BPD's monitoring plan incorporates several critical mechanisms to ensure subgrantee compliance and project success:

### 1. Subgrantee Accountability Procedures:

- a. **Reimbursable Funding Distribution:** Funding to subgrantees for all deployment projects will be distributed on a **reimbursable basis** via fixed-amount subawards. This allows BPD to withhold funds if a subgrantee fails to perform the actions for which the funds were intended since payments are tied to specific measurable and verifiable milestones.
- b. **Clawback Provisions:** Subgrant agreements will include **explicit clawback provisions**, enabling the recoupment of previously disbursed funds in the event of a subgrantee's non-compliance. This includes failures to meet deployment deadlines or adhere to service obligations.
- c. **Timely Subgrantee Reporting Mandates:** Subgrantees are required to submit **timely and accurate reports** to BPD. These reports will be at least semi-annual.
- d. **Public Posting of Subgrant Agreement:** Prior to the provisional selection of subgrantees, BPD has publicly posted a draft of its broadband deployment subgrant agreement for transparency, as demonstrated by their publicly available draft document.

### 2. Specific Monitoring Methods:

- a. **Desk Reviews:** The BPD will conduct reviews of submitted financial and performance reports.
- b. **Site Visits and Inspections:** On-site inspections of work, facilities, equipment, and records will be conducted.
- c. **Financial Record Reviews:** This includes verification of financial management systems, internal controls, and allowable costs.
- d. **Requests for Data:** The BPD reserves the right to request specific data from subgrantees at any time, including network performance data, workforce data, deployment progress, and disbursement records.

- e. **Notice for Monitoring:** The BPD will typically provide 14 days' advance notice for monitoring activities, unless exigent circumstances necessitate a shorter timeframe.

**3. Required Documentation and Reporting:**

- a. **Semi-Annual Reports (BPD to NTIA):** The BPD will submit semi-annual reports, detailing how grant funds were expended, the status of projects, locations where service was made available, and comparative demographics of those served. These reports will include SF-425 and any other required Federal Financial Reports.
- b. **Final Report (BPD to NTIA):** Within one year after expending all grant funds, a final report will be submitted, summarizing expenditures, services provided, locations, demographics, and including all reports received from subgrantees.
- c. **Subgrantee Reports (to BPD):** Subgrantees must submit timely and accurate reports as specified in Exhibit G of the CNMI Subgrant Agreement, including comparisons of accomplishments to objectives and analyses of cost overruns.
- d. **Financial Records Retention:** Subgrantees are required to retain all financial records, supporting documentation (e.g., invoices, payroll), statistical records, contracts, performance data, and compliance records for five years from the date of the final expenditure report submission.
- e. **Final Engineered Designs:** Subgrantees must submit final, certified engineered designs for construction-related payment requests.
- f. **Cybersecurity and Supply Chain Risk Management (SCRM) Plans:** Subgrantees must submit these plans to BPD for review prior to the first allocation of funds, resubmit any substantive changes within 30 days, and re-evaluate/update them periodically. BPD will provide these plans to NTIA upon request. This includes obtaining attestations from any third-party network providers if their facilities are utilized.
- g. **Disaster Recovery and Preventative Maintenance Plans:** Prior to commencing network operation, subgrantees must develop, submit, and receive BPD approval for these plans.
- h. **As-Built Network Documentation:** Before final payment and closeout, subgrantees must provide final as-built network documentation in a format approved by BPD.

- i. **Match Verification:** Subgrantees are solely responsible for tracking and documenting all matching funds contributions. The BPD will verify these contributions through reviews of reports, supporting documentation, and audits.
- 4. Compliance with Federal and CNMI Standards:**
- a. **Waste, Fraud, and Abuse Prevention:** CNMI has establish and publicize a hotline for reporting such instances [ OAG Hotline: 670-237-7630 / <https://www.cnmioag.org/hotline/> ]. Subgrantees must establish internal controls to identify and report potential violations promptly. BPD also notes that contingency funds for the Eligible Entity's overall budget are not allowed to prevent fraud, waste, and abuse.
  - b. **Cybersecurity and Supply Chain Risk Management (SCRM):** Plans must align with the National Institute of Standards and Technology (NIST) Framework for Improving Critical Infrastructure Cybersecurity (currently Version 1.1) and Executive Order 14028 for cybersecurity, and NISTIR 8276/NIST 800-161 for SCRM.
  - c. **Financial Management:** BPD ensures compliance with 2 C.F.R. Part 200, Subpart D (for monitoring and management), Subpart E (Cost Principles), and the Department of Commerce Financial Assistance Standard Terms and Conditions. Use of the SF-425 Federal Financial Report is required.
  - d. **Project Completion Certification:** Subgrantees must certify in writing to BPD that the broadband infrastructure project was completed and placed into service at the end of the subaward's period of performance.
  - e. **Environmental and Historic Preservation (EHP) Review:** Subgrantees' activities are subject to federal acts (NEPA, NHPA, ESA) and relevant CNMI environmental laws. **No construction or ground-disturbing activities may commence** until all required reviews are completed and a Notice to Proceed with Construction (NTPC) is issued by BPD. BPD will actively use its monitoring program post-award to verify compliance with EHP requirements.
  - f. **Build America, Buy America (BABA):** While BPD will inform subgrant awardees of the existing Pacific Territories waiver from BABA, they will encourage every effort to comply with BABA whenever possible.
  - g. **Labor Standards:** Subgrantees must certify compliance with federal labor laws, ensure a highly skilled and credentialed workforce, and permit workers to create worker-led health and safety committees that management will meet with upon

reasonable request. BPD will monitor subgrantee workforce and safety practices as part of their project reports.

- h. **Affordability and Low-Cost Plans:** Subgrantees are mandated to offer at least one low-cost broadband service option. BPD will monitor compliance with this requirement.
- i. **Federal Interest Period & Property Management:** The federal interest in real property and equipment acquired or improved with BEAD funds will continue for **10 years** after the subgrant is closed out. Subgrantees must safeguard this property and adhere to use and disposition requirements.
- j. **Prohibition on Covered Communications Equipment:** BEAD grant funds, including non-federal cost share, may not be used to purchase or support communications equipment or services covered by the Secure and Trusted Communications Networks Act of 2019.
- k. **No Supplantation:** Grant funds must be used to **supplement, not supplant**, the amounts that the Eligible Entity or subgrantee would otherwise make available for broadband purposes.
- l. **Interconnection Requirements:** Subgrantees receiving funds for Middle Mile Infrastructure must permit other broadband service providers to interconnect on a just, reasonable, and nondiscriminatory basis and report any such requests.
- m. **Subgrantee Qualifications (Managerial, Financial, Technical, Operational, Ownership, Other Public Funding):** BPD will ensure subgrantees meet minimum qualifications in these areas through initial application review, inclusion in contract terms, and ongoing monitoring activities.

### III. CNMI-Specific Commitments and Implementation Details

BPD has tailored its monitoring plan to address the unique context of the Commonwealth:

- **Universal Coverage Goal:** The CNMI's ambitious goal is to provide every household with affordable, high-speed internet, addressing its status as **100% un/underserved**.
- **Priority Broadband Project First Approach:** The core of their strategy is a comprehensive, **climate-hardened network deployment** throughout the CNMI. This involves strict adherence to industry standards for material inspection and testing.

- **Project Funding Areas (PFAs):** The BPD has defined **21 PFAs** using Tract grouping from the NTIA Subgrant Selection Tool to facilitate targeted deployment efforts.
- **Workforce Development:** BPD has partnered with the Northern Marianas College, Northern Mariana Trade Academy (NMTech), Island Training Solutions and the CNMI Department of Labor to build a robust, skilled workforce for network deployment, focusing on network engineering and fiber optic installation to maximize local employment. BPD will monitor subgrantee workforce and safety practices through project reports and assist as much as possible with encouraging continued workforce development by the subgrantees.
- **Climate Resilience:** The BPD has conducted an assessment of climate threats and plans mitigation methods for its broadband network. Subgrantees will be required to develop Disaster Recovery and Preventative Maintenance Plans.
- **Subgrant Agreement Structure:** BPD has developed a specific draft Subgrant Agreement document (e.g., "DRAFT V1 - CNMI BEAD Program Subgrant Agreement") which details the terms for funding, deploying, operating, and maintaining high-speed broadband infrastructure. This agreement includes various exhibits covering project scope, budget, evidentiary materials, environmental review, permitting, reporting, performance measures, and cybersecurity attestations, among others. This agreement will be finalized and executed with each subgrantee prior to deployment.

#### IV. NTIA Oversight and Final Proposal Requirements

NTIA plays a crucial role in overseeing the CNMI BPD's monitoring plan:

- **Review and Approval:** NTIA reviews proposed subgrant processes during both the Initial Proposal and Final Proposal phases and reserves the right to reject proposals that do not provide sufficient recourse against non-compliant subgrantees.
- **Required Monitoring Plan Submission:** The Final Proposal must include this "CNMI BPD's BEAD Program Monitoring Plan" as a required attachment. This plan details how subgrantees will comply with award terms, implement projects on schedule, meet reporting requirements, expend funds properly, and how BPD will monitor to ensure project completion and limit waste, fraud, and abuse.

In conclusion, this CNMI BPD's BEAD Program Monitoring Plan is designed to be rigorous and multi-faceted, leveraging a combination of financial controls, comprehensive reporting requirements, direct oversight methods, and strict compliance with federal and local regulations to ensure the successful and accountable deployment of high-speed, affordable broadband across the Commonwealth.