



An Overview of BABA, BEAD and Broadband Deployment Initiatives





### We're on a mission to Connect America!

AFL is dedicated to expanding broadband in underserved American communities. For 40 years, we have manufactured fiber optic cable, components and conductor accessories in the U.S., creating thousands of jobs across the nation. Recognizing this pivotal moment in the broadband landscape, AFL is focused on advancing broadband deployment opportunities through government funding programs.

To qualify for certain government funding, network constructions must use materials and manufactured products that adhere to Build America, Buy America (BABA) standards. We are proud to offer a number of fiber optic cable and connectivity products that meet domestic preference requirements for federally funded projects.

That's why you can trust AFL to handle the complexities of BABA regulations, freeing you to expand your network. Let us help you streamline your journey to connectivity while you lead the charge.

# **Navigating Government Funding Programs**

To facilitate broadband expansion across the nation, the U.S. government developed several government funding programs aimed at boosting connectivity and bridging the digital divide.

- The Broadband Equity, Access, and Deployment (BEAD) program is the single largest investment for broadband infrastructure U.S. government broadband funding program, allocating \$42.5 billion. BEAD provides grants to individual U.S. states, who in turn award the money to recipients who will build broadband networks in underserved areas.
- <u>The American Rescue Plan Act (ARPA)</u> has two sub-programs the Capital Projects Fund (CPF) and the State and Local Fiscal Recovery Funds (SLFRF).
- Other U.S. government broadband funding programs include The <u>Rural Digital Opportunity Fund (RDOF)</u>, <u>Middle Mile Grant Program</u>, <u>Tribal Broadband Connectivity Program</u>, <u>Digital Equity Act Programs</u> and a number of other smaller programs.
- **State and local government programs.** Many states have their own programs in place to fund expanded broadband access. These each have their own processes and rules for awards. Some counties and cities have funding programs as well.

Understanding how these programs allocate funds is essential for broadband infrastructure deployment. AFL is your trusted guide through these regulatory complexities, ensuring smooth navigation and compliance.



## **BABA Compliance and Waivers**

BABA is the most notable set of rules for products used in government funding programs. BABA requires, or heavily encourages, the use of U.S.-manufactured items in government-funded projects and apply to a wide range of U.S. government spending, not just broadband. However, they don't apply to all broadband programs and within some programs, only certain types of funding recipients need to follow BABA.

Each U.S. government program has the authority to issue a waiver to the BABA rules, especially when certain materials are harder to obtain. They must justify these waivers by showing that nobody manufactures a particular item in the U.S., or that procuring a U.S.-manufactured item would be too expensive. It's important to note, however, that each waiver is specific to a single U.S. government program.

The <u>BEAD Waiver</u>, for example, is tailored specifically for the BEAD program. This waiver clarifies the application of the BABA rules to the BEAD program and waives some BABA requirements based on availability concerns identified by the National Telecommunications and Information Administration (NTIA) through market feedback. A product might meet the modified requirements of the BEAD waiver but not comply with the original, unmodified BABA rules. Such a product could be used for BEAD-funded projects but might not be allowed for use in other programs where the BABA rules apply. NTIA is also directing manufacturers, including AFL, to self-certify products compliant with the modified rules of the BEAD waiver.



### **AFL's Strategic Initiatives**

To support our customers on this once-in-a-generation opportunity in broadband deployments, AFL is executing across several fronts.

- 1. AFL recently <u>announced</u> an investment of more than \$50 million to expand our fiber optic cable manufacturing operations in South Carolina, which will support our BABA-compliant optical cable portfolio, further driving broadband access and connectivity nationwide.
- 2. AFL is establishing a full portfolio of BABA-compliant solutions by expanding our U.S.-based connectivity and conductor hardware manufacturing footprint and establishing a resilient and reliable U.S. supply chain. AFL already has a number of <u>cable and connectivity products</u>, which are already compliant with the BEAD requirements and/or BABA in general.

#### **AFL's position regarding BEAD/BABA:**

AFL is an American-based company that has a long history of US-based manufacturing. The NTIA (who administers BEAD) recognizes us as a US-based manufacturer of fiber cable and connectivity and has put AFL on their map.

#### What products are compliant?

AFL has a number of cable and connectivity products which are already compliant with the BEAD requirements and/or BABA in general — more detail below. A certification letter will be available shortly. Keep up with our progress at AFLglobal.com/ConnectingAmerica.

PRODUCT CATEGORY - DOC & NTIA DEFINITIONS -	AFL PRODUCT EXAMPLES	SUMMARIZED REQUIREMENT - PER BABA W/ BEAD WAIVER -	BEAD COMPLIANCE	BABA COMPLIANCE
FIBER OPTIC CABLE LOOSE TUBE	Gel-Free Armored/NA Loose Tube, AFL-ADSS <sup>®</sup> OSP MicroCore <sup>®</sup> and OPGW	Cable, fiber, and preform manufacturing must all occur in the US	<b>√</b>	<b>✓</b>
FIBER OPTIC CABLE RIBBON	Wrapping Tube Cable with Spider Web Ribbon® Technology	Cable, ribbonizing, fiber, and preform manufacturing must all occur in the US	In Progress (Q1, 2025) to BEAD Compliance	In Progress (Q1, 2025) to BABA Compliance
CONNECTORIZED CABLE ASSEMBLIES	TRIDENT® Drop Cables, MDU Drop Cables and all Other Preterminated Cables	Cable and fiber must be made in US, but connectors can be made and terminated elsewhere	<b>√</b>	<b>√</b>
PASSIVE OPTICAL EQUIPMENT	Splitters, Filters, Poli-MOD <sup>®</sup> , FASTConnect <sup>®</sup> and FUSEConnect <sup>®</sup>	BABA requirements waived for BEAD program	<b>√</b>	
ENCLOSURES VAULTS	Switchblade <sup>®</sup>	55% of component cost must come from US, and certain manufacturing steps must occur in the US	<b>√</b>	<b>√</b>
ENCLOSURES CABINETS	IDEAA <sup>®</sup> Interior and Exterior Distribution Cabinets		In Progress (Q4, 2024) to BEAD Compliance	
ENCLOSURES CLOSURES & TERMINALS	Apex <sup>®</sup> , LightGuard <sup>®</sup> Series, LL series, NIDs (Including OptiNID <sup>®</sup> ) and TITAN <sup>®</sup> RTD Multiport Terminal		In Progress (Q4, 2024) to BEAD Compliance	
EQUIPMENT	Fusion Splicers, Test Equipment and Inspection Equipment	BABA only applies to products that are consumed in, incorporated into, or affixed to an infrastructure project.	N/A	N/A

<sup>\*</sup>AFL has confirmed that parts complying with the BABA/BEAD Waiver are marked with a check.

To ensure Build America, Buy America or any other domestic preference requirements are appropriately captured and maintained throughout the order fulfillment process, the specific requirements must be specified at the time of purchase order to AFL.





