7/8/2025, Office Hours + Forms

Project Areas & location eligibility

- 1. Are the Eligible Locations posted on 6/30/25 the "Final" list of locations, or does NTIA still need to approve the list?
 - Answer: NTIA has approved Minnesota's list of locations and IP Correction letter as of July 8, 2025, so this is the "Final" list of locations.

Application questions:

- 2. The new FAQ indicates that it's the intent of NTIA not to waive any of the provisions of the restructured NOFO unless there's good cause for requirements that are "discretionary". If an applicant submitted a waiver request for Letter of Credit will this waiver request still be considered in this round, and if not will the LOC or Performance Bond be required to be finalized by the application deadline of 7/24
 - Answer: If selected for inclusion in the Minnesota's Final Proposal, subgrantees must provide a letter of credit or performance bond of at least 10% of the preliminarily awarded BEAD support, consistent with guidance below. LOC Waivers will put the state at risk of NTIA pursing clawback of funding directly from the state if a subgrantee fails to perform. However, the state will consider recommending that NTIA approve a waiver request for requests that clearly document special circumstances of why one is needed. The state only can recommend a waiver, and NTIA will make the final decision to grant or deny waiver requests.

Letter of Credit Options:

- Letter of credit: Must equal at least 25% of subaward and has option to reduce in stages at milestones. Must be issued by a bank that meets the eligibility requirements in 47 CFR 54.804(c)(2).
- Credit union option: Must be insured by Nation Credit Union Administration with safety rating of B- or better issued by Weiss required
- Alternative Option: Provide a letter of credit equal to at least 10% of the subaward with reimbursements for periods of no more than six months. Must maintain LOC until completion of the build at 100% of locations and grant project certified as closed.

Performance Bond Options

- Performance bond: Issued by a surety company on the Department of Treasury's list. Must equal at least 100% of subaward and option to reduce progressively in stages at milestones.
- Required letter: Issued by a company holding a certificate of authority as an acceptable surety. Must include dollar amount and bankruptcy opinion letter from legal counsel not required.
- Alternatives: Performance bond in the value of 10% able to receive funding on a reimbursable basis only twice per year and must maintain performance until completion of build to 100% of locations and grant project is certified as closed.

For more information: <u>https://broadbandusa.ntia.gov/funding-programs/policies-</u> waivers/BEAD-Letter-of-Credit-Waiver

IV.C.1.b. (referenced in above link) Ensure Subgrantee Accountability In addition to demonstrating how it expects to satisfy the subrecipient monitoring and management requirements identified in 2 C.F.R. Part 200 Subpart D, each Eligible Entity must include sufficient accountability procedures within its program to ensure subgrantee compliance with all applicable Program requirements. Each Eligible Entity must, at a minimum, include in any subgrant agreement reasonable provisions allowing for recovery of funds in the event of a subgrantee's noncompliance with the BEAD Program's requirements, including but not limited to failure to deploy network infrastructure in accordance with mandated deadlines. Each Eligible Entity must, at a minimum, employ the following practices: (1) 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); (2) the inclusion of clawback provisions (i.e., provisions allowing recoupment of funds previously disbursed) in agreements between the Eligible Entity and any subgrantee; (3) timely subgrantee reporting mandates; and (4) robust subgrantee monitoring practices. NTIA will review proposed subgrant processes during the Initial Proposal and Final Proposal review phases and will reject Proposals that fail to provide sufficient recourse against subgrantees that do not fulfill their legal and contractual responsibilities. NTIA likewise will pursue clawback of funds directly from Eligible Entities that fail to ensure subgrantee accountability to the fullest extent of the law.

- 3. Should the applicant submit one application per project area, or can all the project areas be combined into a single application?
 - Answer: OBD has left it up to ISPs and applicants on submitting one application per project area or combining project areas into a single application. Due to the short time frame, it may be easier to apply to project areas that can be considered their own network. For example, if you have project areas that are 50 miles apart or more it may be easier to split them up. Ultimately, this is up to the subgrantees.
- 4. What updated forms (i.e. proforma worksheets) will be carried forward from the previous round of subgrantee selection?
 - Answer: Unless a form was removed from the application (such as the form for workforce questions) or added to the application (priority projects designation requirements), all the forms will remain and be carried forward.
- 5. Will all parts of a carried forward application be editable? Or only the newly added section 12?
 - Answer: There will be limited sections that will be carried forward that will be editable or easy to update. If you know what you are looking to change a previously submitted application, contact OBD (<u>deed.broadband@state.mn.us</u>) so we can work through to find out if changes will require a new application or if there will be able to be updates through revisions.
- 6. Are the "required" questions within the portal indicated as such, and will the portal notify you if you have not answered all required questions if you try to submit?
 - Answer: Yes and yes. Required questions will be laid out in the forthcoming application guide and denoted with a red asterisk in the portal. In the portal, you will not be able to submit a section without competing required components. The one exception to this is uploads, as you can submit with any document uploaded, so OBD encourages subgrantees to review that the correct, intended, document has been uploaded before submitting.

- 7. Please provide an example of what would be a "minor" change that can be made to an existing application and what would be a "major" change that would require a new application.
 - Answer: Making a change to your budget ask would be a minor change. From guidance, it seems NTIA believes with changes removing regulatory burdens, ISPs will be able to lower their bids. We are unsure if that will be the case in Minnesota. A major change would be if you were going to remove a good portion of locations and would subsequently have to update all the network information around those. Additionally, any other changes that would cascade from cost changes, and result in multiple areas of the application needing to be revised.

Posting to the webpage:

- 8. Does OBD plan to release the list of "draft" application questions prior to opening the portal and/or receiving NTIA approval?
 - Answer: Yes. It will be posted to the OBD BEAD webpage as soon as it is finalized and we are targeting by July 10.

- 9. Had previous applicants been preliminarily selected? And will we know who they were/who will be receiving those 10 additional points in secondary scoring if that comes into play?
 - Answer: Preliminarily applicants were those applicants that would have been awarded in the first round, 11a, based on the fact there were no other applications for those areas. Those applicants, and only those applicants were notified they were preliminarily awarded and rescinded, per the guidelines of NTIA.

7/1/2025, Office Hours

Application questions:

- 10. Is there an estimated timeline for the eligible locations and application portal opening?
 - Answer: The following timeline is subject to change, but we expect we may be able to open the application portal earlier than the stated date.
 - i. Eligible locations posted 6/30/2025
 - ii. <u>BEAD map</u> with locations available 7/1/2025
 - iii. **Application Portal Open: 7/14/2025** (targeting the week of July 7th and all prequalified applicants will be emailed if we are able to open early)
 - iv. Application Portal Close: 1:30 PM Central Time 7/24/2025
- 11. If the portal opens early will the deadline remain the same?
 - Answer: Yes. We are hoping to give people extra time to get in there, but the closing date would remain the same.
- 12. If a company has already been pre-qualified (approved), will the company need to complete another pre-qualification to continue the application process after the release of the NTIA updates?
 - Answer: No. Pre-qualification only happens once. All pre-qualified applicants are still pre-qualified and can complete an application.
- 13. Will we be able to edit our prior application, or do we need to start a new one?
 - Answer: Yes. Submitted applications will be carried forward and there will be a limited number of changes you can make to those applications before we require you to submit a new application. We will require some minor edits and some required edits, and all carried forward applications need to be resubmitted.
- 14. Will we be able to submit the letter of credit that was used in the previous round 11a, or will new letters of credit be required?
 - Answer: At this time OBD believes as long as the amounts are sufficient, we will be able to accept the original letter of credit. But this is prone to changes in NTIA guidance.

Project Areas & location eligibility

- 15. For the new eligibility list what BDC fabric was used?
 - Answer: The BDC fabric was still Fabric 4 per the guidance we were given.
- 16. Other states are using the Fabric 6, why is Minnesota using Fabric 4?
 - Answer: Due to interpretation, this has differed state to state, Minnesota's understanding at this time is by using Fabric 4 and updating the eligible locations as required meets the guidance.
- 17. Approximately, how many ULFW locations were removed?
 - Answer: Approximately between 200 300 ULFW locations have been removed.
- 18. Can you please remind us on the what the different classification service codes mean?
 - Answer: Update guidance on this was released from NTIA and is available here: <u>https://mn.gov/deed/assets/bead-policy-notice-identification-removal-nonbls_tcm1045-679647.docx</u>

- 19. Do applicants still get to pick project areas?
 - \circ $\;$ Answer: Yes. Applicants still get to select project areas.
- 20. Will there only be one round of subgrantee selection?
 - Answer: Yes. There will only be one round of subgrantee selection, the Restructured BEAD Round.
- 21. Will the RDOF defaulted ISPs be allowed to apply for BEAD?
 - Answer: That would be unexpected and unlikely, but yes. OBD uses a pre-award risk assessment which reviews past performance as required by NTIA and would allow us to look at likely success in building broadband infrastructure.

6/24/2025, Office Hours

Application questions:

- 22. What will be asked for Priority Broadband Project justification?
 - Answer: OBD will follow technical guidance from NTIA. In the 6/6/25 <u>NTIA BEAD</u> <u>Restructuring Policy Notice</u>, this means to be considered a Priority Broadband Project (PBP) a project must meet all technical requirements and provide supporting documentation that: (1) provides broadband service at speeds of no less than 100 Mbps for downloads and 20 Mbps for uploads; (2) has a latency less than or equal to 100 ms; (3) can easily scale speeds over time to meet the evolving connectivity needs of households and businesses; and (4) supports the deployment of 5G, successor wireless technologies, and other advanced services.
- 23. Will applicants be able to modify our previous application in the portal or will a new application be required to be entered from scratch?
 - Answer: Carried forward applications will be allowed to make a limited set of modifications and be required to complete any new requirements from the restructured guidance (example: low-cost service offering, requesting Priority project designation). If an applicant has changes to their application beyond the scope of minor revisions, the applicant should plan to submit a new application. All carried forward applications must be resubmitted in the portal prior to the Restructured BEAD application deadline, More details will be published in the forthcoming Restructured BEAD: Application Guide. Applicants will be limited to a set of
- 24. Do you anticipate requiring new PE stamped maps for "carry forward" applications?
 - Answer: No. Applications that are carried forward will not permit changes to that extent that significant engineering design changes would be required.

Project Areas & location eligibility:

- 25. Can you briefly go over again what you have already changed in the locations and what is still remaining to change? Do you have an anticipated date for the final locations?
 - Answer: Consistent with NTIA guidance, OBD has removed fabric 6 locations no longer on the FCC fabric map, successful ULFW challenges, and added Lumen RDOF defaults. Restructured BEAD: Eligible locations were posted 6/30/2025

Posting to the webpage:

- 26. Will there be any application guidance ahead of the portal opening and do you anticipate the portal being much different than the previous round?
 - Answer: Yes. Guidance is forthcoming and will be posted on OBD's <u>BEAD webpage</u> prior to the grant round opening. We are targeting July 2 for initial portal guidance based on restructuring. The portal will be very similar to the previous round.

- 27. What version of the Fabric map will be used?
 - Answer: The version of the fabric used by Minnesota is version 4.

- 28. Is using ARPA funds for BEAD still possible in Minnesota?
 - Answer: To the extent there is ARPA funding available still, yes. From the OBD perspective the ARPA funds we received were Capital Projects Fund (CPF) funds, and all of OBD funding for that has been utilized for Broadband Projects. We do have some funding that is revolving back and can be used again and will put forward to the <u>Line Extension Connection Project</u>.
- 29. How many years will LEO have to deliver services?
 - Answer: OBD will follow the NTIA guidance released on this (see image from <u>NTIA BEAD</u> <u>Restructuring Policy Notice</u>, Appendix C on Page 22, below) where a LEO has a maximum of 4 years from the date of the subgrant for deployment and period of performance, and 10 years extended period of performance for LEO Capacity Subgrants, where the subgrantee certified it has made service available to all locations within the project area.



- 30. With only 1 grant round is OBD concerned that many locations may not get applied for and thus many locations will remain unserved or underserved?
 - Answer: BEAD requires that OBD demonstrates an end result of "internet to all" locations that are served or underserved. OBD expects this means some locations will be offered a satellite offering as a default service if there is no applicant for a location, based on the way the federal program is set up.

6/17/2025, Office Hours

Application questions:

- 31. Does a multi-provider solution mean a consortium application? Please provide an example or description.
 - Answer: Yes. Consortium is two (2) or more eligible applicants that jointly apply to serve a project area for BEAD. A Consortium application requires a single, lead Applicant for each application and the applications must be separable/revisable, i.e., the State may select the Consortium as the winner for some locations but not others. Applicant requirements must be met at a Consortium level. For example, Applicants should only have one set of pricing tiers, one Unique Entity Identifier (UEI) from the lead application, etc. A Consortium must be documented with a signed Memorandum of Understanding (MOU) between the parties and must identify the lead Applicant. The lead Applicant will be the point of contact and responsible party for the BEAD sub-award. The Grant Contract will be with the lead Applicant regarding all awarded grant funds and deliverables and include additional agreements for individual members of a Consortium to hold each party individually accountable for BSLs in the Project Area. If considering applying as a consortium, please reach out to OBD.
- 32. Are there any changes in regard to BABA or do the previous requirements still hold?
 - Answer: Per NTIA, the BABA requirements still stand. View the <u>NTIA Build America Buy</u> <u>America Guidance</u>.
- 33. Can we put in an application without having audited financials?
 - Answer: No. Previous and current BEAD guidelines require audited financials from subgrantees per the <u>6/6/2025 NTIA BEAD Restructuring Policy Notice</u>, to "ensure that applicants meet the financial and managerial capacity, technical and operational capability, and other requirements in 47 U.S.C. § 1702(g)(2)(A)."
- 34. Can we choose locations one by one?
 - Answer: Yes. Applicants will choose locations for their project areas by uploading a list of BSLs or selecting BSLs from the map selection tool in the portal. Watch a <u>walkthrough</u> <u>on how to select locations</u> in the BEAD Grantor Portal.
- 35. What if someone applies for an area with fiber and the number per passing in 5-10K and no wireless applies in that area? If the fiber company wins the award from the state could/would NTIA reject it?
 - Answer: In this scenario if NTIA determined the costs to deploy are excessive, they could reject it, so we encourage applicants to take care to document their cost drivers and why they are reasonable. Language in the <u>6/6/2025 NTIA BEAD Restructuring Policy</u> <u>Notice</u>, on page 11 states "NTIA hereby reserves the right to reject any proposed deployment project or specific BSL connection for which costs to deploy are excessive, as determined by NTIA based on the cost characteristics of the area to be served."

Project Areas & location eligibility:

36. Does MN intend to continue to allow ISPs to define their own project areas in the new BEAD round or will MN define application project areas?

- Answer: Yes, ISPs can continue to choose their own project areas in the Restructured BEAD round.
- 37. For clarification, Eligible Locations will be updated based on the Dec 2024 BDC-reported data? And potentially remove ULFW?
 - Answer: Eligible locations were updated per the ULFW challenge process and federal enforceable default processes required in the <u>6/6/2025 NTIA BEAD Restructuring Policy</u> <u>Notice</u>, and are reflected in the <u>Restructured BEAD eligibility list</u>.

Posting to the webpage:

- 38. Will the OBD release the list of eligible BSLs prior to the opening of the application round/application window opening or will the eligible list of BSLs be published with the release of the application guide before the application window opens?
 - Answer: Yes, all Restructured BEAD: <u>Eligible locations</u> were posted 6/30/2025. Additional application Guidance is forthcoming and will be posted on OBD's <u>BEAD</u> <u>webpage</u> prior to the grant round opening. We are targeting July 2nd for posting of application guidance.
- 39. When will the new scoring rubric be communicated to ISPs?
 - Answer: OBD expects to get the scoring rubric posted ahead of the subgrantee selection portal opening along with other guidance on the restructured application to comply with NTIA guidance. Please check OBD's <u>BEAD webpage</u> for most current Restructured BEAD guidance.

- 40. How will the MN OBD balance the state's statutory definitions be balanced with the NTIA guidance in the 6/6/25 BEAD Restructuring Policy Notice?
 - Answer: We are working closely with our state's legal team to navigate and understand what we have to do as the entity administering the BEAD program, and what is programmatic within NTIA's requirements, while following laws in Minnesota.
- 41. Has NTIA hinted in any fashion what "excessive" costs might mean?
 - Answer: Per NTIA's <u>6/6/2025 BEAD Restructuring Policy Notice</u>, "NTIA declines to adopt a national cost threshold over which a project would be deemed excessive. However, NTIA hereby reserves the right to reject any proposed deployment project or specific BSL connection for which costs to deploy are excessive, as determined by NTIA based on the cost characteristics of the area to be served."
- 42. We talked a lot about waivers in the first round (11a) does the same approach of "if you can't make something work, submit a waiver request" still hold?
 - Answer: The <u>new final proposal guidance for BEAD restructuring from NTIA</u> states "It is the general intent of NTIA not to waive any of the provisions set forth in this NOFO. However, at the discretion of the Assistant Secretary, NTIA, upon its own initiative or when requested, may waive the provisions in this NOFO. Waivers may only be granted for requirements that are discretionary and not mandated by statute or other applicable law. Any request for a waiver must set forth the circumstances for the request."
 - Additional NTIA guidance on match waivers from NTIA FAQs V10.

- i. 4.3 What are circumstances under which NTIA may consider granting a match waiver? As explained in Section III.B.5. of the NOFO, in evaluating requests for waiver of the BEAD Program's non-federal match requirement, NTIA will carefully balance the Program's various objectives. Thus, the Assistant Secretary will generally seek to minimize the BEAD funding outlay on a particular project to extend the Program's reach, and expects to grant waivers only in special circumstances, when waiver is necessary to advance objectives that are critical to the Program's success. In order to be considered for a waiver, an Eligible Entity must submit a request that NTIA describes the special circumstances underlying the request and explain how a waiver would serve the public interest and effectuate the purposes of the BEAD Program. The Assistant Secretary retains the discretion to waive any amount of the match, including up to the full 25 percent requirement.
- 43. Does the "lowest price" mean the cheapest project, and everyone will be LEO or at best Fixed Wireless? Although, often the best option, it would seem wireline would not be able to compete on price.
 - Answer: OBD does not believe this is the intent of the BEAD guidance and will address its interpretation when it publishes the scoring rubric guidance.
- 44. Have legislators voiced concerns about potentially new districts having worse service than previous state programs, and have subsequent BEAD rounds that differ on how they are scored and awarded?
 - Answer: The first time around, OBD tried everything we could to align BEAD with our previous, successful state programs. Ultimately BEAD has been structured as a federal program that states administer. OBD is working to make sure legislators understand the BEAD program as it is now designed by NTIA.
- 45. Will there be any consideration at all for community letters of support and/or community financial input to proposals?
 - Answer: Per NTIA's <u>6/6/2025 BEAD Restructuring Policy Notice</u>, non-statutory requirements around local coordination and stakeholder engagement were eliminated from the program and community engagement is not part of the updated, allowable scoring rubric. That said, OBD recognizes the work that went into gather and documenting community support from prospective subgrantees in round 11a and took seriously reading and understanding this ahead of the policy notice. OBD does recognize value in Letters of support for educating others on the importance of reliable broadband infrastructure.