

Broadband Equity, Access, and Deployment (BEAD) Program

Disclaimer

This document is a draft and its contents, including financial information, subgrantee award conditions and commitments, are all subject to NTIA final approval. Funding amounts and locations may be adjusted after location verification and prior to contract finalization.

Once approved by NTIA, formal award offers will be made to grantees. However, no grantee is obligated until all terms are finalized and agreed upon in the executed grant agreement. Projects are subject to change.

Public Comment

The Office of Broadband Development (OBD) has welcomed input from the public throughout the entire BEAD planning. Comments can be submitted beginning Thursday August 28 through the OBD webpage, by email to the DEED Broadband Inbox (deed.broadband@state.mn.us), over the phone at (651) 259-7610, or written response collected at one of the five in-person regional information sessions. Public Comments must be received by the Office of Broadband Development no later than Wednesday, September 3, 2025 at 11:59 pm.

Overview

The Minnesota Office of Broadband Development (OBD) has drafted the following DRAFT Final Proposal, as required under the Broadband, Equity, Access, and Deployment Program (BEAD). Upon receipt and consideration of comments to this document, OBD will submit this document for consideration and approval to the National Telecommunications and Information Association (NTIA), the administrators of BEAD, including the Assistant Secretary of the U.S. Department of Commerce.

Broadband access will ensure Minnesota's economic future, improve resiliency, help communities thrive, and ensure that everyone has access to essential activities and services needed.

The NTIA's Benefit of the Bargain grant application round took a technology neutral approach and prioritized the lowest cost technology. Minnesota conducted a technology neutral, transparent, and competitive Benefit of the Bargain grant application round that minimized BEAD outlay while prioritizing the lowest cost technology.

The Office of Broadband Development (OBD) is in the Minnesota Department of Employment and Economic Development (DEED). OBD was created by statute in 2013 and its mission to improve access to broadband service that meets the state's speed goals, serving the needs of

anchor institutions, and expanding the skills and knowledge needed to use these services. Responsibilities of OBD are outlined in statute at Minn. Stat. § 116J.39. Border-to-Border high speed internet access is the goal throughout Minnesota. OBD connects communities, policy makers, providers, regional support organizations, and state and federal programs with each other and the resources they need to improve broadband access and use in Minnesota. Residents and businesses continue to rely increasingly on broadband connectivity to access telehealth services, for remote learning, to telework, to engage in commerce, to participate in government, and to remain connected to family and friends. Minnesota employers are looking for workers with digital skills. Many Minnesotans do not have the opportunity to access digital needs when it comes to internet connectivity, devices, and digital skills. Minnesota has invested over \$400 million in grants, connecting over 123,000 homes and businesses, and leveraged over \$521 million in local match.

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FINAL PROPOSAL DATA SUBMISSION

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

See Attachment at, Attachment 1: fp_subgrantees.csv

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

See Attachment at, <u>Attachment 2: fp_deployment_projects.csv</u>

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.

See Attachment at, Attachment 3: fp locations.csv

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.

See Attachment at, Attachment 4: fp no BEAD locations.csv

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.

N/A

SUBGRANTEE SELECTION PROCESS OUTCOMES (REQUIREMENT 1)

1.1: Text Box: 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.

OBD's subgrantee selection process was undertaken consistent with that approved by NTIA in Volume 2 of the Initial Proposal as modified by the June 6, 2025, BEAD Restructuring Policy Notice.

Following NTIA's BEAD June 6th Restructuring Policy Notice, OBD held weekly office hours that provided guidance on eligibility requirements, evaluation criteria, and the required elimination of the certain regulatory requirements. In addition, OBD updated its BEAD webpage with updated guidance from NTIA and status updates on the upcoming Restructured BEAD Round. These meetings and postings were compliant and outlined how the process would prioritize extending broadband access to unserved and underserved locations. The Office rescinded preliminary and subaward selections made before June 6th and conducted a Restructured BEAD Round ("Benefit of the Bargain" or "BoB") subgrantee selection process for every BEAD eligible location from June 26, 2025 through July 3, 2025. The Restructured Round allowed applicants – regardless of technology employed or prior participation in the program – to compete on a level playing field. A Negotiation Cycle was then held July 16, 2025 to July 26, 2025 to identify connectivity solutions for locations remaining after the initial cycle.

A Call for Interest went out publicly to any interested entity. ISPs were asked to submit letters of interest, followed by applications detailing their capacity and project plans. New applicants to the program were required to submit their qualifications in the grant portal for their bids to be considered. Fourteen applicants submitted letters of interest including three new applicants. A panel composed of representatives from OBD and external contractors reviewed applications using the updated scoring rubric defined in the BEAD June 6, 2025 Restructuring Policy Notice (RPN), focusing on minimal BEAD Program Outlay and the outlined secondary criteria when applicable (outlined in Section 13.1). This process prioritized effective and cost-efficient broadband deployment and ensured compliance with the modified requirements.

Minnesota only completed one round of subgrantee selection prior to the restructuring of the program which was focused on fiber projects only but estimates the restructured round lowered costs per BSL by at least \$2,000 per BSL. Additionally, all awards included a 10% contingency to ensure all projects can complete should any barriers or delays occur. Reimbursement payment will be based on actual costs incurred and match requirements must meet a minimum 25% requirement (unless a match waiver is in place) or the amount proposed

in its application if higher. All unserved and underserved locations will be provided with highspeed internet through BEAD.

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.

To ensure a fair, open, and competitive application process, OBD implemented an engagement and support framework tailored to applicants of all sizes and technology types. Applicants, including both small and large internet service providers (ISPs), were supported through multiple resources. OBD also reached out and did consultations with the Tribal Nations in Minnesota to promote their participation and understanding of the BEAD program. Outreach was done through email, E-blasts, phone calls, office hours, local government and public stakeholder meetings.

BEAD information was transparently shared on OBD's webpage, including guidance documents, public notices, and BEAD applicant resources. Anyone can subscribe to OBD's E-blast list and get notifications of upcoming BEAD office hours and deadlines, delivered to their email inbox. Notices, and supporting guidance documents containing instructions and timelines to complete the BEAD application phases were publicly posted prior to each or phase of the program and reviewed during office hours. FAQs were updated regularly, posted publicly and emailed to registered applicants. All applicable Minnesota-specific requirements were included throughout the public notice and application process. Specific subgrantee monitoring and compliance requirements will be incorporated into contracts to ensure accountability and alignment with state and federal standards.

OBD took the following steps to ensure a **fair** process:

- Developed the BEAD Application Guidance, which outlined the sections and scoring for each application requirement pre-restructuring.
- Implemented a multi-level review methodology, where each unique application material was evaluated by at least two reviewers using consistent scoring criteria.
- Conducted collaborative reviews to verify and validate results and logic.
- Trained reviewers on how to document their review findings and record scoring rationale using a standardized process and tool.
- Ensured that all applicants had the same opportunities to cure their applications by providing feedback and accepting responses within standardized time periods.

- Notified applicants of program changes following the June 6 BEAD Restructuring
 Policy Notice and prior to any further cycles of subgrantee selection by hosting a
 webinar on June 17, posting slides on the OBD BEAD website, and circulating OBD's
 June 13th Policy Notice on the Benefit of the Bargain Round.
- Held weekly office hours June 24 through July 22 to provide technical assistance and information on the Restructured BEAD Round. Materials for these sessions were posted to OBD's BEAD webpage.

OBD took the following steps to ensure an open process:

- Placed no additional restrictions on the types of applicants (traditional broadband providers, non-traditional broadband providers, etc.) that could apply for funding through the BEAD process, outside of the parameters defined in the approved Initial Proposal.
- Structured the application submission process to ensure that following the posting of Public Notices, all applicants could apply during the public dates posted. There was no variation in the timeline between applicants within the same cycle.
- Adopted a communication plan that engaged a wide variety of stakeholders and partners.
- Upon the NTIA's release of the June 6 BEAD Restructuring Policy Notice, OBD notified newly eligible unlicensed fixed wireless (ULFW) providers via public posting of such information, released guidance on the Restructured BEAD Round, and hosted a public, webinar on June 17, which the slides for which were posted online. Newly eligible ULFW providers were given the requisite 7-day window to submit claims and subsequently submit evidence that BEAD funding is not required for their service areas within 7 days of notification.
- Held weekly office hours June 24 through July 22 to provide technical assistance and information on the Restructured BEAD Round. Materials for these sessions were posted to the OBD BEAD webpage.

The following points outline the OBD's implementation of a fair, competitive **subgrantee selection process:**

- Received applications from fiber-optic broadband providers, hybrid fiber coaxial broadband providers, licensed and unlicensed fixed wireless providers. Reflective of this engagement, each provider type was provisionally awarded locations through the Restructured BEAD Round, demonstrating a competitive and neutral subgrantee selection process.
- Engaged in provider-specific outreach after the initial cycle of applications were

- submitted, with the goal of curing applications toward completion or compliance.
- Issued curing notifications in a consistent manner, including detailed descriptions of the non-compliant response and remediation suggestions.
- Adopted the programmatic changes to application scope laid out in the June 6 BEAD
 Restructuring Policy Notice in a transparent, informative manner by providing technical
 assistance, hosting a live webinar on June 17. OBD also held regularly schedule office
 hours and posted weekly FAQs (as needed) for the Restructured round. This process
 follows the commitments outlined in Minnesota's approved Initial Proposal regarding
 programmatic changes.

OBD implemented procedures to prohibit collusion or bias and maintain the integrity of the subgrantee selection process and established measures to verify that application reviewers were qualified, trained, and objective. An application scoring system based on quantitative analysis was used to minimize subjectivity. Managerial, technical, and operational capability were assessed by reviewers using a pass/fail system at the application area level, where satisfactory responses received full credit, and non-satisfactory responses received no credit. This evaluation method aimed to provide a fair, open, and competitive process independent of subjective reviewer judgments.

The OBD staff, together with external contractors, assessed the technical, managerial, and operational qualifications of each applicant, following several criteria specified in Minnesota's approved Initial Proposal in accordance with BEAD NOFO and June 6 Restructuring Policy Notice requirements. Training and standardized review materials were provided for all reviewers before and during the review process to promote consistency. OBD required conflict disclosures, ethical guidelines, and bias management training.

Reviewers evaluated the same sections for all applicants rather than reviewing entire applications, which also helped reduce potential conflicts of interest, collusion, or bias. OBD utilized the knowledge of its telecommunications engineers and former telecommunications industry staff members currently employed at OBD.

1.3 Text Box: Affirm that, when no application was initially received, the Eligible Entity followed a procedure consistent with the process approved in the Initial Proposal.

Consistent with the process in the approved and revised Initial Proposal per the BEAD June 6 Restructuring Policy Notice (RPN) OBD conducted a two-phased application process. The Restructured BEAD Round included an Initial application period and Direct Negotiation

application period. The Direct Negotiation included a call for interest in negotiating inviting current applicants and new applicants to submit interest letters proposing locations they would like to serve. OBD evaluated interest proposal consistent with the approved process in its Initial Proposal and the RPN, including evaluating Priority Broadband Projects as defined in Section 12.1 of this Final Proposal.

1.4 Text Box: If applicable, describe the Eligible Entity's methodology for revising its eligible CAI list to conform with Section 4 of the BEAD Restructuring Policy Notice.

OBD did not revise the eligible CAI list for the Restructured BEAD Round. OBD complied with the BEAD June 6 Restructuring Policy Notice by revising its application process to allow coverage of CAIs to be optional in subgrantee applications. This optionality permitted applicants to design efficient network applications that allowed connection of community anchors in the spirit of the program's efficiency goals.

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.

Yes.

TIMELINE FOR IMPLEMENTATION (REQUIREMENT 3)

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.

OBD ensured applicants seeking to deploy network facilities are vetted to meet the minimum qualifications for financial and managerial capacity, technical and operational capability, and other requirements outlined in the 47 U.S.C. § 1702(g)(2)(A), the BEAD NOFO, Minnesota's BEAD approved Initial Proposal Volume 2, and supplementary NTIA guidance.

Required documentation included a comprehensive timeline and milestones for project implementation that outlined key activities, and estimated start and completion dates. Applicants also submitted a capital investment schedule to evidence complete build-out and initiation of service within the timeframe allowed. OBD required all technical documentation to be certified by a professional engineer, stating that the proposed network can deliver broadband service that meets the requisite performance requirements to all locations that will be served by the project.

Through subgrantee monitoring and oversight, as outlined in the BEAD Program Monitoring Plan, OBD will track project progress according to the timeline and milestones submitted in the application and incorporated into the contract. OBD will provide technical assistance throughout the period of performance to support the resolution of any delays or barriers to deployment in a timely manner. Through active subgrantee monitoring and frequent engagement with Subgrantees, OBD will ensure that all BEAD subgrant activities are completed prior to the end of the Eligible Entity's period of performance, in accordance with 2 C.F.R.200.344.

OVERSIGHT AND ACCOUNTABILITY PROCESSES (REQUIREMENT 4)

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.

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.

See Attachment at Draft BEAD Program Monitoring Plan Summary.

- 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 claw back 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 acknowledge 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.

LOCAL COORDINATION (REQUIREMENT 5)

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.

OBD conducted a 7-day public comment period, beginning on August 28, to allow the general public, partners and stakeholders, and political subdivisions the opportunity to provide feedback. The Final Proposal narrative, accompanying attachments, and applicable CSV files were posted to the OBD BEAD webpage (https://mn.gov/deed/programs-services/broadband/bead/) on 8/28/2025. Public Comments were accepted through submission from a form on the OBD webpage, by email to the DEED Broadband Inbox (deed.broadband@state.mn.us), over the phone at (651)- 259-7610, or written response collected at any of the 5 in-person regional information sessions. The Public Comment Period was promoted by communications that went to subscribers of the OBD Broadband listserv promoting the webinars and in person events that would provide an overview of the Final Proposal and steps for public comment (sent 8/19/25 and 8/28/25, and forwarded to ISPs, regional groups, and community partners on 8/28/25); a recorded online webinar (8/28/2025); at 5 in-person regional events (8/29/2025 Hutchinson, MN; 9/2/2025 Owatonna, MN; 9/2/2025 Bemidji, MN; 9/3/2025 Fergus Falls, MN; 9/3/2025 Duluth, MN); and a webinar specific to Tribal Partners (9/3/25).

CHALLENGE PROCESS RESULTS (REQUIREMENT 6)

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.

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.

OBD publicly posted the final location classifications at this site: https://mn.gov/deed/programs-services/broadband/bead/. The data files were updated on August 28, 2025.

UNSERVED AND UNDERSERVED LOCATIONS (REQUIREMENT 7)

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 upon conclusion of the Challenge Process 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.

N/A

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.

N/A.

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 upon conclusion of the Challenge Process 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 unreasonable excessive, explain and include a strong showing of how the Eligible Entity made that determination.

N/A

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.

N/A

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 Challenge Process list 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 NTIA | 54 Capital Projects Fund/State and Local Fiscal Recovery Funds), in its list of proposed projects.

Yes.

IMPLEMENTATION STATUS OF PLANS FOR COST AND BARRIER REDUCTION, COMPLIANCE WITH LABOR LAWS, LOW-COST PLANS, AND NETWORK RELIABILITY AND RESILIENCE (REQUIREMENT 11)

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.

OBD is committed to improving broadband access and connectivity in the most efficient, cost-effective manner. OBD outlined strategies to reduce costs and barriers to deployment in the approved Initial Proposal Volume II and revised as needed per the BEAD June 6 Restructuring Policy Notice. OBD has implemented two measures to reduce costs and barriers, one is to encourage applicants to leverage existing broadband in their projects and the second is the establishment of a multi-agency work group to address permitting processes. OBD considers implementation status of these initiatives will be ongoing throughout the BEAD program.

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

Yes.

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.

N/A

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.

Yes.

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.

N/A

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

Yes.

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 ensured planned for the reliability and resilience of BEAD-funded networks in their network designs, explain why the Eligible Entity was unable to do so.

N/A

SUBSTANTIATION OF PRIORITY BROADBAND PROJECTS (REQUIREMENT 12)

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.

Overview

OBD applied the BEAD June 6 Restructuring Policy Notice definition of *Priority Broadband Project*: one that provides broadband service at speeds of no less than 100 megabits per second for downloads and 20 megabits per second for uploads, has a latency less than or equal to 100 milliseconds, and can easily scale speeds over time to meet the evolving connectivity needs of households and businesses and support the deployment of 5G, successor wireless technologies, and other advanced services. The above applied was in accordance with the Infrastructure Investment and Jobs Act and the <u>BEAD Restructuring Policy Notice</u>. This definition required Minnesota to embrace technology neutrality and fully realize the benefit of the bargain.

Other Factors

In partnership with its engineering consultants, OBD applied a principled evaluation process—assessing applications on speed, latency, and scalability—to certify the Restructured BEAD Round supports current and future connectivity needs of Minnesotans.

As a result of the Restructured BEAD Round, Minnesota benefited from:

- Over \$200 million reduction in original estimated deployment costs
- All Minnesota BSLs served using all available technologies and recommended awards including fiber-optic, LEO satellite services, hybrid fiber-coaxial, and terrestrial fixed wireless technology.
- Projects with capacity to meet today's demand challenges as well as easily scale for future needs of residents, thriving businesses and tourism.
- Technology-neutral solutions that perform at the required speeds across diverse terrain, including dense tree coverage, undulating slopes, and varying altitudes, to meet unique needs of each BSL.

Scalability of Priority Broadband Projects

The Priority Broadband Project definition considers **growth in demand** from today's baseline of 100/20 Mbps to what Minnesota will need over the next decade to remain a place where

people live, work and raise a family. This accounts for demand trends over the last 10 years and considers what speeds would be needed to support Minnesota's goals for a thriving residential and economic environment, as well as private and public investments. To qualify as a Priority Broadband Project, technologies must demonstrate **ease of scalability** to meet projected demand for current and future users.

Project area density impacts ease of scalability. In areas with high concentrations of homes businesses, and community anchor institutions, a BEAD Priority Broadband Project should demonstrate the ability to deliver at least 100/20 Mbps, minimal-latency service to all BSLs simultaneously upon deployment, while also needing to account for evolving technologies, 5G and future wireless advancements, and BSL bandwidth demand increases over time. To review a technology's ability to scale, OBD considered the currently served speeds of 100/20 Mbps, an application's stated network capacity, the project area's number of BSLs, the project area's geographic area, current customer base (if applicable), and future demand. For example, the existing customer base should not be negatively impacted by the award of BEAD locations for a given technology to be considered scalable.

Minnesota's technical review team also took into consideration the applicant's track record of meeting comparable levels of demand relative to the number of BSLs applied to. If a direct example could not be reviewed, OBD looked for examples of the applicants scaling their technology at the required pace.

Finally, if the performance history did not have an example of the level of scale needed for the BEAD program, Minnesota considered if future scalability would depend on emerging technologies. Emerging technology could require additional regulatory approvals, such as zoning, spectrum, or orbital clearances, which may introduce uncertainty. Additionally, technologies with shorter operational lifespans may pose replacement risks that could impact long-term reliability and cost-effectiveness.

Reliability of Priority Broadband Projects

Additionally, Minnesota evaluated **reliability of projects** to apply the Priority Broadband Project definition based on the geography. Minnesota's project areas span from bluffs and hills to farmland to glacier formed topography. Minnesota is also home to 60 dense state forest lands and two national forests with over 14.7 billion trees on 18 million acres of forest in eligible areas. These areas represent over 35% of the state.

Through the Minnesota Office of Broadband Development's over 12 years of experience in broadband infrastructure projects, past grant-funded implementations revealed that tree canopy, rugged terrain, and slope can complicate installation and/or obstruct line-of-sight (LOS)

paths. Broadband technologies with obstructed line-of-sight, specifically wireless and LEO technologies, can have signal degradation, increased latency, and reduced reliability.

To apply a Priority Broadband Project definition from a reliability perspective, OBD looked at **topography** by evaluating the change in elevation between neighboring areas (i.e., calculated an average slope). A higher average slope indicates that there are various changes of terrain impacting technologies needing line-of-sight. Average slope was calculated using elevation models from the US Geological Survey averaged per application area. Specifically, OBD applied analysis of average slope when reviewing wireless projects given past experience with State projects where varying slope impacted line-of-sight and service levels.

Besides elevation change, other common line-of-sight barriers are trees. Given approximately 63% of Minnesota is forest, and applications referenced tree canopy coverage, OBD factored tree canopy coverage in the Priority Broadband Project application and reliability of wireless and LEO proposed projects. **Tree canopy** impacts the deployment of broadband technology requiring direct line-of-sight. LEO performance is more reliable with an unobstructed sky view, while fixed wireless signals degrade when traveling through vegetation. As discovered through OBD's

For over 12 years of experience in broadband infrastructure projects, past infrastructure projects using state grant funds have struggled due to these line-of- sight limitations.

Initially, OBD assessed total canopy coverage per application area. However, this did not fully capture household-level variability, where technologies may work for some BSLs but not all depending on the amount of tree canopy around each BSL. So, OBD reviewed the percentage of BSLs within an application area that had over 50% tree canopy coverage. Implementing a more accurate view of where signal degradation is most likely to occur at the BSL level allows us to reliably serve the hardest to reach households.

This application of Priority Broadband Project definition allowed the state to fully implement a successful Restructured BEAD Round.

SUBGRANTEE SELECTION CERTIFICATION (REQUIREMENT 13)

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. Scoring criteria must be applied consistent with the prioritization framework laid out in Section 3.4 of the BEAD Restructuring Policy Notice.

OBD evaluated subgrantee applications according to the prioritization framework in Section 3.4 of the BEAD June 6th Restructuring Policy Notice. These criteria allowed OBD to assess competing Priority Broadband Project applications (as defined in Section 12.1), as well as competing Non-Priority Broadband Project applications.

- a. Primary Criteria Minimal BEAD Program Outlay: In deciding among competing applications covering the same general project areas, OBD chose the option with the lowest cost based on minimal BEAD Program outlay. Because Minnesota did not utilize project areas but allowed providers to identify BSLs they proposed to serve, applications covering the same general project area were rare. To find common ground and best effectuate the RPN guidance, OBD analyzed projects on a reference price basis per BSL rolled up to create a cost threshold for overlapping project areas. The primary criteria allowed OBD to prioritize the most cost-efficient and effective priority broadband projects for each location across the state that enabled Minnesota to award reliable broadband to all un and underserved locations in a cost-effective manner.
- b. Secondary Criteria: If it was determined that application to serve the same general project area were within 15% of the lowest-cost application received for that same general project area on a per location basis, OBD evaluated such competing applications based on the following three criteria. Each of these criteria was assigned a number of points on the following 100-point scale:

Speed of Network Scoring		
Points	Download/Upload (Mbps)	
0	100/20	
2	200/50	
5	500/100	
15	1,000/500	
60	1,000/1,000	

Network	Latency Scoring
Points	Latency
0	<10 ms latency
2	<50 ms latency
5	<25 ms latency
10	<10 ms latency

Preliminar	Preliminary Selected Applicants		
Points	Preliminary Subgrantees		
10	Previously selected		
	subgrantees		

80 2,000/2,000

ENVIRONMENTAL AND HISTORIC PRESERVATION (EHP) DOCUMENTATION (REQUIREMENT 14)

14.1 Attachment (Required): 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/regionalprogrammatic-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.

See EHP Attachments:

- Attachment 14.1 EHP PEIS Memo Minnesota
- Attachment 14.1 EHP Requirements

CONSENT FROM TRIBAL ENTITIES (REQUIREMENT 15)

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.

There are 330 BEAD eligible locations on Tribal land, but there are no existing resolutions of consent. From this, there are 104 No-BEAD locations. Minnesota will implement the NTIA
NTIA
NTIBA
NTIBA
NTIBA
NTIBA
Program funds broadband infrastructure
NTIBA
NTIBA
Program funds broadband infrastructure
Deployment within 6 months of NTIA's approval of the final proposal, or whichever comes first.

PROHIBITION ON EXCLUDING PROVIDER TYPES (REQUIREMENT 16)

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.

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. Changes to conform to the BEAD Restructuring Policy Notice should be excluded. If not applicable to the Eligible Entity, note 'Not applicable.'

A waiver request is being submitted on behalf of applicants that request a waiver for the 25% non-federal match requirement.

Minnesota will implement the NTIA Conditional Limited Waiver for Tribal Consent.

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.

To be attached.