



March 27, 2025

The Honorable Howard Lutnick, Secretary of Commerce  
U.S Department of Commerce  
1401 Constitution Avenue NW  
Washington, DC 20230

**Subject: Priorities and Proposed Modifications to Minnesota's Broadband Equity, Access and Deployment (BEAD) Volume 2 and Administrative Streamlines**

Dear Secretary Lutnick,

We appreciate your March 5<sup>th</sup> announcement to review and refine the BEAD program. As a partner in charge of deploying the funding in Minnesota, the Minnesota Office of Broadband Development wishes to reemphasize our commitment to this important work. Along with other states, Minnesota has completed the foundational work required of the BEAD Program. Congress created a program that gave states the power to create state-specific programs to suit our needs. We respectfully request that NTIA continue to allow states to make choices that will best allow their residents to get online quickly. We request several priorities and modifications that aim to improve program acceleration and efficiency, compliance, and outcomes while maintaining alignment with federal standards.

For over 10 years, Minnesota has led the nation with its Border-to-Border Broadband Infrastructure program, investing over \$400 million of state funds and servicing over 119,000 homes and businesses. This has been successful due to the public/private partnerships with Internet Service Providers (ISPs) to build networks that meet the state statutory goals. Minnesota would like to retain its choice to prioritize fiber in subgrantee selection Round 1 and Round 2. We also strongly support eliminating any policies establishing separate rules and requirements for Low Orbiting Satellite (LEO) and unlicensed wireless subgrants and disbursements. By fostering an environment where all types of technologies and solutions are held to the same standards, we can expand a competitive and productive market. This includes prioritizing service that commits to deliver at least 100Mbps/100Mbps on delivery consistent with its Capital Projects Fund (CPF) program or offers least 100Mbps/20Mbps and is scalable to 100Mbps/100Mbps, consistent with state broadband speed goals.

Additionally, Minnesota would like to maintain its expertise and use of historical data to set its Extremely High-Cost Threshold in the final proposal as currently written in the NTIA approved Minnesota Volume 2. Minnesota has data from 10 years of broadband grants, including the Line Extension Connection program, and also an independent cost data analysis completed in 2024 that support a higher cost to serve rate than states without this history of state investment.

The following Volume 2 modification requests are to help streamline the processes and make the program more accessible to ISPs/Subgrantees. To provide context, Minnesota's prequalification window closed on March 13, 2025. Our original prequalification deadline of February 27, 2025, was extended by 14 days to address concerns about limited initial participation and to allow additional time for outreach efforts. As a result, we are requesting enhancements to boost the number of actual applications submitted and maximize coverage of eligible Broadband Service Locations (BSLs) across the state of Minnesota within the available BEAD funds for our upcoming BEAD Grant Program Round 1.

#### **Summary of Volume 2 Changes Requested:**

- **Reduce or Eliminate Excessive Program and Reporting Requirements.** To improve efficiency, it is essential to address and eliminate certain requirements that unnecessarily burden states and subgrantees and hinder successful implementation of the program. We propose mirroring Department of Commerce and Treasury's Capital Project Fund Broadband Infrastructure 1A reporting requirements or the reduction and/or elimination of the following requirements:
- **Eliminate Letter of Credit requirement.** Amend the BEAD Notice of Funding Opportunity to eliminate the federal Letter of Credit mandate so BEAD funds go to broadband deployment, not banks. States can and should be relied upon to develop reasonable procedures for ensuring financial viability of subgrantees and protection of public funds.

#### **Summary of Administrative Task Changes Requested:**

Enhance Transparency and Efficiency of NTIA and NIST Approvals, Extensions, and Waivers.

- **Create a publicly available tracker or dashboard for NTIA and NIST reviews.** Display the status of all actions pending and completed at the federal level for transparency in the program.
- **Impose a shot clock by when NTIA and/or NIST must approve or deny (a, b, c below) within a specified timeframe of 15, 30, or 60 days.** If a response is not received by the state within the allotted timeframe, it becomes an automatic approval.
  - Proposed timelines:
    - a. Final Proposal (including NIST award approval and issuance): 30 days
    - b. NIST review of funding disbursement requests: 30 days
    - c. Requests for Waiver, Deadline Extensions, or Alternative Uses of Funds: 15 days
- **Eliminate the 365-timeline for submission from the date Vol. 2 was approved.** Allow an automatic extension to be received by any state up to 365 days from the date the Final List of BEAD eligible locations was approved by NTIA with further extensions by mutual agreement of the partners in this program, NTIA and the Eligible Entity. Simplifying the requirements of the Final Proposal will also reduce the time and energy spent at a state level and expedite project deployment.

- **Request to Make Waivers Public**

To improve transparency and ensure that guidance and decisions are consistently shared and applied across all states, we are requesting that the NTIA make public all past waivers issued regarding the Broadband Equity, Access, and Deployment program.

To ensure expedient progress, we respectfully urge you not to make any changes that will slow down the program. Any changes enacted by NTIA should be optional and states should have the flexibility to make the changes they need to be successful in their state. We are confident that the modifications and priorities we are requesting will not only improve Minnesota's ability to strategically and effectively implement the BEAD Program but also serve as a model for other states seeking similar enhancements. We would be happy to provide any further documentation, data, or support needed for your review. Thank you for your consideration.

Sincerely,

**Bree Maki**  
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Date: 2025.03.27 12:58:39  
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Bree Maki  
Executive Director, Minnesota Office of Broadband Development

CC:

Governor Tim Walz and Lieutenant Governor Peggy Flanagan  
Senator Amy Klobuchar  
Senator Tina Smith  
Representative Brad Finstad  
Representative Angie Craig  
Representative Kelly Morrison  
Representative Betty McCollum  
Representative Ilhan Omar  
Representative Tom Emmer  
Representative Michelle Fischbach  
Representative Pete Stauber