

LINE EXTENSION CONNECTION PROGRAM: BROADBAND PROVIDER BIDDING

1.0 Introduction

The Line Extension Program was established by the 2022 legislature to assist with costly deployment projects that might not occur without public financial assistance. Pursuant to Minnesota Statutes §§ 116J.3951, the Minnesota Department of Employment and Economic Development (DEED) has the authority to award grants to eligible applicants to extend existing broadband infrastructure to unserved locations.

How the Line Extension Program Works

The Office of Broadband Development (OBD) has established a portal that allows a person to report that broadband service is unavailable at the physical location of their residence or business. For those without access to the portal, a paper form is available.

Every six months all submissions to the portal are sent to Broadband Providers for a 10-day review/challenge period.

After the Review/challenge ends, OBD has 10 days to prepare and notify broadband providers that they can participate in a reverse auction process to submit a bid to OBD to extend the broadband provider's existing broadband infrastructure to a location where broadband service is currently unavailable.

Within 60 days, Broadband Providers can submit their best low bid on single and/or bundled addresses.

Bids must include:

- 1.** A Proposal to extend broadband infrastructure to one or more of the addresses on the bid-eligible list at which broadband service is unavailable.
- 2.** The amount of the broadband infrastructure extension's total cost that the broadband service provider proposes to pay.
- 3.** The amount of the broadband infrastructure extension's total cost that the broadband service provider proposes that the department is responsible for paying.
- 4.** Demonstration of financial, technical, and operational capability including evidence of operating a network for at least two years that provides the speeds and technology as that proposed in the bid.

Within the next 60 days, OBD will evaluate bids and make awards to the providers whose bid presents the lowest cost to the state while demonstrating a good use of state funds.

Round Three (3) Line Extension Program Timeline

Address is registered in portal (November 2022)

Every six months OBD sends list of addresses to broadband providers in Minnesota (May 2024)

Broadband providers notify OBD if they can already serve any of the addresses (May 2024)

Reverse auction begins (May 2024)

Broadband service providers have 60 days to submit bids (July 24, 2024)

OBD selects winning bids (September 2024)

OBD enters contracts with all winning bidders (October 2024)

Winning bidders have one year to build the line extension (November/December 2025)

Completed bid application and all required supporting documentation – must be received by DEED’s Office of Broadband Development on or prior to 1:30 p.m., July 26, 2024, to be deemed eligible for funding.

Funding Availability for the Line Extension Program

As designated in the 2022 legislative session, \$15 million of ARPA Capital Projects Funds has been authorized as available funding for the Line Extension Program. Grants issued under the program cannot exceed \$25,000 per line extension. The program is to be run as a reverse auction.

Eligible Entities for Reverse Auction

Minnesota Broadband Providers can participate in the reverse auction and bid to bring high-speed, wireline, broadband of at least 100/100 Mbps symmetric speeds at completion - per ARPA funding requirements, to eligible addresses. Eligible Broadband Providers can be organized as an incorporated business or partnership, a political subdivision, an Indian tribe, a Minnesota nonprofit organization organized under chapter 317A, a Minnesota cooperative association organized under chapter 308A or 308B, or a Minnesota limited liability corporation organized under chapter 322C for the purpose of expanding broadband access. Eligible entities must also demonstrate financial, technical, and operational capability.

Eligible Project Areas

Locations that currently lack wired broadband service or have actual broadband speeds of less than 25/3 Mbps and are not in an area with an enforceable commitment to build broadband are considered "unserved" and eligible for inclusion in the reverse auction. The location can be a residence or business. Eligible Minnesota Broadband providers can bid for specific individual addresses or bundle a group of addresses that they will commit to bringing high-speed, wireline, broadband of at least 100/100 Mbps symmetrical at completion of the project and within 12 months of contract execution.

Grant Agreement

The winning bidder can enter into a grant agreement and has the exclusive right to apply the grant to the cost of the broadband infrastructure extension for a period of one year after the date the agreement is executed. The Broadband Provider agrees to extend wired broadband infrastructure that delivers speeds of at least 100/100 Mbps symmetrical to each address included in the winning bid, and OBD agrees to pay the state's portion of

line extension cost in a grant issued to the Broadband Provider upon successful completion of the broadband infrastructure extension to each address in the winning bid.

Bidding Application Deadlines for Round 3

The window to begin submitting Line Extension Bidding Applications opens May 24, 2024. Completed bid applications and all required supporting document will be submitted to the Office of Broadband Development using an online Secure File Transfer Protocol (SFTP) portal account. Review [Grantee Instructions for registering for a Secure File Transfer Protocol \(SFTP\) Account and submitting your grant application in the SFTP Portal.](#)

All Line Extension bid applications must be received at DEED on or before the application deadline of July 26, 2024, no later than 1:30 p.m.

Grant award decisions will be announced on a rolling basis by September 30, 2024. (Schedule subject to change)

2.0 PREPARING A LINE EXTENSION APPLICATION/BID

Grant Application Organizational Format

The Broadband Provider Bidding Application is composed of an [Application Form](#)

AND Eight (8) Required Attachments

Bid Sheet

Line Extension Location Data Sheet

Project Map(s) in PDF*

Project Map(s) GIS Shapefile/KMZ/KML (include polylines, connection, access, termination points)

Applicant Affidavit

Audit or Annual Financial Statement – most recent copy from Applicant

Evidence of Applicant operating a network for at least two years that provides the speeds and technology as that proposed in the bid;

Conflict of Interest Disclosure

AND One Conditional Attachment

Evidence of Funding Sources for any matching funds

All Broadband Providing Bidding **Application materials can be found on [OBD's Line Extension webpage.](#)**

Broadband Providers needing to request the list of addresses submitted through the portal must contact the Office of Broadband development at deed.broadband@state.mn.us

Completed bid applications and all required supporting documentation – must be received by DEED's Office of Broadband Development on or prior to 1:30 p.m. on July 26, 2024 to be deemed eligible for funding.

For assistance or questions regarding Broadband Provider Bidding Application documents, please contact the Office of Broadband Development at deed.broadband@state.mn.us