

Disclaimer: The **DRAFT** BEAD Pre-Qualification Guidance Document is a DRAFT to be used for planning purposes and provide information for eligible and potential BEAD applicants. The Minnesota Office of Broadband reserves the right to modify or update this document as necessary to effectuate the goals of the BEAD program and remain compliant with State, Federal or NTIA requirements or for any other reason to administer the BEAD program.



Minnesota Office of Broadband Development
DRAFT BEAD Pre-Qualification Guidance
Document (Version 1.0)

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Introduction

The Broadband Equity, Access, and Deployment (BEAD) Program is a federal grant initiative overseen by the National Telecommunications and Information Administration (NTIA), that aims to expand high-speed internet access to unserved and underserved areas nationwide. Of the \$42 billion federal dollars allocated to the program, Minnesota was awarded \$652 million in BEAD funds to deploy broadband expansion efforts. The Minnesota Office of Broadband Development (OBD) is responsible for facilitating all BEAD Program grant requirements and determining sub-grant award selection on behalf of the state.

Before undertaking a subgrantee selection process and awarding BEAD funds, the Minnesota Office of Broadband Development must pre-qualify all prospective applicants to ensure they meet the minimum requirements for subgrantee eligibility. This document is meant to provide prospective applicants with a clear understanding of Minnesota's BEAD Pre- Qualification process and what documentation they need to prepare. This guide outlines procedures, requirements, and necessary steps, as outlined in [Minnesota's NTIA-approved Initial Proposal Volume 2](#).

This guide may change with new guidance from NTIA or as the OBD receives questions from prospective applicants. Any changes made to this guide will be clearly documented in version history and communicated to prospective applicants. Further, the OBD will post all pre-qualification documentation and resources on the [Minnesota Broadband website](#).

Please note that, as described in Minnesota's Initial Proposal Volume 2, participating in the pre-qualification process *does not* bind any internet service provider to submit a project area proposal. However, all prospective applicants who are considering participation or intend to submit a proposal *must* participate in pre-qualification. There will only be one pre-qualification round, so prospective applicants must participate, even if they only intend to apply for BEAD funds in later rounds of subgrantee selection.

Information submitted during the pre-qualification process for an organization will make up part of the score on all proposed projects during each round of subgrantee selection. For more information about project scoring, please refer to Minnesota's Initial Proposal Volume 2.

Version History

- Version 1.0 – Posted on December 31, 2024.

Minnesota BEAD Pre-Qualification Process

Timing

Pre-qualification is the first step in the subgrantee selection process. The Minnesota Office of Broadband Development will open pre-qualification approximately 30 days after the initial posting of pre-qualification guidance. The OBD plans to open pre-qualification on January 21st.

Prospective applicants will have at least 30 days after the pre-qualification round begins to submit their materials. The OBD will announce an official closing date of pre-qualification as it receives more information from the NTIA about Minnesota's submission of its Challenge Process results.

The Minnesota Office of Broadband Development (OBD) will review pre-qualification submissions on a rolling basis. During its review, the OBD may request revisions or additional documentation. Organizations should monitor their pre-qualification submission to ensure that any requests are received and responded to in a timely manner.

The OBD intends to review all pre-qualification submissions before the application window opens for the first round of subgrantee selection. While the beginning of subgrantee selection will be dependent on NTIA's approval of Minnesota Challenge Process results, the planned dates for the subround 11a application window is March 10-April 7, 2025.

Portal

All pre-qualification processes will take place in Minnesota's Ready.net portal, available at bead.mn.gov. All users and prospective applicants will need to register to participate in pre-qualification.

Registration for access to the portal will be accessible from the "Register Now" button at <https://mn.gov/deed/programs-services/broadband/bead/> about a week before the pre-qualification portal opens. Please only register your organization once.

After an organization is registered, you can add additional users to the organization to help submit pre-qualification materials.

Content

During the pre-qualification process, prospective internet service provider applicants will be required to submit materials that fulfill several requirements of Minnesota's Initial Proposal Volume 2. The pre-qualification portal includes the following sections outlined in Volume 2 (parentheses show the relevant section of Volume 2):

- EHP and BABA compliance (2.4.5)
- Financial capability (2.4.11)
- Managerial capability (2.4.12)
- Compliance with applicable law (2.4.14)
- Operational capability (2.4.15)
- Information on ownership (2.4.16)
- Information on other public funding (2.4.17)
- Labor standards and protection (2.7.1)
 - Capability of Contractors (2.4.13)
- Certification of compliance with low-cost service option (2.12.1)
- Certification of compliance with BEAD requirements – cybersecurity and supply chain risk management (2.16.4)
- State Pre-Award Risk Assessment

The remainder of this document details the questions and documents required for each of the above sections.

Pre-Qualification Process Requirements

Organization Registration

Overview

Organizations must provide administrative information during the initial registration process, including company details, primary and point of contact, Minnesota vendor registration number, and similar additional details.

Pre-Qualification Questions

1. Organization name
2. Organization website
3. Primary contact name
 - a. Primary contact number
 - b. Primary contact email
 - c. Primary contact role
4. FCC-recognized provider ID
5. IRS Employee Identification Number (EIN)
6. FCC Registration Number (FRN)
7. Minnesota SWIFT vendor number (<https://mn.gov/mmb/accounting/swift/vendor-resources/>)
8. Organization address
 - a. Address line 1
 - b. Address line 2
 - c. City
 - d. State
 - e. Zip code

Financial Capability

Overview

Prospective subgrantees must meet the minimum qualifications for financial capability. Prospective applicants must submit general financial capability information as part of the pre-qualification process and specific project financial capability information during all subsequent rounds.

Pre-Qualification Questions

Letter of Credit

1. During each round of subgrantee selection, all prospective subgrantees must provide a letter of credit or, under certain circumstances, a letter guaranteeing a performance bond. During pre-qualification, all prospective subgrantees will certify that they have read and understand the letter of credit and letter of credit waiver requirements and will submit the appropriate documentation during each round of subgrantee selection.

For more information about the letter of credit and options for submission under the NTIA letter of credit waiver, please review the NTIA guidance on the matter:

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

As required by the NTIA, the OBD has also established a model letter of credit that is similar to that used during the Rural Digital Opportunity Fund (RDOF). The model letter of credit is in Appendix A of this document.

All letters of credit and performance bond letters will be submitted by prospective subgrantees during the actual rounds of subgrantee selection.

Financial Statements

2. All prospective subgrantees must provide financial statements from the prior fiscal year. It is preferred that prospective subgrantees submit financial statements that have been audited by an independent certified public accountant. However, prospective subgrantees may also submit unaudited financial statements and then certify that they will provide audited financial statements before March 15, 2025. Prospective applicants will need to select and upload one of the following:
 - a. Audited financial statements from the prior fiscal year.

- b. Unaudited financial statements from the prior fiscal year.
3. If a prospective applicant chooses to upload unaudited financial statements, then they will be asked to certify that they will provide audited financial statements to the Minnesota Office of Broadband Development before March 15, 2025.

Managerial Capability

Overview

Prospective subgrantees must submit resumes for key management personnel, organization charts listing parents, subsidiaries, and affiliates, and a narrative detailing their readiness to manage a broadband service network, along with relevant experience in similar projects.

Pre-Qualification Questions

1. Organizations will be asked to upload resumes for all key management personnel and organization charts detailing all parents, subsidiaries, and affiliates of their organization.

Prospective applicants can upload one or multiple documents to fulfill this requirement.

2. Organizations are required to submit a narrative describing their organization's readiness to manage a broadband services network.

This narrative should describe the experience and qualifications of key management for undertaking BEAD projects, experience with projects of similar size and scope, recent and upcoming organizational changes, including mergers and acquisitions, and any relevant organizational policies.

Compliance with Applicable Law

Overview

All prospective subgrantees must demonstrate their planned compliance with applicable Federal, State, and local laws. Prospective subgrantees must submit a legal opinion confirming their ability to deploy the BEAD Program in compliance with all laws, disclosing any past violations or pending court proceedings. They must identify key management personnel responsible for legal compliance. Additionally, they must certify their commitment to allowing workers to form and meet with work-led health and safety committees as needed.

Pre-Qualification Questions

1. Prospective applicants will be asked to certify their capability to carry out any BEAD Program deployments competently and in compliance with all applicable Federal, State, and local laws.

Please refer to the BEAD Notice of Funding for any questions about applicable Federal laws: <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>

2. Prospective applicants will be asked to upload a legal opinion and any other relevant documentation that shows their capability to carry out BEAD deployment competently and in compliance with all applicable laws.

This legal opinion should include details on any past violations or pending court proceedings that contradict your ability to comply with applicable laws. The legal opinion should also identify the key management personnel (ex. Chief Compliance Officer) who will be responsible for all aspects of legal compliance. Relevant documentation that shows capability to carry out BEAD deployment competently and in compliance with all applicable laws must be uploaded (either attached to the legal opinion or separately). Applicable laws include: IIJA, BEAD NOFO, and the executive orders, statutes, and regulations referenced therein that apply to BEAD projects or BEAD funding. The relevant documentation may include, but is not limited to, any established processes or procedures that will help ensure compliance or any staff training programs aimed at safety and legal standards. Prospective applicants can upload one or multiple documents to fulfill this requirement.

The minimum requirements of this legal opinion are detailed in Appendix B of this document.

3. Prospective applicants will be asked to certify that they will comply with occupational safety and health requirements, including allowing workers to create work-led health and safety committees and ensuring management will meet with any health and safety committees periodically and upon reasonable request.

Operational Capability

Overview

Prospective subgrantees must provide information on their history of voice, broadband, and/or electric transmission or distribution services in Minnesota to demonstrate their operational capability.

Pre-Qualification Questions

General Service Information

1. How many consecutive years has your organization provided internet service?
2. How many consecutive years has your organization provided internet service in Minnesota?
3. What is your current number of internet subscribers in Minnesota?
4. Prospective applicants will be asked to certify that the above answers are accurate.
5. Prospective applicants will be required to select the option that most closely aligns with their organizations. Subsequent questions will differ depending on the selection.
 - a. Has provided voice or broadband service for at least two consecutive years.

If this option is selected, prospective applicants will be asked to certify that they have filed timely Commission Forms 477s and Broadband DATA Act Submission and have otherwise complied with the Commission's rules and regulations.

If the answer to the above certification is no, then the prospective applicant will be prompted to upload documentation about any pending or completed enforcement action, civil litigation, or other matter in which they failed to comply or were alleged to have failed to comply.

- b. A subsidiary of a parent company that has provided voice or broadband service for at least two consecutive years.

If this option is selected, prospective applicants will be asked to upload a document detailing the number of years their parent company has been operating and providing voice or broadband service.

- c. Has only provided electronic transmission/distribution services previously.

If this option is selected, prospective applicants will be asked to submit qualified operating or financial reports that they have filed with the relevant financial institution for

the relevant time period, along with a certification that the submission is a true and accurate copy of the reports that were provided to the relevant financial institution.

- d. New entrant to the market with less than two years of providing voice or broadband service.

If this option is selected, prospective applicants will be asked to upload evidence sufficient to demonstrate that the newly formed entity has obtained, through internal or external resources, sufficient operational capabilities. Such evidence may include resumes from key personnel, project descriptions and narratives from contractors, subcontractors, or other partners with relevant operational experience, or other comparable evidence.

Information on Ownership

Overview

Prospective subgrantees are required to provide ownership information consistent with the requirements set forth in [47 C.F.R. § 1.2112\(a\)\(1\)-\(7\)](#).

Pre-Qualification Questions

1. The organization will be prompted to provide detailed disclosure of ownership and related companies in accordance with Code of Federal Regulations Title 47 § 1.2112(a)(1)—(7).

Prospective applicants can upload one or multiple documents to fulfill this requirement.

Per the Code of Federal Regulations Title 47 § 1.2112(a)(1)– (7), “the disclosure shall include a detailed ownership chart showcasing direct and indirect stakeholders, a list of associated FCC-regulated entities, and clear explanations of relationships between entities.” The disclosure must include:

- The real party or parties in interest in the prospective applicant or application, including a complete disclosure of the identity and relationship of those persons or entities directly or indirectly owning or controlling (or both) the prospective applicant;
- The name, address, and citizenship of any party holding 10 percent or more of stock in the prospective applicant, whether voting or nonvoting, common or preferred, including the specific amount of the interest or percentage held.
- In the case of a limited partnership, the name, address, and citizenship of each limited partner whose interest in the prospective applicant is 10 percent or greater (as calculated according to the percentage of equity paid in or the percentage of distribution of profits and losses)
- In the case of a general partnership, the name, address, and citizenship of each partner, and the share or interest participation in the partnership.
- In the case of a limited liability company, the name, address, and citizenship of each of its members whose interest in the prospective applicant is 10 percent or greater.
- All parties holding indirect ownership interests in the prospective applicant as determined by successive multiplication of the ownership percentages for each link in the vertical ownership chain, that equals 10 percent or more of the prospective applicant, except that if the ownership percentage for an interest in any link in the chain exceeds 50 percent or represents actual control, it shall be treated and reported as if it were a 100 percent interest.
- Any FCC-regulated entity or prospective applicant for an FCC license, in which the prospective applicant or any of the parties identified in paragraphs (a)(1) through (a)(5) of this section, owns 10 percent or more of stock, whether voting

or nonvoting, common or preferred. This list must include a description of each such entity's principal business and a description of each such entity's relationship to the prospective applicant (e.g., Company A owns 10 percent of Company B (the prospective applicant) and 10 percent of Company C, then Companies A and C must be listed on Company B's application, where C is an FCC licensee and/or license prospective applicant).

Labor Laws and Protection

Overview

The Minnesota Office of Broadband Development is required to gather information on labor standards and protection as part of the subgrantee selection process and incorporate this information into project scoring. To streamline the collection of this data, the OBD is asking for overarching information about prospective applicant labor standards and protection during the pre-qualification process rather than during each round of subgrantee selection.

Pre-Qualification Questions

1. Prospective applicants will be asked to submit documentation showing their organization's record of past compliance with federal labor and employment laws. This documentation must include:
 - a. Information about the entities' compliance with federal labor and employment laws on broadband deployment projects in the last three years;
 - b. A certification from an Officer/Director-level employee (or equivalent) showing evidence consistent with past compliance with federal labor and employment laws, as well as all contractors and subcontractors;
 - c. Written confirmation disclosing any instances in which you or your contractors or subcontractors have been found to have violated laws such as the Occupational Safety and Health Act, the Fair Labor Standards Act, or any other applicable labor and employment laws for the preceding three years.
2. Prospective applicants will be asked to submit documentation detailing their plans for ensuring ongoing compliance with federal labor and employment laws, including how they will ensure compliance in their labor and employment practices, as well as that of their contractors and subcontractors. This documentation must include:
 - a. How your organization will ensure compliance across itself, contractors, and subcontractors;
 - b. Information on applicable wage scales and overtime payment practices for each class of employee expected to be involved in the physical construction of BEAD projects; and

- c. How your organization will ensure the implementation of workplace safety committees that are authorized to raise health and safety concerns in connection with the delivery of deployment projects.
3. Prospective applicants will be asked to certify understanding and agreement to use contractors committed to safety and workforce development as evidenced by selecting contractors from the [contractor list maintained by DEED](#).

For questions 1 and 2, prospective applicants can upload one or multiple documents to fulfill this requirement.

For question 3, broadband contractors can qualify for the contractor list by demonstrating a commitment to adopt the following criteria around safety and workforce development

1. Broadband contractors and sub-contractors in Minnesota must participate in a training program from an industry association, state or federally recognized registered apprenticeship program, or a joint union/contractor training center. "Registered apprenticeship program" means an apprenticeship program registered with the Department of Labor and Industry under chapter 178 or with the United States Department of Labor Office of Apprenticeship or a recognized state apprenticeship agency under Code of Federal Regulations, title 29, parts 29 and 30.
2. Operators of equipment who are in the workforce installing broadband networks around existing utilities will have passed a certified drug test.

For more information about this requirement, Vol 2 page 39.

Public Funding Disclosure

Overview

Prospective subgrantees must disclose all current planned applications and broadband deployment projects that utilize public funding sources.

Pre-Qualification Questions

1. Prospective applicants will be asked a yes/no question about whether they or their affiliates submitted or plan to submit any broadband deployment project or are undertaking or have committed to undertake any broadband deployment projects using public funds.

Prospective applicants should consider funds from: the Families First Coronavirus Response Act (Public Law 116- 127; 134 Stat. 178); the CARES Act (Public Law 116-136; 134 Stat.

281), the Consolidated Appropriations Act, 2021 (Public Law 116-260; 134 Stat. 1182); or the American Rescue Plan of 2021 (Public Law 117-2; 135 Stat. 4), any federal Universal Service Fund high-cost program (e.g., RDOF, CAF), or any state or local broadband deployment funding program. This requirement excludes funding through the Minnesota Office of Broadband Development

2. Excluding broadband funding from the Minnesota Office of Broadband Development, upload a description of each planned, submitted, and/or undertaken broadband deployment project using public funds, that includes at least the following information:
 - a. The speed and latency of the broadband service to be provided (as measured and/or reported under the applicable rules),
 - b. The geographic area to be covered,
 - c. The number of unserved and underserved locations committed to serve (or, if the commitment is to serve a percentage of locations within the specified geographic area, the relevant percentage)
 - d. The amount of public funding to be used,
 - e. The cost of service to the consumer
 - f. The matching commitment, if any, provided by you or your affiliates
 - g. The status of the project: Completed, in-process, Not started, Defaulted, Planned
 - h. The name of the public funding program and funding entity

BABA and EHP Requirements

Overview

Prospective subgrantees must comply with all requirements of the [Build America Buy America Act \(BABA\)](#), as well as [Environmental and Historic Preservation](#) for all projects.

Please review the links provided for a full description of these requirements. You may also review [pages 31-32 of Minnesota's Volume 2](#).

Pre-Qualification Questions

BABA

1. Prospective applicants will be asked to certify that they have read, understand, and agree to abide by the Build America, Buy America program requirements for all projects, as detailed in the OBD's guidance.

EHP

2. Prospective applicants will be asked to certify that they have read, understand, and agree to abide by the Environmental Planning and Historic Preservation program requirements for all projects, as detailed in the OBD's guidance.

Cybersecurity Requirements

Overview

Prospective subgrantees must attest to compliance with the cybersecurity and supply chain risk management requirements on [pages 70-71 of the BEAD NOFO](#).

Pre-Qualification Questions

1. Prospective applicants will be asked to attest that they:
 - a. Have a cybersecurity risk management plan that is either operationalized or ready to be operationalized upon providing service;
 - b. The plan reflects Version 1.1 of the [National Institute of Standards and Technology \(NIST\) Framework for Improving Critical Infrastructure Cybersecurity](#) and the standards and controls set forth in Executive Order 14028 and specifies the security and privacy controls being implemented;
 - c. The plan will be reevaluated and updated on a periodic basis and as events warrant; and
 - d. The plan will be submitted to the Minnesota Office of Broadband Development prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the OBD within 30 days.
2. Prospective applicants will be asked to upload their cybersecurity risk management plan, if it already exists.

This question is not required. If a prospective applicant does not have a cybersecurity risk management plan created, they will be prompted to upload the document during each round of subgrantee selection.

Supply Chain Risk Management

Overview

Prospective applicants must certify that they will comply with all supply chain risk management (SCRM) requirements.

Pre-Qualification Questions

1. Prospective applicants must attest that they:
 - a. Have an SCRM plan in place that is either:
 - i. Operational, if the prospective subgrantee is already providing service at the time of the grant or;
 - ii. Ready to be operationalized, if the prospective subgrantee is not yet providing service at the time of grant award;
 - b. The plan is based upon the key practices discussed in the [NIST publication NISTIR 8276, Key Practices in Cyber Supply Chain Risk Management: Observations from Industry and related SCRM guidance from NIST](#), including [NIST 800-161, Cybersecurity Supply Chain Risk Management Practices for Systems and Organizations](#) and specifies the supply chain risk management controls being implemented;
 - c. The plan will be reevaluated and updated periodically and as events warrant; and
 - d. The plan will be submitted to the Minnesota Office of Broadband Development prior to the allocation of funds. If the subgrantee makes any substantive changes to the plan, a new version will be submitted to the OBD within 30 days. The OBD must provide a subgrantee's plan to NTIA upon NTIA's request.
2. Prospective applicants will be asked to upload their supply chain risk management plan.

Low-Cost Plan Certification

Overview

Prospective subgrantees will be required to certify their participation in the Affordable Connectivity Program (ACP), or replacement/successor program, and adherence to offering a low-cost service option by the deployment completion date.

Pre-Qualification Questions

1. Prospective applicants must attest that they:
 - a. Will participate in the ACP or any successor program, and;
 - b. In the absence of ACP or a successor program, adopt the low-cost plan adopted by Minnesota in its Initial Proposal Volume 2.

Pre-Award Risk Assessment

Overview

Per [Minn. Stat. §16B.981](#), the Office of Broadband Development is required to conduct a pre-award risk assessment of potential grantees requesting grant awards of \$50,000 or more. The information submitted by potential grantees will be used to assess the risk that a potential grantee cannot or would not perform the required duties of the grant. The Office of Broadband Development will review the potential grantee's past performance, tax returns, audits, principals, and standing with the Secretary of State.

The Office of Broadband Development will determine whether:

1. The potential grantee would likely be able to perform the duties of the grant without additional conditions,
2. The potential grantee would likely be able to perform the duties of the grant with additional technical assistance or conditions placed on the potential grantee, or
3. There is a substantial risk that the potential grantee cannot or would not perform the required duties of the grant.

In order to complete this assessment, the Office of Broadband Development may request additional information and that information must be provided by the potential grantee. If The Office of Broadband Development is unable to satisfy its concerns with a potential grantee that poses substantial risk, the potential grantee will be notified. This notification will include information on the decision and options for the potential grantee to request reconsideration of the decision.

The results of this pre-award risk assessment will not impact the scoring of the potential grantee's competitive application for grant funds.

Pre-Qualification Questions

1. Prospective applicant must list any State of Minnesota grants from the past five years that it has administered, including the name of awarding agency, program, and dates of the grant. ***Grants and upheld credible challenges with the Office of Broadband Development do not have to be disclosed as the Office has a record of these.***
2. Prospective applicant must describe its history of performing work similar to the work proposed in your application for BEAD. This should include a brief history of your organization and experience with similar grants from government.
3. Prospective applicant will be asked to answer how the scale of its BEAD application compares to the organization's budget for similar work the organization currently manages? In other words, how much will the organization need to grow in order to perform the duties of this grant, if awarded?

4. Based on the application being submitted, prospective applicant will be asked about significant operational changes such as hiring additional staff, making changes to policies/procedures, making changes in management structure, etc.?
 - a. If the answer is yes, the prospective applicant will be asked to describe the changes that will occur to your organization's operations and how those changes will be made.
5. Prospective applicant will be asked if it is currently debarred or suspended from doing business with the State of Minnesota or the Federal Government? If the answer is yes, this will result in disqualification.
6. Prospective applicant will be asked to submit evidence of good standing with the Minnesota Secretary of State.
7. Prospective applicant will be asked if the organization filed timely state and federal tax returns, and if it is exempt from filing an IRS tax return, explain why. For prospective applicants that have not filed an IRS tax return, the prospective applicant will be asked to provide a narrative explanation documenting how the organization addresses internal controls.
8. Prospective applicant will be asked if the organization is under bankruptcy proceedings and if yes, provide an explanation and upload a disclosure of bankruptcy proceedings.
9. Prospective applicant will be asked about liens on any of the organization's assets, with explanation and disclosure of assets and corresponding liens.
10. Prospective applicant will be asked to certify that no current principal of the organization has been convicted of felony financial crime within the last 10 years, and submit a list of principals for which it is certifying.

Appendix A: Minnesota BEAD Model Letter of Credit

MINNESOTA BEAD PROGRAM LETTER OF CREDIT

Irrevocable Standby Letter of Credit No. _____

[Name and Address of Issuing Bank]

[Date of Issuance]

[AMOUNT]

[EXPIRATION DATE]

BENEFICIARY

State of Minnesota

Attn: Minnesota Office of

Broadband Development

180 E 5th St Suite 1200

St. Paul, MN 55101

LETTER OF CREDIT PROVIDER

[Formal Name of Applicant]

[Address]

Ladies and Gentlemen:

We hereby establish, at the request and for the account of [Formal Name of Applicant], in your favor, as required under the Broadband Equity, Access, and Deployment Program (BEAD) Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 12, 2022, and the State of Minnesota’s Initial Proposal Volume 2 approved by the NTIA, our Irrevocable Standby Letter of Credit No. _____, in the amount of [State amount of Letter of Credit in words and figures], expiring at the close of banking business at our office described in the following paragraph, on the date which is 6 years from the date of issuance or such earlier date as the Letter of Credit is terminated by the State of Minnesota (the “Expiration Date”).

Funds under this Letter of Credit are available to you against your draft in the form attached hereto as Annex A, drawn on our office described below, and referring thereon to the number of this Letter of Credit, accompanied by your written and completed certificate signed by you substantially in the form of Annex B attached hereto. Such draft and certificates shall be dated the date of presentation or an earlier date, which presentation shall be made at our office located at [BANK ADDRESS] and shall be

effected either by personal delivery or delivery by a nationally recognized overnight delivery service. We hereby commit and agree to accept such presentation at such office, and if such presentation of documents appears on its face to comply with the terms and conditions of this Letter of Credit, on or prior to the Expiration Date, we will honor the same not later than the first banking day after presentation thereof in accordance with your payment instructions. Payment under this Letter of Credit shall be made by [check/wire transfer of funds] to the payee and for the account you designate, in accordance with the instructions set forth in a draft presented in connection with a draw under this Letter of Credit.

Partial drawings are not permitted under this Letter of Credit. This Letter of Credit is not transferable or assignable in whole or in part.

This Letter of Credit shall be canceled and terminated upon receipt by us of the State of Minnesota's certificate purportedly signed by two authorized representatives of the State of Minnesota in the form attached as Annex C.

This Letter of Credit sets forth in full the undertaking of the Issuer, and such undertaking shall not in any way be modified, amended, amplified or limited by reference to any document, instrument or agreement referred to herein, except only the certificates and the drafts referred to herein and the ISP (as defined below); and any such reference shall not be deemed to incorporate herein by reference any document, instrument or agreement except for such certificates and such drafts and the ISP.

This Letter of Credit shall be subject to, governed by, and construed in accordance with, the International Standby Practices 1998, International Chamber of Commerce Publication No. 590 (the "ISP"), which is incorporated into the text of this Letter of Credit by this reference, and, to the extent not inconsistent therewith, the laws of the State of Minnesota, including the Uniform Commercial Code as in effect in the Minnesota. Communications with respect to this Letter of Credit shall be addressed to us at the address set forth below, specifically referring to the number of this Letter of Credit.

[NAME OF BANK]

[BANK SIGNATURE]

ANNEX A

Form of Draft

To: [Issuing Bank]

DRAWN ON LETTER OF CREDIT No: _____

AT SIGHT

PAY TO THE ORDER OF THE STATE OF MINNESOTA BY

[CHECK/WIRE TRANSFER]

FUNDS TO: _____

Account (_____)

AS [MINNESOTA BEAD PROGRAM REPAYMENT]

[AMOUNT IN WORDS] DOLLARS AND NO/CENTS

#[AMOUNT IN NUMBERS]

State of Minnesota

By: _____

Name:

Title:

ANNEX B

Draw Certificate

The undersigned hereby certifies to [Name of Bank] (the "Bank"), with reference to (a) Irrevocable Standby Letter of Credit No. [Number] (the "Letter of Credit") issued by the Bank in favor of the State of Minnesota ("Minnesota") and (b) Section IV.D.2.a.ii of the Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 12, 2022, and the State of Minnesota's Initial Proposal Volume 2 approved by the NTIA (the BEAD Program Requirements), pursuant to which [Name of Selected Subgrantee] (the "Provider") has provided the Letter of Credit (all capitalized terms used herein but not defined herein having the meaning stated in the BEAD Program Requirements), that:

[The [Name of Selected Subgrantee] has [describe the event that triggers the draw] and is evidenced by a letter signed by the Director of the Minnesota Office of Broadband Development or her designee, dated _____, 20__, a true copy of which is attached hereto.] Accordingly, a draw of the entire amount of the Letter of Credit No. _____ is authorized.]

OR

The State of Minnesota certifies that given notice of non-renewal of Letter of Credit No. _____ and failure of the account party to obtain a satisfactory replacement thereof, pursuant to the BEAD Program Requirements, the State of Minnesota is entitled to receive payment of \$_____ representing the entire amount of Letter of Credit No. _____.]

IN WITNESS WHEREOF, the undersigned has executed this certificate as of [specify time of day] on the ____ day of _____, 20__.

The State of Minnesota

By:

Name:

Title:

ANNEX C

Certificate Regarding Termination of Letter of Credit

The undersigned hereby certifies to [Name of Bank] (the “Bank”), with reference to (a) Irrevocable Standby Letter of Credit No. [Number] (the “Letter of Credit”) issued by the Bank in favor of the State of Minnesota, and (b) the requirements established in the Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity, issued by the National Telecommunications and Information Administration (NTIA) of the U.S. Department of Commerce (DOC) on May 12, 2022, and the State of Minnesota’s Initial Proposal Volume 2 approved by the NTIA (the BEAD Program Requirements), (all capitalized terms used herein but not defined herein having the meaning stated or described in the BEAD Program Requirements), that:

(1) [include one of the following clauses, as applicable]

(a) The BEAD Program Requirements have been fulfilled in accordance with the provisions thereof; or

(b) [Provider/Selected Subgrantee] has provided a replacement letter of credit satisfactory to the State of Minnesota.

(2) By reason of the event or circumstance described in paragraph (1) of this certificate and effective upon the receipt by the Bank of this certificate (countersigned as set forth below), the Letter of Credit is terminated.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the ____ day of _____, 20__.
State of Minnesota

By:

Name:

Title:

By:

Name:

Title:

Appendix B: Guidelines for Opinion Letters from Legal Counsel

- I. Opinion Letter from legal counsel confirming applicant's compliance with all laws (Pre-Qualification Stage):
 - The letter must confirm the applicant's ability to deploy the BEAD Program in compliance with all laws (applicable Federal, State and local laws).
 - The letter must also disclose and include details of any past violations or pending court proceedings that contradict the applicant's ability to comply with applicable laws.
 - Lastly, the letter must identify the key management personnel (e.g., Chief Compliance Officer) who will be responsible for all aspects of legal compliance.
 - The opinion letter must include the name of the licensed attorney providing the legal opinion with their attorney number below the signature line.

See Page 10 of the Minnesota Office of Broadband Development BEAD Pre-Qualification Guidance Document.

- II. Opinion Letter from legal counsel that accompanies the letter of credit (Application Stage):
 - Letters of credit, but not performance bonds, must be accompanied by an opinion letter from legal counsel asserting that in bankruptcy proceedings the letter of credit or its proceeds will not be treated as the subgrantee's bankruptcy estate property, subject only to customary assumptions, limitations, and qualifications.
 - The opinion letter must include the name of the licensed attorney providing the legal opinion with their attorney number below the signature line.

See Page 5, Section 2.1.1 of [NTIA's BEAD Subgrantee Qualifications Evaluation Guide](#); See also Page 73, Section IV.D.2.a.ii of the BEAD NOFO at <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf>

Appendix C: Pre-Qualification Prep List

A list of items to gather/prepare for the Pre-Qualification Process include:

- Unique Entity ID [12-character alphanumeric ID] <https://usfcr.com/register-renew/>
- Minnesota Vendor (SWIFT) Number <https://mn.gov/mmb/accounting/swift/vendor-resources/>
- Audited financial statements from your company's most recent fiscal year.
- If your company does not have audited financial statements as part of your regular business operations, you will need to provide financial statements from the previous fiscal year.
- Resumes for key management personnel who may be involved in completion of BEAD-funded projects in Minnesota. At minimum, this should include resumes for all top executive officers and at least one senior leader who will be accountable for the success of the BEAD-funded deployment in Minnesota.
- Organization charts for parent and subsidiary companies likely to be involved in BEAD-funded activity in Minnesota including top-level leadership and person accountable for BEAD-funded activity.
- A narrative explanation of managerial capabilities as related to BEAD deployment, include experience and qualifications of key managerial personnel, leadership's experience with projects of similar size and scope, any recent or upcoming mergers or acquisitions, and any relevant policies.
- Examples of past work demonstrating experience in designing and successfully delivering projects of similar size, duration, and complexity.
 - The number of years during which you have been providing uninterrupted internet service in Minnesota as well as the number of years providing uninterrupted service in other U.S. states and territories.
 - The number of locations currently subscribed to internet services through your networks and plans.
 - The number of years during which you have been providing uninterrupted internet service in Minnesota as well as the number of years providing uninterrupted service in other U.S. states and territories.
- A written narrative of any penalties you or a subsidiary, affiliate, or holding company has incurred in the last five years related to development projects funded by State or Federal broadband grants.
- The name and details of any instances in the last five years in which you have been found liable in federal or state criminal proceedings or civil litigation related to federally- or state-funded broadband deployment or services.

- If there is a pending or completed enforcement action, civil litigation, or any other matter related to non-compliance or alleged non-compliance with page 75 of the [BEAD NOFO](#), you will need to provide an explanation.
- If you have exclusively operated an electric transmission or distribution service, you will need to provide qualified operating or financial reports that have been filed with the relevant financial institution during the time period of your operations.
- Proof of current licensing (Secretary of State) from relevant regulatory bodies permitting your operations in Minnesota in the form of scanned or photographed documents.
- A detailed disclosure of ownership and related companies, as required and set forth in [the Code of Federal Regulations Title 47 § 1.2112\(a\)\(1\)– \(7\)](#).
- A description of your policies ensuring fair labor law compliance of your contractors and subcontractors, including at least one specific example of how these policies were implemented with a contractor in the last three years.
- A document sharing policies and procedures designed to ensure compliance with occupational health and safety laws, including protection for worker-led healthy and safety committees.
- If you do not have any experience operating in Minnesota, and therefore are unable to demonstrate past compliance/disclosure of any historic violations for relevant federal and Minnesota state law – including laws related to the Occupational Safety and Health Act, Fair Labor Standards Act, or other applicable laws – you will need to submit a certification of past compliance or disclosure of historic violations for States in which you have operated. If you or any other entities participating in the project, including contractors and subcontractors, have any labor and employment law violations, including violations of other States’ labor and employment laws over the past three years, please disclose those violations.
- A list of all federally- and Non-OBD-funded deployment projects within the state of Minnesota, along with their funding sources and completion or non-completion timelines in Excel format.
- A detailed plan to guarantee cybersecurity for all planned networks in line with the BEAD requirements as described in Minnesota’s NTIA Approved [Initial Proposal Volume II Section 2.16.4](#).
- [A plan to manage risks](#) in your supply chain, such as mitigation of geopolitical risks, inflationary risks, or other risks that could materially impact project budget or delivery.
- Detailed plan for supply chain compliant with [Build America, Buy America Act](#) requirements.

Frequently Asked Questions

1. What if we don't have audited financial statements?

- a. If your company does not have current audited financial statements as part of your regular business operations, you will need to provide financial statements from the previous fiscal year.

2. Why do I have to submit audited financial statements?

- a. See Financial Capability ([BEAD NOFO](#) Section IV.D.2.a) Prospective subgrantees must submit financial statements from the prior fiscal year that are audited by an independent certified public accountant. If not previously audited during the ordinary course of business, prospective subgrantees can provide unaudited statements but must commit to supplying audited statements by March 15, 2025.

3. What should I do if I don't have all the required documentation?

- a. If you don't have all the documents when you begin working on your application, you can save your work and log in later to upload additional documents. We strongly recommend that you assemble all the necessary information before you begin.

4. Is there an expected length of time it will take OBD to review my pre-qualification eligibility?

- a. Upon receipt of a complete submission, the OBD will begin reviewing your qualifications. You will receive an email or notice through the portal regarding the status of the review and if more information is required to complete the review process. The entire review, including any required "curing" or supplemental information review is expected to take no more than 30 days.

5. If I start the pre-qualification process but let it sit for a week while I'm on vacation, will I still be able to access it when I log back in?

- a. If you saved your pre-qualification activity, you will be able to access it when you log back in.

6. What if I don't remember my log-in?

- a. If you forget your password, you can follow the prompts from the log-in screen for help with your password. You also have the option to log in using your email address.

7. What happens if I don't meet the deadline for the Pre-Qualification Process?

- a. The NTIA has established several essential criteria that subgrantees must meet to qualify. To comply with these requirements and ensure that the OBD gathers the critical information necessary for selecting subgrantees, all prospective applicants must complete the Pre-Qualification Process. Please contact the OBD if you need more information.

8. Who should complete this Pre-Qualification Process?

- a. The pre-qualification should be completed by a representative from the eligible organization who is an officer of the company or legal representative with binding authority to make these attestations.

9. Where can I learn more about the Build America, Buy America waivers?

- a. You can find information at <https://broadbandusa.ntia.gov/waivers-policies>
The Policy and Waiver Notices page of the NTIA website allows you to search for notices of waiver issued by NTIA in connection with its Internet for All grant programs.