

# BEAD Program: A Framework to Allocate Funding for Broadband Availability

## State Broadband Report: Minnesota

January 2024





## 1 Eligible Locations

*How many unserved/underserved locations are eligible for BEAD funding?*

**9%**  
196K LOCATIONS  
OF MINNESOTA LOCATIONS LACK HIGH-SPEED BROADBAND IN JUN 2023  
VS. 9% STATE/TERRITORY AVERAGE

### UNSERVED LOCATIONS, JUN. 2024



**74.5K**  
LOCATIONS

Are estimated to lack broadband access at **25/3 Mbps**

### UNDERSERVED LOCATIONS, JUN. 2024



**46.7K**  
LOCATIONS

Are estimated to lack broadband access at **100/20 Mbps**

These locations are primarily in rural areas and are eligible for BEAD funding to deploy broadband service.

## 2 Total Funding

*How much capital funding is the State/Territory estimated to have?*

**\$652M**  
IN BEAD FUNDING HAS BEEN ALLOCATED TO MINNESOTA  
VS. \$743M STATE/TERRITORY AVERAGE

### ESTIMATED BEAD FUNDING:

BEAD Funds allocated by NTIA

**\$652M**

Estimated Provider Match

**\$362M**

Estimated Total Capital

**\$1.0B**

The provider match is estimated using a high-level service provider business case. See national summary deck for full details.

## 3 Deployment

*How many locations can be covered with fiber and other technologies?*

**\$430M-\$652M**  
OF BEAD FUNDS IS REQUIRED TO BUILD HIGH-SPEED BROADBAND TO ALL ELIGIBLE LOCATIONS

### DEPLOYMENT SCENARIOS:



Baseline Fiber



Maximum Fiber

**100%**  
LOCATIONS REACHED

**53%**  
FIBER LOCATIONS

**100%**  
LOCATIONS REACHED

**67%**  
FIBER LOCATIONS

**\$792M**

TOTAL CAPITAL COST

**\$1.0B**

TOTAL CAPITAL COST

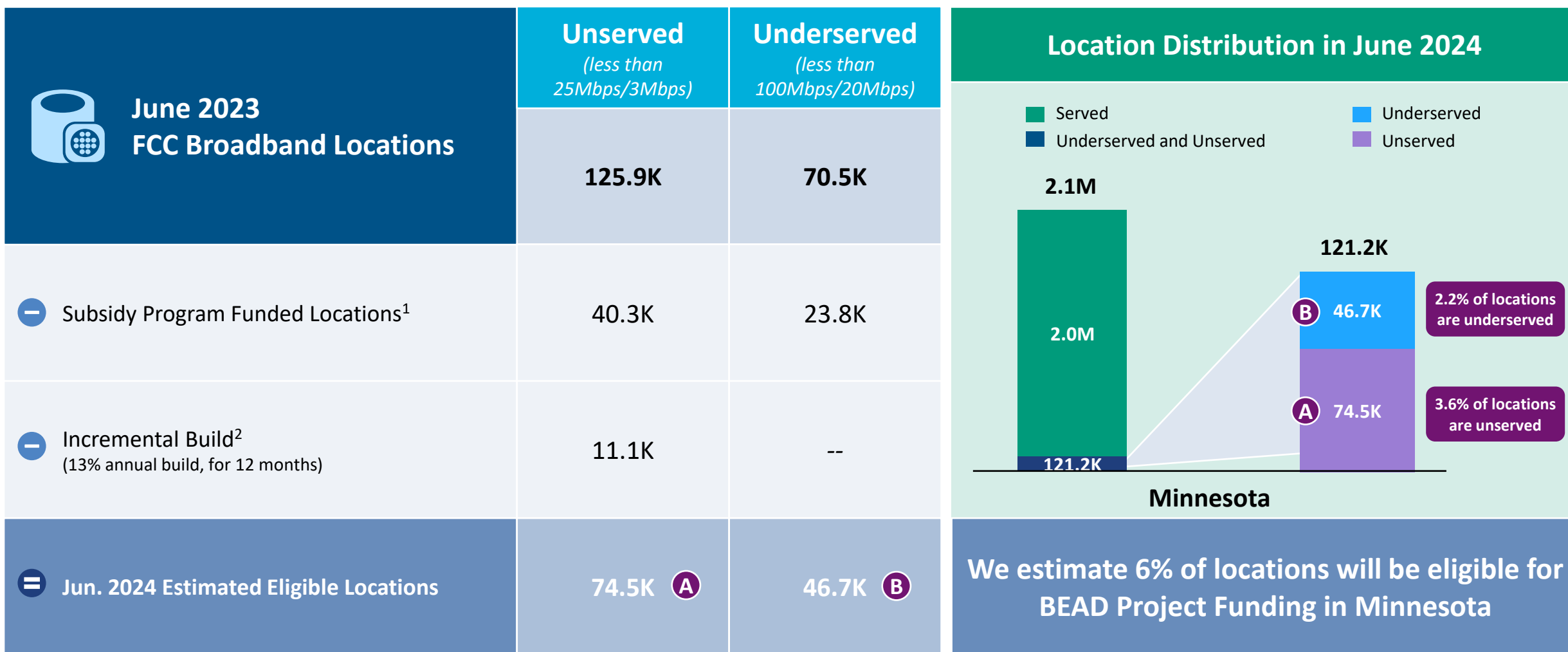
**\$222M**

REMAINING BUDGET

**\$--M**

REMAINING BUDGET

## Minnesota | Estimated Eligible Locations for BEAD Projects



1. Locations with "commitments" to receive support from federal subsidy programs

2. Given the uncertainty around the magnitude of locations moving from unserved to underserved, we have not made incremental builds adjustments to underserved locations

BEAD eligible locations does not account for state-specific eligibility rules set forth in Initial Proposals

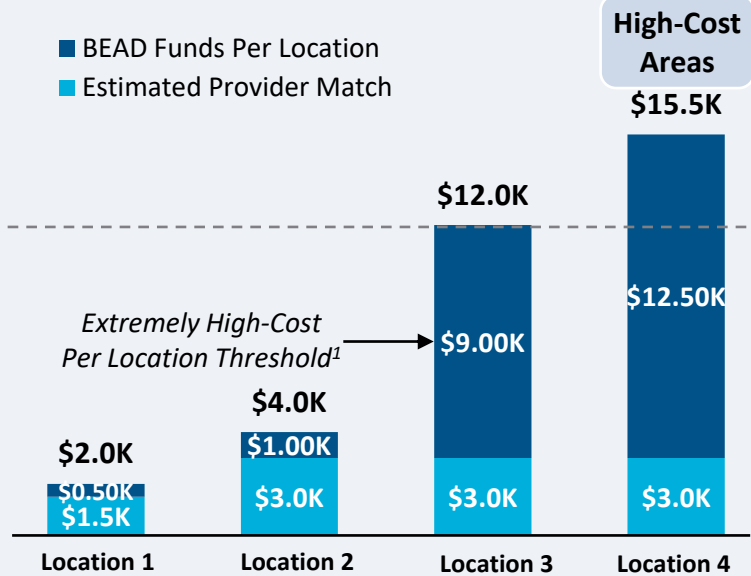
Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)

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## Provider Match Examples

## Total Deployment Cost per Location

- BEAD Funds Per Location
- Estimated Provider Match

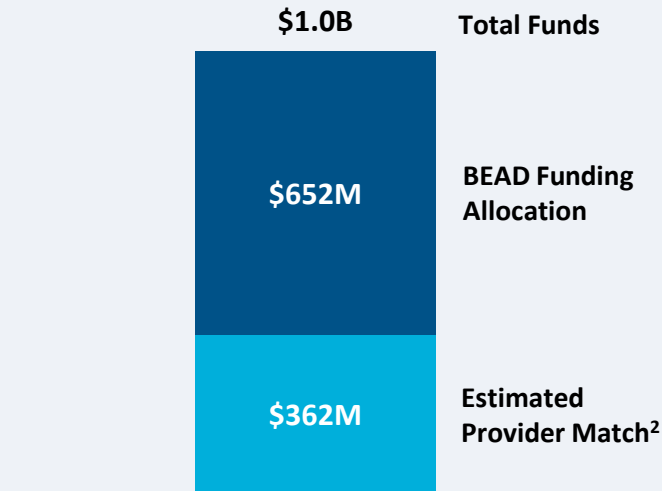


## Provider Match %

75%	75%	25%	19%
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To be conservative, we assume provider match amounts have a maximum of 75% and a minimum of 25%, except in high-cost areas

## Total Capital Available - Minnesota



\$1.0B in total capital is estimated to be available to serve unserved/underserved Minnesota locations (combining BEAD funding and estimated provider match)

## Provider Match - Minnesota

Total Estimated Provider Match:

\$362M

Total Estimated Eligible Locations:

121.2K

Average Provider Match:

\$2,991  
PER LOCATION

We estimate the average provider match will be \$2,991 – provider matches will be 75% where cost to deploy is less than \$4K

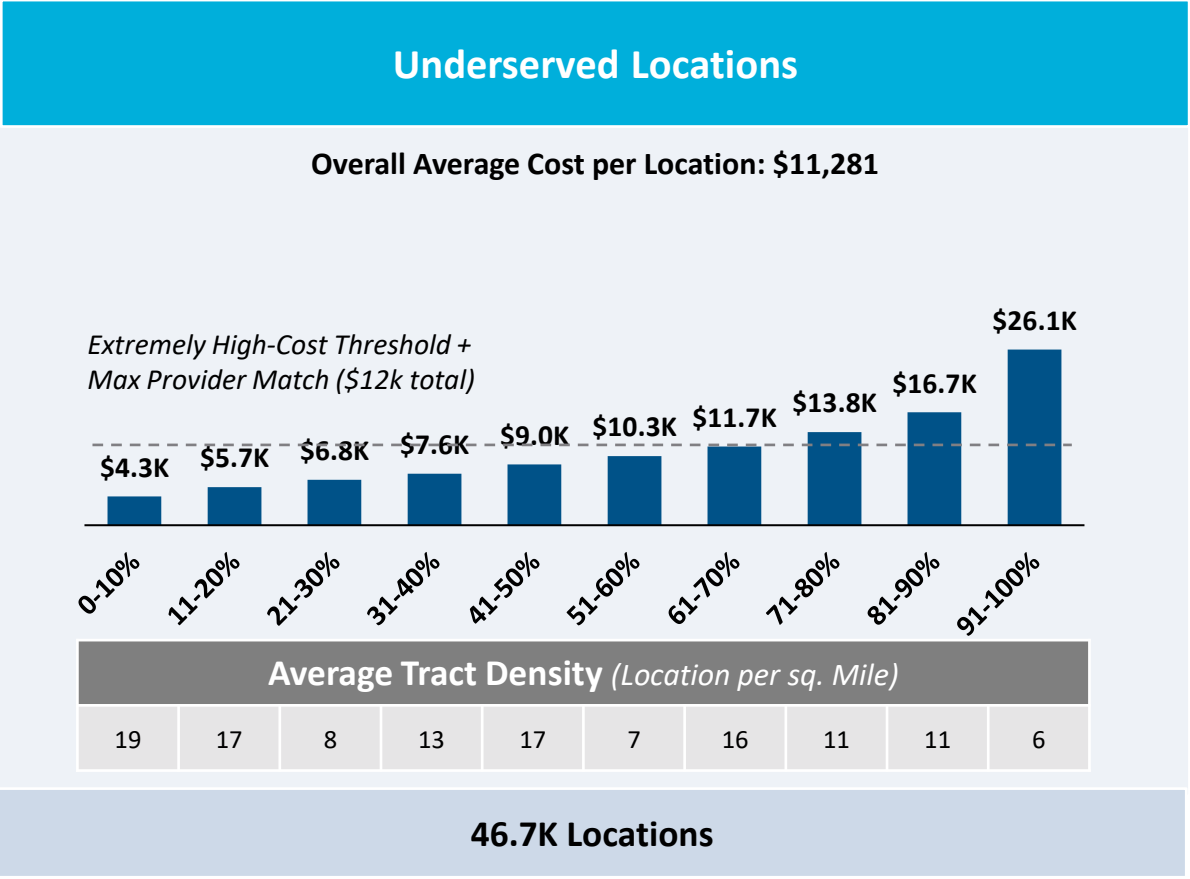
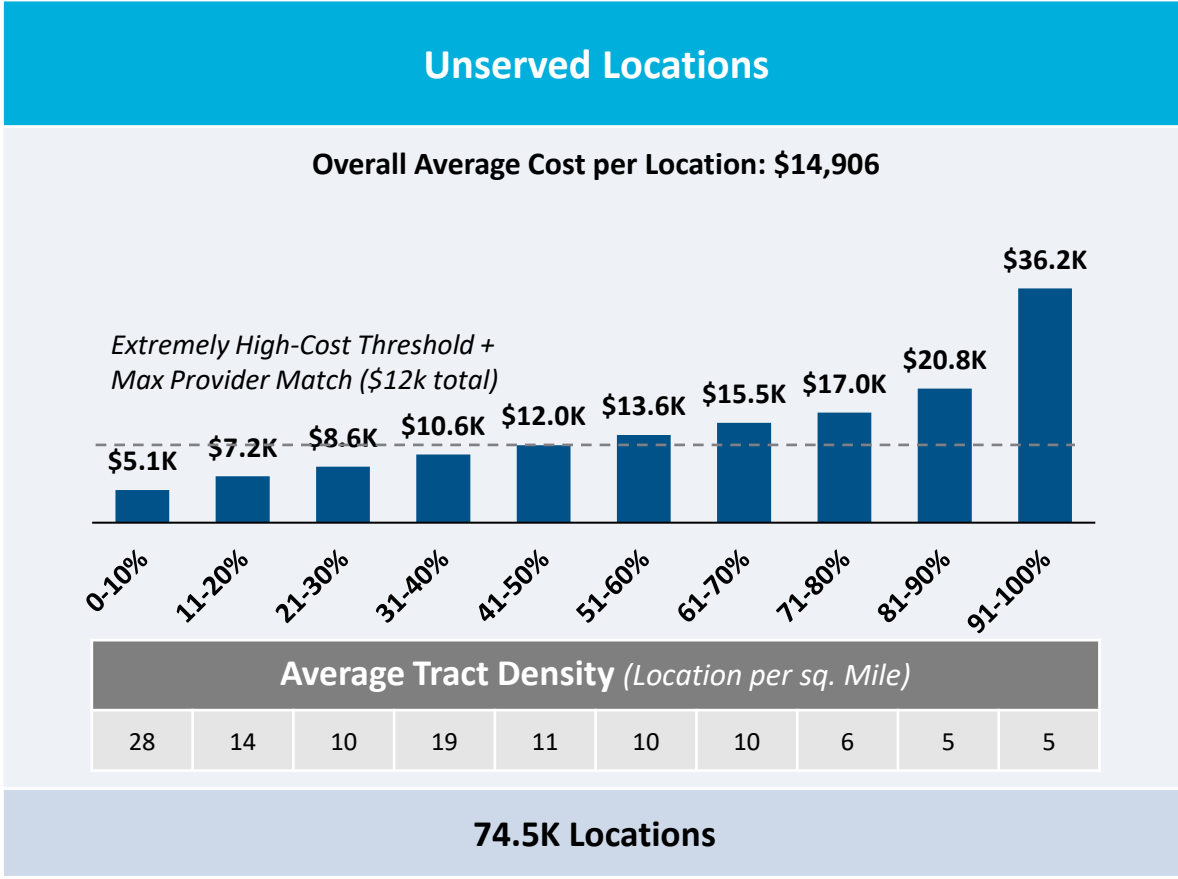
1. The model uses a \$9k threshold, however, States/Territories will individually need to determine their appropriate extremely high-cost threshold  
2. In reality, providers will determine the viable level of match funding for each project using a business case model. They will be willing to contribute a greater match in some locations and less in others. Locations which are hardest to serve may need to be fully funded by BEAD with no match. Competitive bidding should drive provider matches towards this level.

Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023), Benton, NTIA

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# Minnesota | Cost to Deploy Fiber by Decile

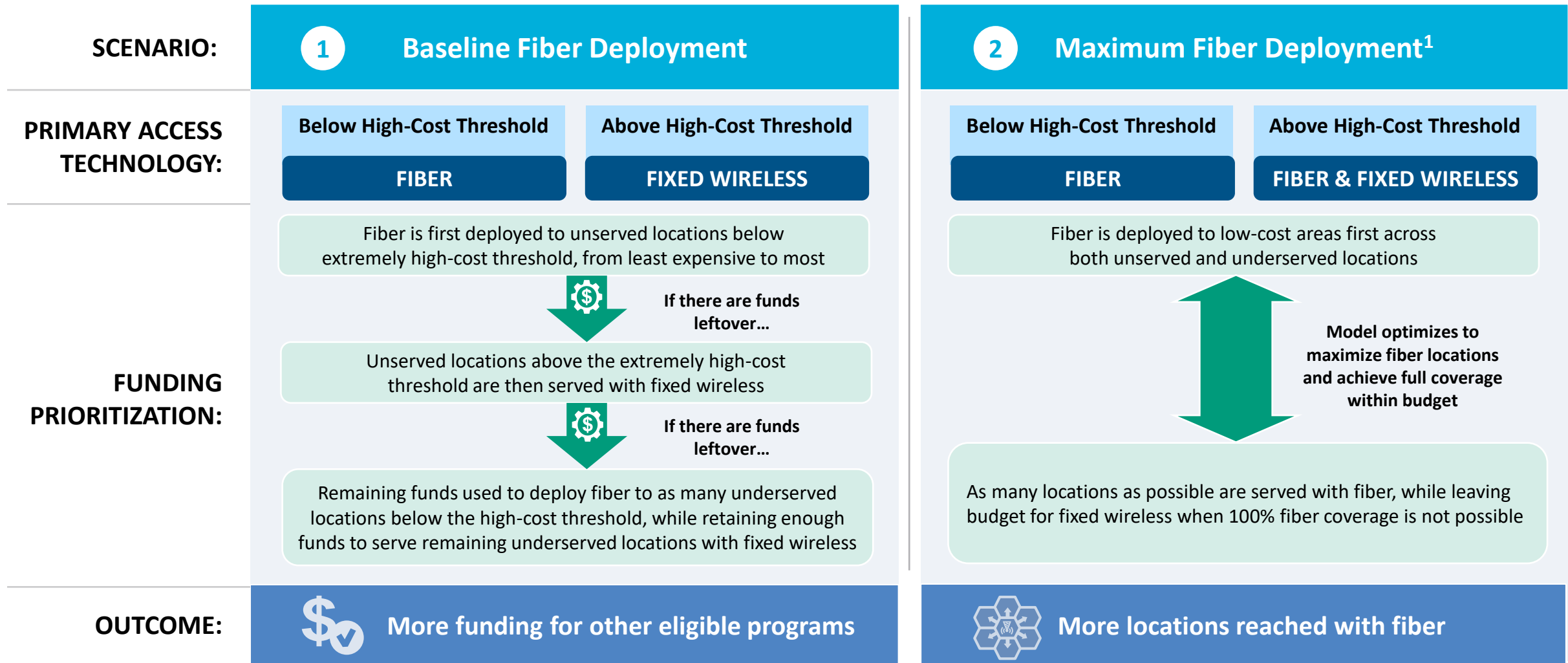
## CAPEX Fiber Deployment Cost per Location Segmented by Cost Deciles<sup>1</sup>



**Over 55% of locations are estimated to fall below the High-Cost Threshold + Provider Match**

1. Chart values are average cost per location for each decile bucket  
 Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023)  
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## Minnesota | Fiber Preferencing Scenarios



1. Scenario 2 deploys fiber beyond the extremely high-cost threshold

Source: Cartesian

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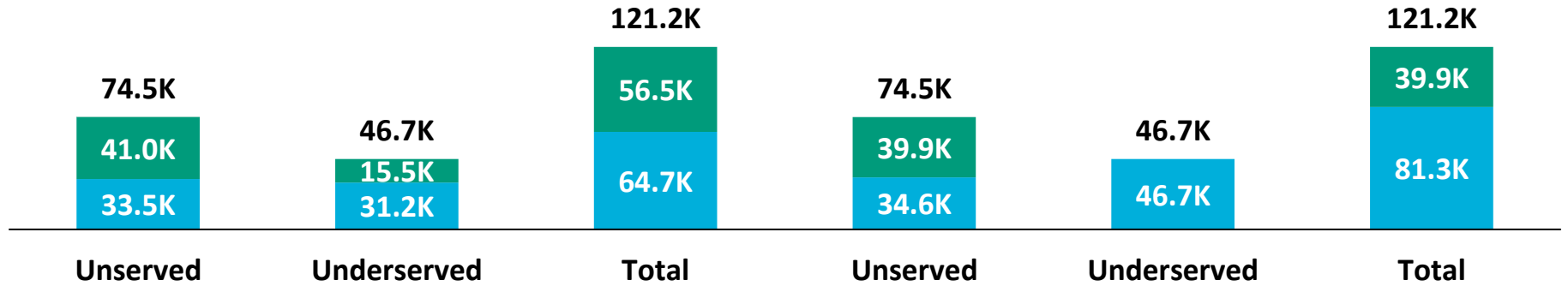
# Minnesota | Scenario Analysis Results

SCENARIO:

1 Baseline Fiber Deployment

2 Maximum Fiber Deployment

Fixed Wireless  
Fiber



Capex Required per Locations<sup>1</sup>

Scenario	Unserviced	Underserved	Total
Scenario 1	\$6,406	\$6,754	\$6,540
Scenario 2	\$6,513	\$11,281	\$8,349

BEAD Funds Available to State

\$652M

\$652M

+ Estimated Provider Match

\$362M

\$362M

= Total Available Capital

\$1.0B

\$1.0B

- Capex Required to Build

\$792B

+\$222M

\$1.0B

= Remaining Funds

\$222M

\$--M

% of Locations Reached

100%

100%

% of Locations Reached with Fiber

53%

+14%

67%

1. Funding to deploy fiber before the maximum \$3k provider match per location

Source: Cartesian, FCC National Broadband Map (June 2023 data, released in November 2023), Benton, NTIA  
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# Minnesota | Conclusion



## Funding Summary

Minnesota is expected to receive

**\$652M in BEAD funding**



**\$362M in estimated provider matching**

We estimate the funding is sufficient to reach all of Minnesota's 121.2k eligible locations with high-speed broadband



## Key Findings

Minnesota will need to decide how far to deploy fiber while considering the trade-off of having higher fiber coverage vs. retaining funds for other BEAD eligible programs

### A Baseline Fiber Deployment...



### Maximizing Fiber...

- Leaves \$222M additional funds for affordability programs
- Reaches 53% of locations with fiber
- Requires 47% to be reached with other tech.

- Exhausts funds without leaving additional funds for affordability programs
- Reaches 67% of locations with fiber
- Requires 33% to be reached with other tech.

**States/Territories will set their own extremely high-cost threshold and may choose a threshold or funding paradigm different from these two scenarios**



# Minnesota | ACA Connects Members

Member Name	
Ace Telephone Assoc dba Acentek	Kasson Mantorville Telephone Co dba KMTelecom
Arvig	Mediacom, LLC
Bagley Public Utilities	Metronet
Barnesville Cable TV	Mutual Telephone Company Ia
Beamspeed	Nuvera Communications, Inc.
Benton Cablevision	Red River Rural Telephone Association
Cable One, Inc.	Rsfiber Cooperative
City Of Monticello dba Fibernet Monticello	Runestone Telephone Association
Clarity Telecom, LLC dba Bluepeak	Savage Communications, Inc.
Consolidated Communications, Inc.	Schurz Communications, Inc.
Consolidated Telephone Company	Sjobergs, Inc.
Emily Coop Telephone Catv Division	Sleepy Eye Telephone Co
Garden Valley Telephone Co	Spring Grove Communications
Gardonville Cooperative Telephone Association	TDS Telecom
Halstad Telephone Company	Wikstrom Systems, LLC
Hanson Communications, Inc.	Windom Cable Communications
Harmony Cable, Inc.	Winnebago Cooperative Telecom Assoc
Interstate Telecommunications Coop, Inc.	



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