

County Commissioners

District 1 – Paul Krabbenhoft, Moorhead

District 2 – Frank Gross, Dilworth

District 3 – Jenny Mongeau, Moorhead

District 4 – Kevin Campbell, Moorhead

District 5 – David Ebinger, Moorhead



April 2, 2024

Senator Robert J Kupec
95 University Avenue W.
Minnesota Senate Bldg., Room 3101
St. Paul, MN 55155

EMAIL ONLY

Senator Kupec,

I am sending this letter with the full support of the Clay County Board of Commissioners to express their deep concerns regarding the potential implementation of prevailing wage standards in broadband infrastructure grant programs, as outlined in SF 4742 and HF 4659. While we appreciate efforts to enhance broadband accessibility, we believe that imposing prevailing wage requirements could inadvertently exacerbate disparities in underserved areas, particularly those in poorer communities.

Broadband infrastructure grant programs, including the State of Minnesota's Border to Border program, have been instrumental in addressing the digital divide by extending connectivity to homes and businesses that would otherwise remain unserved due to prohibitive costs. The prevailing wage exemption has played an important role in effectively lowering project costs and ensuring their financial viability. However, the proposed application of prevailing wage standards to the \$650 million in federal Broadband, Equity, Access and Deployment (BEAD) funding poses significant challenges that could widen the gap for access in underserved areas.

Minnesota is obligated to achieve high-speed broadband access for every home and business using these allocated funds. The imposition of prevailing wage standards threatens to inflate project costs, particularly in rural counties where connectivity challenges are most acute. Without additional financial resources, meeting the state's 100% connectivity obligation becomes increasingly uncertain.

Furthermore, the potential reluctance of internet service providers (ISPs) to participate in the grant program under prevailing wage standards poses a serious risk to broadband expansion efforts. Counties, often in partnership with ISPs, contribute significant funds to these projects. However, feedback from both large and small ISPs, as well as rural cooperatives, suggests hesitancy to engage in projects subject to prevailing wage standards. In many rural Minnesota counties, where there may be only one provider, the absence of participation could leave residents underserved, perpetuating inequalities that have persisted for decades.

The Clay County Board of Commissioners urge thoughtful consideration of the ramifications of SF 4742 and HF 4659 on broadband accessibility, particularly in underserved and economically disadvantaged areas. Maintaining the prevailing wage exemption is vital to ensure equitable access to broadband services across our state. We appreciate your attention to this matter and thank you for the opportunity to share our perspectives.

Respectfully submitted,

Stephen Larson
Clay County Administrator

Cc: Senator Johnson
Representative Keeler
Representative Joy
Representative Kiel

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