



**NRECA**  
Broadband



**NRECA BROADBAND**  
ANNUAL REPORT JULY 2022-JUNE 2023

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# LETTER FROM NRECA'S CEO



In the first year of NRECA Broadband, we've formed a strong, new partnership to give a voice to electric cooperatives as reliable providers of high-speed internet service. The program reflects something we all know: No one understands rural communities better than electric co-ops. No one else can give voice to the unique work we do to improve the quality of life in the places you serve.

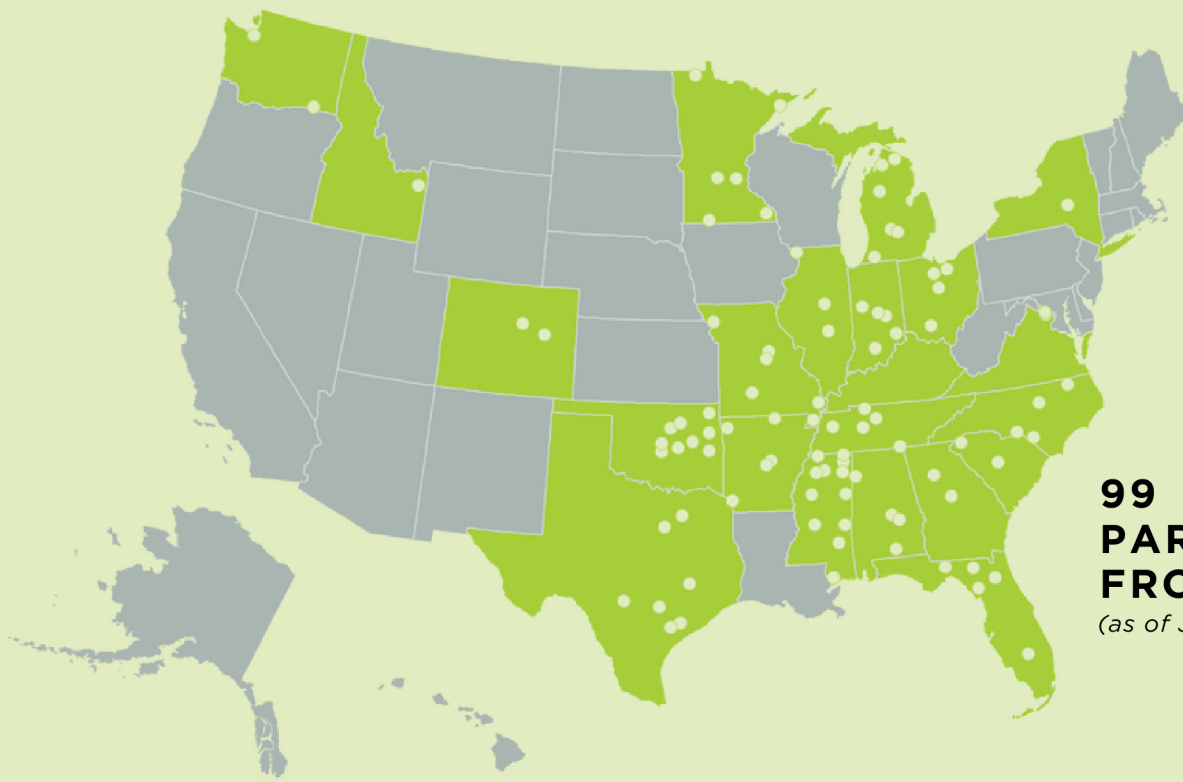
Now that we have established our program, it's time to grow. Our success, detailed in the pages of this report, is a foundation on which to build. We invested in dedicated advocacy for telecommunications—now we can amplify that voice. We brought together leaders in NRECA Broadband with leaders in Washington, D.C. to start a new conversation—now we can develop trust. We created tools for electric co-ops' diverse approaches to connectivity problems—now we can expand on our proven success. In every case, each initial step leads us toward bigger and bolder opportunities.

NRECA Broadband exists because of our members' commitment, individually and collectively, to improving the quality of life across the country. Our effort represents the commitment and leadership of electric co-ops to, once again, change the landscape of opportunity in rural America.

Thank you for your partnership and trust, and I look forward to continuing to work with you in the year ahead.

A handwritten signature in black ink that reads "Jim Matheson". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

**JIM MATHESON**  
**NRECA CEO**



**99  
PARTICIPANTS  
FROM 22 STATES**  
*(as of June 30, 2023)*

## SNAPSHOT OF NRECA BROADBAND PARTICIPANTS

The participants in NRECA Broadband include distribution co-ops, G&Ts, statewide organizations and service members. NRECA Broadband participants and their subsidiary businesses deploy fiber-to-the-premises, dark fiber and other applications and directly support more than half a million broadband consumers across the country and growing.



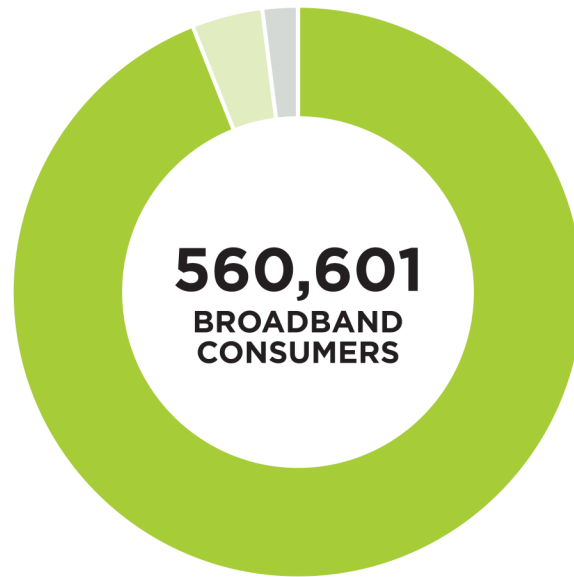
“One of the most important things we do through NRECA Broadband is create a stronger reputation—not just for what electric co-ops are doing individually to connect rural America—but for what electric co-ops can do *together*.”

- Jeffrey Connor, NRECA COO



# BROADBAND CONSUMERS BY TECHNOLOGY

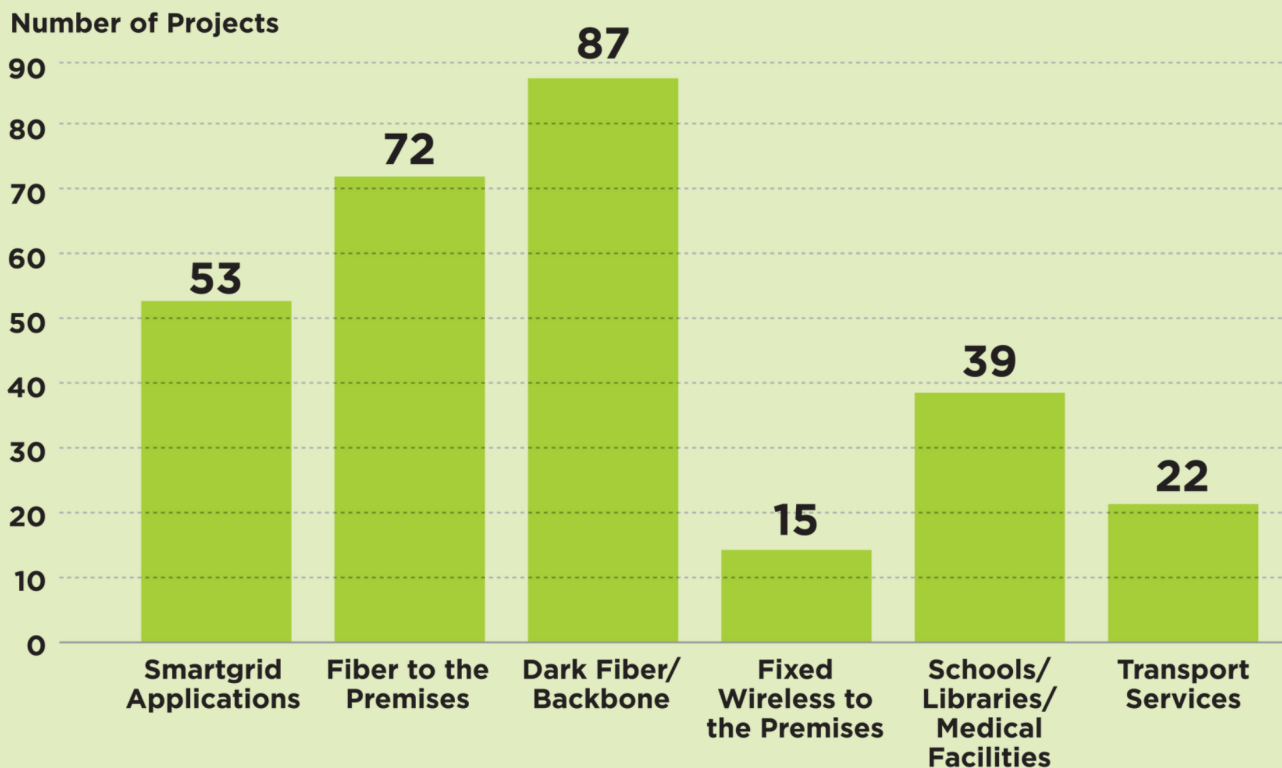
The vast majority of NRECA Broadband participants use fiber technology to deploy broadband to their combined 560,601 broadband consumers.



● FIBER 95% ● FIXED WIRELESS 4% ● OTHER 1%

## DEPLOYMENT BY PROJECT TYPE

NRECA Broadband participants deploy a wide array of projects, with dark fiber or fiber backbone and fiber-to-the-premises being the most frequent. (Note that many entities are engaged in multiple projects, so the total number of projects exceeds the total NRECA Broadband participants.)





# ADVOCACY: PROVIDING A STRONG, UNIFIED VOICE ON BROADBAND ISSUES

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NRECA Broadband is a leading voice on the legislative and regulatory issues that are key to the success of established and prospective cooperative broadband providers. NRECA advocated that Congress and federal agencies:

- Develop accurate broadband maps in advance of Broadband Equity, Access, and Deployment (BEAD) program allocations.
- Provide states with flexibility in determining eligible areas for BEAD.
- Guarantee consistent and robust funding for the U.S. Department of Agriculture (USDA) ReConnect program.
- Provide additional middle-mile network funding.
- Prioritize networks and technologies that can deliver symmetrical speeds at or above 100/100 megabits per second.
- Modernize infrastructure permitting, including firm time limits for environmental reviews.
- Adopt a broad waiver for the Build America, Buy America Act requirements in recognition of the ongoing shortage of domestically produced equipment and materials.
- Maintain the co-op pole attachment exemption.
- Ensure that any entities that won federal and state grant money (e.g., satellite or fixed wireless providers) are meeting their obligations and delivering what they promised.



## HIGHLIGHTS: NRECA BROADBAND ADVOCACY SUCCESSES

- NRECA's outreach and advocacy contributed to the Federal Communications Commission's (FCC) rejection of nearly \$2 billion in flawed Rural Digital Opportunity Fund (RDOF) bids, making these areas eligible for other funding.
- Several changes specifically recommended by NRECA were incorporated in the State and Local Fiscal Recovery Funds and Capital Projects Fund Supplementary Broadband Guidance published by the Department of the Treasury.
- A draft proposal to repeal the federal electric co-op exemption from FCC pole attachment fees was *not* considered by a House Energy and Commerce subcommittee as a result of strong NRECA engagement.



“When you come to Washington, D.C., to talk about things that matter to rural America, NRECA has a voice like nobody else in this city...The leverage that brings to us as electric cooperatives getting into the fiber [broadband] business will help us be able to overcome the dollars that the larger providers can bring to the table.”

- Mike Partin, President and  
CEO of Sequachee Valley  
Electric Cooperative and NRECA  
Secretary-Treasurer

# ELECTRIC CO-OPS IN BROADBAND: RAISING OUR PROFILE ON THE HILL

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NRECA Broadband and its participants played key roles in congressional hearings on opportunities to streamline permitting, expedite broadband deployment and safeguard broadband programs such as ReConnect in the upcoming Farm Bill. The hearings represented valuable exposure for the co-op perspective and further established electric co-ops as a significant voice in the broadband space.



“Broadband is no longer a luxury but instead a necessity for business, education and health care access across the country.

“Without these connections, families may choose not to return to the small towns where they grew up, businesses choose to locate elsewhere, and farmers struggle to access the latest technologies that help lower input costs and improve yields.”

- NRECA CEO Jim Matheson, testifying before the House Agriculture full committee at a hearing on “Closing the Digital Divide in Rural America.”





“As the committee considers the upcoming Farm Bill, JCE and the rest of our nation’s electric cooperatives look forward to working with you in our shared goal of connecting all Americans, no matter where they live, with a robust and reliable internet connection.”

- Jesse Shekleton, Jo-Carroll Energy director of broadband operations, testifying before the Senate Agriculture, Nutrition, and Forestry Subcommittee on Rural Development and Energy

"[The federal permitting process] takes too long, is too expensive, and is an impediment to the ability of broadband providers to meet the needs of their consumers and communities."

- Louis Finkel, NRECA Senior Vice President for Government Relations, testifying before the House Energy and Commerce Subcommittee on Communications and Technology



# OUR ROADMAP TO A BETTER BROADBAND MAP

In November, the FCC released the long-anticipated National Broadband Map, setting off a scramble for providers and consumers to review and assess its accuracy. NRECA mobilized a multi-pronged industry response, rallying co-ops and their consumer-members to challenge the flawed data and set the record straight.

- NRECA joined with the National Rural Telecommunications Cooperative (NRTC) to coordinate a bulk challenge to the map, challenging hundreds of thousands of National Broadband Map locations on behalf of our members.
- NRECA also leveraged social media to activate our Voices for Cooperative Power grassroots network to encourage individual challenges to the map. NRECA educated consumer-members about the personal stakes of having an accurate broadband service map and provided advocates with easy tools to submit inaccuracies.

NRECA will continue to review the FCC's future iterations of the map to gauge improvements and will engage in future outreach efforts to pursue a map that more accurately reflects the state of broadband coverage in the U.S.





# POLICYMAKER BRANDING CAMPAIGN

Targeted to broadband influencers and policymakers in Washington, D.C., NRECA utilized display ads, advertising and social media to promote electric co-ops as key to closing the digital divide.



**Total reach in 2022: 431K impressions**

## REPUTATION RESEARCH

NRECA conducted research to determine electric co-ops' reputation in broadband in Washington to help direct future advocacy messaging and identify where co-ops can add value in policy conversations. Results revealed:

- Leaders in Congress and the regulatory community view electric co-ops in general and NRECA in particular as theoretically strong participants in the nationwide rollout of rural broadband.
- Legislators' awareness of electric co-ops' rural broadband involvement is low, though awareness among regulators is high.

To increase awareness on the Hill, NRECA will highlight co-ops' broadband capability and their track record of successful federal government partnership on rural broadband. Additionally, in 2023, NRECA will leverage policymaker branding campaigns and other tactics to build on the research findings and strengthen the position of electric co-ops in broadband.

# EDUCATION, LEARNING AND COLLABORATION

NRECA offered exclusive education and networking opportunities for NRECA Broadband participants during the program's first year.

## **NRECA Broadband Leadership Summit**

In its inaugural year, NRECA Broadband's flagship annual event, the NRECA Broadband Leadership Summit, provided nearly 150 attendees with unique opportunities to hear from federal agency representatives, plus opportunities for personal conversations and relationship-building. Attendees heard from the FCC, National Telecommunications and Information Administration, U.S. Department of the Treasury, congressional staffers and more. The summit concluded with a roundtable discussion on co-op needs and priorities that have helped shape the future of NRECA Broadband.



"[The summit] gave us a good opportunity to let us be heard, to talk about our challenges... It gave us a chance to get our message across."

**-Michael Callahan, Executive Vice President/CEO of the Electric Cooperatives of Mississippi**

"[We want every American] to have access to affordable, reliable high-speed internet...How do we make sure that this truly hits every single person? Co-ops are a huge, huge piece of this."

**- Andy Berke, Rural Utilities Service Administrator, USDA**





**Alan Davidson**

Assistant Secretary of Commerce for Communications & Information and NTIA Administrator



**Eduard Bartholme**

Senior Outreach Director, Federal Communications Commission



**Joseph Wender**

Director, Capital Projects Fund  
U.S. Department of the Treasury

“[I was] very impressed with NRECA’s ability to secure the **government ‘heavy hitters’** that spoke at this Summit; important for them to hear the stories of the small co-ops. Otherwise, it’s hard for us to get an audience with the right people.”

- Summit participant

## Beyond the Summit

In addition to the flagship summit, NRECA Broadband participants leveraged exclusive learning opportunities to stay abreast of key telecommunications issues:

- **NRECA PowerXchange** offered exclusive broadband content, NTIA office hours for participants to ask about BEAD and a private networking reception for NRECA Broadband participants.
- **Legislative Conference** provided opportunities to hear from various federal agencies, as well as a session on how to tell the co-op story on key issues. Additionally, NRECA held a media briefing on broadband.
- **Monthly Regulatory Roundtable webinars** introduced opportunities for participants to interact with regulatory experts on key issues such as tax implications and dark fiber.
- **New Director Course *Considering Broadband: The Due Diligence Process*** was offered free to board members from participating co-ops.

## Opportunities to Hear from Key Decision Makers

NRECA helped electric co-ops build new relationships with key players in the broadband policy arena. Whether it was House Communications and Technology Subcommittee Chairman Bob Latta, R-Ohio, speaking to participants at the Legislative Conference, NTIA representatives holding office hours at PowerXchange, or the depth of high-level speakers available at the Broadband Leadership Summit, NRECA provided participants with small-group opportunities to hear directly from the decision makers who matter most.





# NRECA Broadband: Exclusive Offerings

With your cooperative's participation in NRECA Broadband, you have exclusive access to broadband-specific advocacy, education, resources and guidance.

[VIEW LATEST CONTENT](#)

## ADDITIONAL RESOURCES

In addition to these exclusive offerings, visit the Broadband page in the Topics section for broadband resources that are available to all NRECA members.

[Read more →](#)

## RESOURCES AND INSIGHTS TO POSITION CO-OPS FOR SUCCESS

NRECA Broadband participants received exclusive access to expert advice on federal funding, regulations, compliance and tax implications and timely news and insights to help them make decisions, including:

- Federal Communications Law Compliance Overview, offering written guidance on complex regulatory issues, such as Universal Service reporting, Consumer Proprietary Network Information and other FCC regulatory issues.
- Memorandum examining tax issues associated with electric co-ops directly or indirectly engaging in the broadband business, including member income and unrelated business income considerations.
- Broadband Insider weekly newsletter.
- NRECA Broadband Participants professional community.
- Daily News Brief.
- Complimentary direct consultation with Keller & Heckman, a regulatory compliance firm.

All NRECA Broadband exclusive content can be found at  
[cooperative.com/broadbandexclusive](https://cooperative.com/broadbandexclusive).









## **JULY 2022-JUNE 2023 FINANCIAL HIGHLIGHTS**

For the period from July 1, 2022 to June 30, 2023, participation fees collected from NRECA Broadband participants equaled \$1,765,760.

### **Summary of Operations**

For the period from July 1, 2022 to June 30, 2023, NRECA Broadband had total revenue of \$1,104,081\*, total operating expenses of \$633,385 and a net margin of \$470,696.

*\*Revenue is recognized from the participant's start date over the 12 subsequent months.*

#### *Notes:*

- 1. Financial information is unaudited and may change.*
- 2. NRECA Broadband is an NRECA fee-for-service program and not a separate legal entity.*
- 3. NRECA will be reporting financials on a calendar year going forward.*



# WHAT'S AHEAD: HELPING AMERICA'S ELECTRIC COOPERATIVES CLOSE THE DIGITAL DIVIDE

**Thank you for your commitment.** Your involvement has contributed to these Year One outcomes.

**There is more work to do.** We are still building our momentum, and we're partnering with you to determine additional ways we can deliver value for your investment.

**We are adding capacity.** NRECA has recently hired additional staff dedicated to broadband, growing our bench strength to be an even stronger advocate for your telecommunications interests in Washington, D.C.

**NRECA will continue advocacy, education and support on behalf of NRECA Broadband participants in the coming year by:**

- Engaging on the Farm Bill, so that USDA's ReConnect program will provide ongoing funding for rural broadband deployment.
- Hosting the second NRECA Broadband Leadership Summit Nov. 7-9, 2023, in Washington, D.C., as well as offering exclusive broadband programming at other conferences.
- Continuing to advocate for accurate maps, a minimum 100/100 Mbps broadband speed definition and additional middle-mile funding.
- Growing the reputation of NRECA Broadband and electric co-op broadband providers in Washington.



# NRECA BROADBAND KEY CONTACTS

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# PHOTO CREDITS

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# NRECA INFO

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