

April 14, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of Treasury
1500 Pennsylvania Ave., NW
Washington, DC 20220

Dear Secretary Yellen,

The American Rescue Plan signed by President Biden provides hundreds of billions of dollars to states and localities in direct, flexible aid with wide latitude in how it can be spent, including broadband infrastructure. When the Treasury Department awards funds, NRECA urges the department to release guidance that in no way limits or restricts the ability of states and localities to use these funds to address their unique needs.

The National Rural Electric Cooperative Association (NRECA) is the national trade association representing nearly 900 local electric cooperatives that are owned by the people that they serve. Millions of rural Americans without access to broadband are fighting an uphill battle in the digital economy. That is why nearly 200 electric cooperatives are involved in diverse solutions to provide retail broadband and help close the digital divide.

As you know, the American Rescue Plan of 2021 contained several programs which provides funds directly to states, localities, territories, and tribes. First, \$10 billion in funds were allocated to the “Coronavirus Capital Projects Fund” and directs these funds be used “to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the public health emergency with respect to the Coronavirus Disease (COVID–19).” Additionally, it included \$350 billion in new Coronavirus State (\$219 billion) and Local (\$130 billion) Fiscal Recovery Funds, some of which may be allocated towards broadband infrastructure.

Congress intentionally provided broad latitude on how best to use these funds. As the Federal Communications Commission (FCC) has acknowledged, federal data and maps on broadband availability are widely inaccurate and ongoing efforts to collect more granular data won’t be complete for a couple years. Further, federal guidance should not foreclose on the possibility that there may be complementary relationships among the dozens of existing federal, state and local broadband programs and potential new investments that could accelerate deployment.

Restrictive guidance from the Department is contrary to the statutory language and would hamper the ability of state and local policymakers—who are much more knowledgeable about the level of broadband service available within their jurisdictions—to address unique local barriers to broadband deployment.

On behalf of America’s nearly 900 electric cooperatives, I urge you to provide guidance that refrains from placing restrictions on the ability of states or localities to allocate these funds to broadband deployment. Any restriction, no matter how well intended, has the potential to create winners and losers and is likely to result in rural communities being further left behind in the digital economy.

Sincerely,



Jim Matheson
Chief Executive Officer
NRECA