

March 27, 2026



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The Honorable Jonathan McKernan  
Under Secretary for Domestic Finance  
U.S. Department of the Treasury  
1500 Pennsylvania Avenue, NW  
Washington, D.C. 20220

RE: Extension of December 31, 2026, Capital Projects Fund Deadline

Dear Under Secretary McKernan,

I am writing today to express concern about the looming deadline by which funds awarded through the Capital Projects Fund (CPF) administered by the Department of the Treasury must be expended. Numerous National Rural Electric Cooperative Association (NRECA) members have been promised funding and are in jeopardy of not meeting this deadline, due to circumstances beyond their control. I urge you to provide a blanket one-year deadline extension or, in the alternative, to expeditiously establish a streamlined process under which a state may request an extension on behalf of sub-recipients.

Member-owned, not-for-profit electric cooperatives constitute a vital part of the electric utility industry, providing reliable, affordable power to 42 million rural consumers – one in eight Americans – across 48 states. Electric cooperatives are built by – and belong to – the rural communities they serve and are uniquely suited to meet local electric and broadband connectivity needs. Today, more than 200 electric cooperatives are involved in broadband deployment efforts, bringing affordable internet connectivity to areas that other service providers have deemed too costly to serve.

Pursuant to the American Resue Plan Act (ARPA) of 2021, CPF allocated approximately \$10 billion for broadband, digital technology, and multi-purpose community facility projects to states, territories, and Tribal governments. 78 rural electric cooperatives in 26 states received \$878 million to bring high-speed broadband to more than 200,000 unserved locations.

Treasury’s Notice of Funding Opportunity (NoFO) states that “... [States] may request extensions...to the extent that factors outside of the Recipient’s control have impacted Project delivery timelines. Treasury will approve extension requests on a case-by-case basis.”<sup>1</sup> It further states that “All funds must be expended by December 31, 2026, which is the end of the period of performance. Recipients must return to Treasury any grant funds that are not used by the end of the period of performance on December 31, 2026. Treasury may, in its sole discretion, grant extensions to the period of performance upon request from Recipients.” However, to date, no process by which states can request an extension of this deadline has been established.

NRECA members in several states have expressed concern about meeting the December 31, 2026, deadline, for various reasons. Barriers to completion include slow program rollout at the state level, federal and state permitting delays, and spurious lawsuits initiated against fund recipients, to name a few

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<sup>1</sup> *Guidance for the Coronavirus Capital Projects Fund for States, Territories & Freely Associated States*, U.S. Department of the Treasury, at p. 18 (September 2021) (CPF NOFO).

– and are out of members’ control. Others have been severely impacted by natural disasters, such as ice storms in Michigan, Tennessee, Mississippi, Louisiana, Kentucky and North Carolina, which have required rebuilding of large parts of their network. Work stoppages can result in loss of qualified contractors and lead to supply chain issues, which can further complicate completion. Additionally, the build season for ISPs in northern states can be short, limiting the time available to complete construction by the current deadline.

We urge the Treasury department to grant a one-year blanket extension to all CPF funding recipients/sub-recipients for both substantial project completion and use of funds. A blanket extension will reduce uncertainty, allowing funding sub-recipients to focus on what matters most for American consumers – network construction completion and providing affordable broadband connectivity to their customers – rather than a potentially time-consuming extension request process. Absent a blanket extension, NRECA urges the Treasury department to expeditiously create a streamlined process by which CPF recipients can request an extension and receive a timely decision regarding their request.

Thank you for your time and consideration of this request.

Sincerely,

/s/ Louis Finkel  
Louis Finkel  
Senior Vice President, Government Relations  
National Rural Electric Cooperative Association