
February 18, 2025

The Honorable Howard Lutnick
Secretary
U.S. Department of Commerce
1401 Constitution Ave., NW
Washington, DC 20230

Dear Secretary Lutnick,

On behalf of the National Rural Electric Cooperative Association (NRECA), congratulations on your confirmation as Secretary of the U.S. Department of Commerce. With over 200 electric cooperatives working to provide reliable, affordable high-speed broadband service across the communities they serve, the work of the Department of Commerce, specifically the National Telecommunications and Information Administration (NTIA), is critical to our success in closing the digital divide and boosting economic prosperity and quality of life in rural America.

NRECA shares President Trump's vision that all Americans have access to a secure, modern, high-speed, scalable broadband network that will unleash economic opportunity and meet the growing communications needs of rural communities for years to come, while limiting regulatory burdens and being good stewards of taxpayer dollars. Below is a list of NRECA priorities under the purview of NTIA along with recommendations on how the agency can empower electric cooperatives serving rural communities to succeed in the growing digital economy.

As a first order of business, electric cooperatives believe NTIA should immediately modify its implementation of the Broadband Equity, Access, and Deployment (BEAD) program. The previous administration's implementation of BEAD has disincentivized small, rural providers from participating and those that are participating are concerned about the substantial cost of compliance with the program. NTIA can address these challenges immediately by replacing current program requirements with commonsense policies and ensuring this critical funding is awarded without delay. Specifically, NRECA urges NTIA to do the following: maintain the current technology preference for fiber; modify statutory provisions to provide additional flexibility for the low-cost service plan, NEPA & NHPA permitting and prevailing wage provisions; eliminate non-statutory requirements for a climate risk assessment and open access in the NOFO or implemented by states, and eliminate other burdens and obstacles slowing deployment.

Thank you for your consideration of this request. Please do not hesitate to contact me or have your staff contact Brian O'Hara, Senior Director, Regulatory Affairs at (703) 907-5798 for additional information.

Sincerely,



Jim Matheson
CEO, NRECA

cc. NTIA

NRECA's Priorities on NTIA Programs

Broadband Equity Access and Deployment Program (BEAD)

Authority and Description

The Broadband Equity, Access, and Deployment (BEAD) Program provides \$42.45 billion from the Bipartisan Infrastructure Law to expand high-speed Internet access by funding planning, infrastructure deployment, and adoption programs across the country.

NRECA Position

The \$42.5 billion BEAD program is unique in that its mission is to connect all homes and businesses across the nation to high-speed broadband, as opposed to the incremental approach of other grant programs. The BEAD program is critical to electric cooperatives, but it has not been effectively implemented. Complicated federal application requirements and compliance burdens have made it challenging or even prohibitive for them to apply. Some of the BEAD program rules and regulations, such as the rigidity of the low-cost service plan price caps, have disincentivized small, rural providers from participating in the program, and those that are participating have concerns with compliance costs. Under your leadership, NTIA has an opportunity to provide additional flexibility with the price caps, permitting requirements and labor provisions that will ease burdens while maintaining program integrity to ensure prudent, effective use of federal resources. The BEAD program is essential to bridging the digital divide and unleashing rural economic prosperity. The program should move forward as quickly as possible with additional flexibility provided on certain onerous provisions. Below are recommendations where additional flexibility should be provided:

Alternative Technology/Fiber Preference

NRECA was pleased to see the NTIA alternative technologies guidance reiterate the priority of fiber broadband, followed by other “reliable” broadband technologies, then alternative technologies only where necessary. Maintaining the BEAD Notice of Funding Opportunity (NOFO) prioritization of fiber will maximize future proof networks that will unleash economic prosperity in rural communities and ensure networks built with these scarce federal funds will meet growing bandwidth demands for years to come. Alternative technologies can play an important role in accomplishing the BEAD goal of connecting all homes and businesses and NRECA fully agrees that some extraordinarily remote broadband serviceable locations (BSLs) might only be serviceable through their use, in the near term. However, NRECA urges NTIA not to make major changes to the existing technology prioritization as laid out in the BEAD NOFO.

Low-Cost Service Plans

In the BEAD NOFO, NTIA suggests state broadband offices define the low-cost option as a service plan at the Affordable Connectivity Program (ACP) level of \$30 per month or less, or \$75 per month on Tribal Lands (inclusive of all taxes, fees and charges). When operational, the ACP subsidy level was a one-size-fits-all subsidy rate arbitrarily set by Congress in the Bipartisan Infrastructure Law and did not fully reflect the costs to build, operate and maintain a broadband network in high-cost, low-density areas, nor was it meant to be a rate ceiling. For many rural ISPs, the economic challenges of building and maintaining broadband infrastructure in high-cost rural areas still does not make sense, even with federal assistance, if the rates they can charge for “affordable” service are arbitrarily capped. Rural electric cooperatives are governed by and a reflection of their communities, and as such have a unique understanding of what affordability looks like in the context of their local communities. While some

states appropriately recognized the need for flexibility and set a price range that applicants would be required to charge, other states set the rate at the one-size-fits-all ACP subsidy rate of \$30, or other arbitrary set rate below the cost to provision service. NRECA urges NTIA to require states to provide BEAD awardees with additional low-cost option pricing flexibility instead of forcing Internet Service Providers (ISPs) to charge a one-size-fits-all regulated rate that may be below their cost of provisioning service.

Permitting Reform

Federal environmental regulations and permitting for broadband infrastructure projects are out of date and burdensome. They delay and drive-up costs of rural broadband projects like those funded by the BEAD program. While some improvements have been made and more are under consideration, the federal permitting process still often takes too long, cost too much, and serves as an impediment to broadband providers seeking to meet the needs of their rural communities. NTIA, along with all federal land agencies, should seek to eliminate permitting barriers and bottlenecks, and streamline processes. Reevaluation of the National Environmental Policy Act (NEPA) and National Historic Preservation Act (NHPA) processes should be undertaken as soon as possible.

Other BEAD Provisions

Other BEAD provisions that should be rethought include the prevailing wage and climate risk assessment. Both add additional burdens on small ISPs with limited staff and resources. NRECA urges NTIA to issue waivers or reduce the burden of complying with these requirements.

Program Compliance

NRECA and its members look forward to working collaboratively with NTIA to streamline and reduce any onerous compliance burdens while ensuring program integrity.

Enabling Middle Mile Broadband Infrastructure Program

Authority and Description

The Enabling Middle Mile Broadband Infrastructure Program was funded with \$1 billion from the Bipartisan Infrastructure Law to reduce the cost of bringing high-speed Internet service to unserved and underserved communities by connecting local networks to major networks.

NRECA Position

Many rural communities served by NRECA members lack sufficient middle mile infrastructure, or existing infrastructure is prohibitively expensive due to a lack of competition in rural areas. As more rural homes and businesses are connected to the internet through the numerous last-mile broadband deployment programs currently underway, insufficient existing middle mile infrastructure will become further congested. This will have a negative impact on the speed and quality of the new broadband service many rural communities will receive through programs like BEAD. This issue will be further exacerbated by continued expansion of mobile cellular and 5G service to rural communities, including by the FCC's proposed \$9 billion 5G fund, and the rapid growth of AI data centers, many of which are located in rural areas.

NRECA has consistently called for Congress to appropriate additional funding to address the middle mile issue. We urge NTIA to take any actions it can to evaluate and address rural middle mile constraints and its impact on rural residents, businesses, communities, precision agriculture, and economic development.