

June 14, 2023

The Honorable Alan Davidson  
Administrator  
National Telecommunications and Information Administration  
U.S. Department of Commerce  
1401 Constitution Avenue  
Washington, DC 20230

Dear Administrator Davidson:

The National Rural Electric Cooperative Association (NRECA) and its member cooperatives appreciate the ongoing work of you and your staff to implement the Broadband Equity, Access, and Deployment (BEAD) and other broadband programs in a timely, efficient and thoughtful manner. As the Department of Commerce prepares to move forward on implementation of programs, such as BEAD and the Middle Mile Grant (MMG) program, we urge you to follow recent guidance<sup>1</sup> issued by the Treasury Department providing flexibility in application of the uniform administrative requirements of 2 CFR Part 200 for ARPA State and Local Fiscal Recovery Funds (SLFRF) and Capital Projects Fund (CPF) grantees. The waiver rules implemented by Treasury will effectively ensure the timeliness and efficiency of grant funded broadband projects across the country, supporting their success.

NRECA is the national service organization for more than 900 not-for-profit rural electric cooperatives that provide electric power to 56% of the nation's landmass, approximately 42 million people in 48 states, or approximately 12 percent of electric customers. Rural electric cooperatives serve 88% of the counties of the United States, including 327 of the nation's 353 persistent poverty counties, which is 92% of these persistent poverty counties. The nation's rural electric cooperatives are deeply committed to promoting the deployment of advanced telecommunications capabilities within the rural communities and areas in which they serve and are expected to play a crucial role in the development of broadband infrastructure to serve rural unserved and underserved locations.

Over 200 rural electric cooperative broadband projects are already underway across the country, and NRECA estimates that another 100 or so co-ops are currently exploring the feasibility of providing broadband. NRECA members are providing (or will provide) these broadband services either by themselves or through partnerships of some kind with affiliated or unaffiliated ISPs. Many of these projects stand to receive support via BEAD funding, once the grant process commences.

As the Department of Commerce prepares to announce MMG awards and allocate BEAD funding to the states, we ask that the following waivers of 2 CFR 200, granted by Treasury for its aforementioned programs, are similarly adopted for all the programs under NTIA. NRECA filed comments<sup>2</sup> with

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<sup>1</sup> *SLF and SPF Supplementary Broadband Guidance*, see: [https://home.treasury.gov/system/files/136/SLFRF-and-CPF-Supplementary-Broadband-Guidance.pdf?utm\\_source=sendgrid&utm\\_medium=email&utm\\_campaign=Newsletters](https://home.treasury.gov/system/files/136/SLFRF-and-CPF-Supplementary-Broadband-Guidance.pdf?utm_source=sendgrid&utm_medium=email&utm_campaign=Newsletters).

<sup>2</sup> *Comments of NRECA on Proposed SLFRF and CPF Supplementary Broadband Guidance*, filed with U.S. Treasury April 11, 2023, available at: <https://www.cooperative.com/programs-services/government-relations/regulatory->

Treasury in support of their proposed supplemental guidance and provided additional recommendations on further improvements that would ensure broad applicability and increase awardee flexibility while maintaining program integrity. NRECA was pleased that Treasury included clarifications and additional flexibility in its final rule as we suggested. Specifically, broadening the definition of Internet Service Provider (ISP), declaring that revenue from fiber Indefeasible Rights of Use (IRU's) and leases is not "program income", and clarifying that costs incurred by an ISP prior to receiving an award "are reimbursable to the extent that they would have been allowable if incurred after the date of the federal award."

NRECA appreciates the opportunity to offer our perspectives, and we hope our comments prove useful as NTIA moves forward on implementation of BEAD and other broadband programs. Adoption by NTIA of similar supplementary broadband guidance regarding application of the uniform administrative requirements of 2 CFR Part 200 adopted by Treasury would not just provide needed clarity and flexibility but would also result in consistencies across broadband programs and efficiencies in implementation. If you have any questions about the above or if we can be of further assistance, please do not hesitate to contact NRECA staff Brian O'Hara, Senior Director of Regulatory Affairs at [brian.ohara@nreca.coop](mailto:brian.ohara@nreca.coop), (703) 907-5798, or Greg Orlando, Director of Regulatory Affairs at [greg.orlando@nreca.coop](mailto:greg.orlando@nreca.coop), (703) 907-6531.

Sincerely,



Louis Finkel  
Senior Vice President, Government Relations