

April 19, 2021

The Honorable Janet Yellen
Secretary
U.S. Department of Treasury
1500 Pennsylvania Avenue NW
Washington, D.C. 20220

Dear Secretary Yellen,

The Utilities Technology Council (UTC) urges the Treasury Department to provide guidance regarding the *American Rescue Plan Act of 2021* to allow state and local governments to use the funding for broadband deployment. Such guidance would be consistent with the provisions within Subtitle M, Section 9901 which allow funds to be used “to make necessary investments in water, sewer, or broadband infrastructure.” Moreover, such guidance would be consistent with the provisions of the American Rescue Plan as a whole, which broadly delegate authority to state and local governments to mitigate the fiscal effects stemming from the COVID-19 pandemic.

Providing flexibility for state and local governments to use these funds to invest in broadband deployment would also be consistent with past precedent regarding the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) funding, which the Treasury Department permitted state and local governments to use to fund broadband deployment. This helped to fund broadband deployment in several states, including Mississippi, which awarded \$65 million in CARES Act funding to 15 rural electric cooperatives to provide broadband across the state. Accordingly, UTC urges the Treasury Department to provide sufficient flexibility for state and local governments to determine how they allocate their funds, including investments in broadband deployment.

The Utilities Technology Council (UTC) is the national association representing electric, water, and natural gas utilities on their technology and telecommunications needs. Dozens of our utility members are providing their communities with direct broadband access, offering a critical economic lifeline to their customers. In addition, several more UTC utility members are deploying middle-mile broadband infrastructure to unserved and underserved areas, which enables ISPs to deploy last-mile infrastructure and offer broadband services on a retail basis.

The ongoing pandemic has proven just how vital broadband connectivity is to our nation’s wellbeing. Access to high-speed, reliable internet service is necessary as so many of us continue working and learning from home. This will remain the case even after the pandemic ends, as communities with quality internet access will be at a greater economic and educational advantage than those that do not. Therefore, investments in broadband would directly advance the purposes of the American Rescue Plan to mitigate the fiscal impact of the pandemic. Moreover, these investments are permitted under the Act up until December 31, 2024, after the pandemic is expected to end.

Congress passed the American Rescue Plan with numerous programs providing funding directly states, localities, territories, and tribes. First, the law includes \$10 billion allocated to the “Coronavirus Capital Projects Fund” to 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 includes \$350 billion in new Coronavirus State (\$219 billion) and Local (\$130 billion) Fiscal Recovery Funds, which permit these funds to be used for broadband infrastructure among other permissible uses of the funds.

Therefore, the Treasury Department should adhere to the text of the American Rescue Plan and give states and localities the necessary flexibility to determine how these funds are best spent, particularly on broadband. Doing so can accelerate broadband deployment and help connect communities to the economic powerhouse that is broadband connectivity. It is well established that existing federal maps on broadband availability are inaccurate and plagued by faulty data. Correcting these maps could take months if not years. Meanwhile, state and localities are uniquely positioned to determine where investments in broadband deployment are needed to provide access to unserved and underserved areas. In fact, many states have developed their own broadband maps and are partnering with the National Telecommunications Information Administration to provide better broadband mapping accuracy. Accordingly, the Treasury Department should provide flexibility for state and local governments to make targeted investments on a timely basis to promote broadband deployment where it is needed most to mitigate the impact of the pandemic.

Electric utilities empower broadband deployment and on behalf of UTC, I encourage you to provide state and local governments with the necessary flexibility to spend this critical stimulus funding in ways that they determine will best meet their needs, including on broadband infrastructure and deployment. Placing restrictions on how state and local authorities can spend this money will only slow our nation's efforts to bridge the digital divide.

Sincerely,

Sheryl Osiene-Riggs

Sheryl Osiene-Riggs
President, CEO
Utilities Technology Council