

**Before the
DEPARTMENT OF AGRICULTURE
RURAL UTILITIES SERVICE
Washington, D.C. 20554**

In the Matter of)	
)	RUS-22-Telecom-0056
Rural eConnectivity Service)	RIN 0572-AC62
)	

**COMMENTS
OF
NTCA–THE RURAL BROADBAND ASSOCIATION**

NTCA–The Rural Broadband Association¹ appreciates the opportunity to provide comments to the Rural Utilities Service (“RUS”) related to the Rural eConnectivity Program (“ReConnect Program”) pursuant to the above-captioned proceeding.² Specifically, RUS seeks comment to ensure the ReConnect Program “requirements are clear, accurate as presented and in compliance with Federal reporting requirements.”³

NTCA members and the communities they serve have benefitted significantly from the ReConnect Program. Since RUS began awarding grants and loans through the ReConnect Program in 2019, over fifty (50) NTCA members have been awarded more than a billion dollars through this program. The ReConnect Program is a critical tool to connect every home and business to affordable, high-quality internet, and NTCA members have used funding from this program to deploy fiber-to-the-home networks to households, businesses, educational facilities,

¹ NTCA represents approximately 850 providers of high-quality voice and broadband services in the most rural parts of the United States. In addition to voice and broadband, many NTCA members provide wireless, video, and other advanced services in their communities.

² Request for Comment, RUS-22-Telecom-0056, RIN 0572-AC62, Rural Utilities Service, 88 Fed. Reg. 5724 (Jan. 30, 2023).

³ *Id.*

critical community facilities and farms in some of the most rural, hard-to-serve parts of the country.

With that in mind, NTCA urges RUS to recognize that non-federal entities receiving ReConnect funding may need the same flexibility with respect to the Build America, Buy America Act (“BABA”) provisions for other awardees.⁴ In particular, the rules governing the ReConnect Program currently specify that “Non-Federal Entities” must adhere to BABA requirements while “All other awardees” have the ability to use materials that have been mined or manufactured either in the United States or in any eligible country.⁵ Accordingly, depending upon interpretation, the rules could be read to subject certain cooperatives, among others, to more restrictive BABA requirements as compared to other ReConnect program applicants by virtue of nothing more than their organizational structure.

Such a disparity would compound the equipment supply chain challenges broadband providers already encounter by eliminating some would-be grant applicants’ use of certain equipment, likely resulting in even longer lead times for these applicants to acquire necessary equipment as compared to their competitors while simultaneously making the cost of the equipment potentially more expensive – which in turn risks disadvantaging the scoring of their projects. Notably, NTIA recently made the following findings with respect to supply chain challenges related to BABA requirements:

- Approximately two-thirds, 67%, of broadband network equipment is sourced exclusively from Asia;

⁴ See 7 C.F.R. § 1740.46.

⁵ *Id.*

- Fiber optic cable assembly generally occurs in Mexico;
- Only 12% of semiconductor production of any kind occurs in the United States, and domestic semiconductor production does not include the production of the most advanced chips at all;
- Domestic manufacturing cannot adequately supply critical network inputs made from oil-based polymers, such as land holes, conduit, and splice enclosures; and
- Onshoring production of these critical components could take up to five years if manufacturers commenced activities to onshore their production immediately.⁶

While NTCA fully supports the policy objectives that BABA represents, NTCA encourages RUS to consider important practical realities to ensure BABA does not become an obstacle to rapid deployment of desperately needed broadband facilities to many of the nation's unserved and underserved areas. RUS has worked effectively and efficiently in the past to provide reasonable interpretations and workable flexibility in its rules for procurement of equipment, and NTCA encourages RUS to continue this approach going forward to the fullest extent permitted by law.

Consistent requirements for all ReConnect Program applicants will also better ensure the ReConnect Program's goals are not undermined by the inability of a subset of applicants to source BABA equipment. Along the same lines and as a related matter, to further ensure all ReConnect Program applicants are afforded consistent standards, NTCA recommends yet again that RUS not award scoring preferences to certain kinds of entities based merely upon organizational form. As noted above, ReConnect Program rules should not vary based simply

⁶ NTIA, "Limited Applicability Nonavailability Waiver of the Buy America Domestic Content Procurement Preference as Applied to Recipients of Middle Mile Grant Program Awards," (Sep. 19, 2022), available at <https://www.commerce.gov/sites/default/files/2022-09/NTIA%20Middle%20Mile%20BABA%20Waiver.pdf>.

upon an entity's governing structure. Affording all applicants the same consideration and applying the same requirements will result in a more competitive program and ultimately better ensure communities throughout the country can receive the benefit of quality, high-speed internet services that the ReConnect Program helps make possible.

Respectfully Submitted,



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