



BOARD OF COUNTY COMMISSIONERS ARCHULETA COUNTY, COLORADO

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August 15, 2023

Senator Michael F. Bennet
261 Russell Senate Office Building
Washington DC 20510

RE: Request to Oppose NTIA's Requirement for a Letter of Credit for Broadband Equity Access and Deployment (BEAD) Funding

Dear Senator Bennet:

We hope this letter finds you well. We are writing to seek your support in opposing the current requirement set forth by the National Telecommunications and Information Administration (NTIA) for a letter of credit in relation to the Broadband Equity Access and Deployment funding.

The Colorado Broadband Office (CBO) has expressed opposition to this letter of credit requirement, and the Archuleta County Board of County Commissioners stands firmly in support of their stance. While we acknowledge the importance of financial safeguards and accountability in the allocation of federal funds, we believe that the insistence on a letter of credit poses significant drawbacks and hinders the efficient distribution of funds for broadband development not only in our region, but in many rural areas. Below are key reasons why we believe this requirement is not conducive to achieving our broadband expansion goals:

1. **Limited Participation:** Article 1, Section 11 of the Colorado constitution states that "Neither the state, nor any county, city, town, township or school district shall lend or pledge the credit or faith thereof, directly or indirectly, in any manner to, or in aid of, any person, company or corporation, public or private, for any amount, or for any purpose whatever; or become responsible for any debt, contract or liability of any person, company or corporation, public or private, in or out of the state." Requiring a letter of credit will keep local governments in the State of Colorado from being able to apply because they will be constitutionally prohibited from complying with the requirements of the grant. Furthermore, requiring a letter of credit may discourage smaller Internet Service Providers (ISPs) and community organizations

from participating in the funding program. These entities, often the ones with the most localized knowledge and the deepest commitment to community welfare, might find it challenging to meet the financial prerequisites for obtaining a letter of credit, thereby excluding them from contributing to the expansion efforts.

2. **Delays in Deployment:** The process of obtaining a letter of credit can be time-consuming and bureaucratic. This additional red tape could lead to delays in the deployment of broadband infrastructure, further exacerbating the digital divide in underserved and unserved areas in the Region 9 area and specifically in unincorporated Archuleta County. It is crucial to expedite the expansion process to ensure our communities can access critical online services, education, and economic opportunities.
3. **Resource Strain:** Smaller ISPs and community organizations that are eligible to apply for funding will likely face significant financial strain while attempting to secure a letter of credit. These resources could be better allocated to expanding and upgrading broadband infrastructure directly, rather than navigating through credit application processes.
4. **Higher Costs:** Requiring letters of credit adds an extra layer of cost to the funding process. These expenses, in terms of financial institution fees and interest, could be avoided if alternative, efficient mechanisms were employed for financial oversight.

Knowing how the letter of credit requirement adversely affected Region 9's middle mile grant application to the NTIA and expecting similar results for all Colorado governments and consortiums of governments, we respectfully urge you to advocate for the removal of the letter of credit requirement from the Broadband Equity Access and Deployment funding guidelines. We believe that fostering a more inclusive process will better serve the interests of Archuleta County, Region 9, the state of Colorado, and other jurisdictions around the country, as well as lead to faster, more efficient broadband expansion.

We appreciate your dedication to all residents of our region and the State. Your support in opposing this requirement will be crucial in bridging the digital divide and ensuring that Colorado can thrive in the digital age.

Thank you for your attention to this matter, and we look forward to hearing about your efforts to champion this cause.

Sincerely,

Ronnie Maez
Chairman