



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF
THE CHAIRMAN

August 31, 2020

The Honorable Bill Johnson
U.S. House of Representatives
2336 Rayburn House Office Building
Washington, DC 20515

Dear Congressman Johnson:

Thank you for your letter regarding Frontier Communications Corporation's Form 477 challenge for census blocks deemed initially eligible for the Rural Digital Opportunity Fund Phase I Auction. I have seen for myself what affordable high-speed Internet access can do for a community—for its families, its schools, its hospitals, its farms, its businesses—as well as the impact of its absence. That's why my top priority is to close the digital divide for all Americans, no matter where they live, including the rural Ohio communities we visited in January.

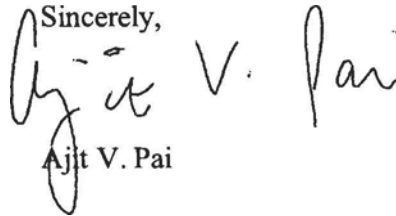
The Rural Digital Opportunity Fund represents the Commission's boldest step yet in bridging the digital divide. Building upon the success of the CAF Phase II auction, the \$20.4 billion Rural Digital Opportunity Fund will use a two-phase reverse auction to allocate support for up to gigabit service to will provide up to \$16 billion in universal service support for up to gigabit service to as many as 10.4 million unserved Americans. Phase I will target wholly unserved census blocks—those areas where no one disputes that there is no fixed broadband service that meets the FCC's minimum standard—in order to make sure that those areas get service as quickly as possible. Then, Phase II will make available at least \$4.4 billion to fill in the remaining coverage gaps by supporting networks that will serve partially unserved census blocks that will be identified in the Commission's ongoing Digital Opportunity Data Collection proceeding, along with areas that did not have a winning bidder in Phase I.

In order to ensure that taxpayer funding is not spent wastefully or inefficiently, it is critical to avoid overbuilding existing broadband networks. To that end, in March the Commission's Wireline Competition Bureau released a list of census blocks and a map of areas that were deemed preliminarily eligible for the Rural Digital Opportunity Fund Phase I auction, based on the most recent Commission data. The Bureau then commenced a limited challenge process that gave parties the opportunity to identify census blocks that have subsequently become served with voice and broadband services at speeds of 25/3 Mbps or better, and areas where there is already an enforceable commitment for a service provider to deploy 25/3 Mbps broadband in connection with a state or federal broadband subsidy program. The Commission released an updated eligible areas list on June 25, 2020.

Frontier Communications Corporation filed a Form 477 challenge for 16,987 census blocks where it claimed that it provided service of 25/3 Mbps or better broadband service. Several commenters challenged Frontier's filing as overstating its coverage and representing implausible deployment during a time of financial distress for the company. Among these

commenters was Buckeye Hills Regional Council, which conducted a 37-county study in southern and eastern Ohio, finding that Frontier had exclusively reported deployments of 10/1 Mbps to the Universal Service Administrative Company despite claiming higher speeds during the challenge process. After a careful review, the Commission found numerous and significant concerns in the record regarding the validity of Frontier's filing, including its own admission that it had misfiled its June 2019 data, errors in its challenge that it sought to revise, and inconsistent explanations for its challenge. Accordingly, the Commission denied Frontier's challenge regarding its deployment and declined to exclude those census blocks from consideration for eligibility for the auction, which will begin in October.

I know you share my view that rural Americans have waited long enough for digital opportunity. I'm excited about the Rural Digital Opportunity Fund's potential to deliver on this much-needed promise for those in the Sixth District of Ohio and across the country. Please let me know if I can be of any further assistance.

Sincerely,

Ajit V. Pai