

## **Rural Broadband Auctions Task Force Accomplishments Through 2020**

**Remarks of Michael Janson, Director, RBATF**

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[Slide 1 – Title slide]

Thank you, Chairman Pai and Commissioners Carr, Rosenworcel, Starks, and Simington.

The Rural Broadband Auctions Task Force oversees and coordinates the work across the agency on the use of reverse auctions to award universal service high-cost support. I am the director of the task force, Kirk Burgee from WCB and Jonathan McCormack from OEA are the deputy directors, and Audra Hale-Maddox from OEA is the Chief of Staff.

[Slide 2 – RBATF overview]

The Task Force was formed in early 2017 to move forward the monumental and highly innovative effort to use auctions to allocate universal service support to unserved areas. Chelsea Fallon was the first director of the Task Force, leading this effort from 2017 to 2019.

The Task Force has overseen the Connect America Phase II Auction, the Rural Digital Opportunity Fund Phase I Auction, and establishment of the 5G Fund for Rural America.

This work has included staff – attorneys, economists, engineers, project managers, and analysts - from almost every Bureau and Office in the agency, and at times involved close to 100 staff working together on tight deadlines.

[Slide 3 - CAF Phase II]

In 2018, the Task Force oversaw the Connect America Phase II Auction, known as Auction 903. This was the first multiple-round, reverse auction to award ongoing high cost support to deploy broadband to unserved areas. The auction was technologically neutral and used innovative, weighted tiers that made more support available to services with faster speeds and lower latencies.

Bidding concluded in August 2018 and resulted in awards of almost \$1.5 billion to over 100 winning bidders to deploy service to over 700,000 locations across the country. Almost all of the support went to provide deployment of services with speeds of at least 25/3 Mbps.

The post auction process of reviewing long form applications is almost complete, and as of now, nearly all of the support has been authorized for broadband deployments.

[Slide 4 – CAF Phase II – Pictures]

This program is bringing high-speed broadband to unserved areas across the country. Chairman Pai visited Wind River Internet, a Tribally owned provider, that was awarded \$4.1 million in CAF-II and is bringing gigabit broadband to more than 800 homes and businesses on the Wind River Reservation in rural Wyoming. Another example is East Central Electric Cooperative which was awarded \$22.2 million to bring gigabit broadband to 7,700 locations in rural Oklahoma, including for many Tribal residents of the Creek Nation.

[Slide 5 – RDOF (Auction 904)]

In 2020, the Task Force oversaw the Rural Digital Opportunity Fund Phase I auction, known as Auction 904. This auction built upon the success of Auction 903 and used a similar design, with weighted tiers that encouraged participation from all technologies, with more support available to higher speeds and lower latencies, and included additional measures to promote future-proofed, high-speed/low latency deployments.

Bidding ended on November 25, 2020, and the auction awarded \$9.2 billion to 180 winning bidders to deploy service to some 5.2 million unserved locations in 49 states and one territory. The winning bidders included electric cooperatives, cable operators, incumbent telephone companies, satellite companies, fixed wireless providers, and consortia that included dozens of smaller companies.

[Slide 6 – RDOF Phase I Results Map]

As you can see on this map of Rural Digital Opportunity Fund Phase I results, support was awarded across the country with almost all eligible areas being awarded support. Of those areas awarded, 99.7% received support for broadband at speeds of 100/20 Mbps or higher, with the vast majority—almost 85%—receiving support for Gigabit-speed broadband.

Long-form applications from winning bidders are due by January 29. The Task Force has been busy preparing for the work of reviewing these applications and authorizing support to get awarded funds out to unserved areas as quickly as possible.

Phase II of the Rural Digital Opportunity Fund will make support available to partially served high-cost areas identified using new broadband coverage maps that will be developed in the

Commission's Digital Opportunity Data Collection, along with the relatively few areas that were eligible but were not won in the Phase I auction.

[Slide 7 – Mobile High-Cost Support Reform]

In 2011, the Commission began the process of reforming high cost support for mobile broadband. Based upon concerns about reported mobile broadband coverage maps submitted in the Mobility Fund Phase II proceeding, the Commission began an investigation. FCC field agents conducted their own tests to assess the accuracy of the reported mobile coverage, and the staff report found that providers' submitted mobile coverage did not reflect consumers' on-the-ground experience.

Recognizing that universal service should focus on deploying today's technology to rural Americans and not yesterday's, the Commission adopted the 5G Fund for Rural America last year. This fund builds on the success of the CAF-II and Rural Digital Opportunity Fund Phase I auctions, adopting a similar two-phased multi-round reverse auction approach. This fund will make up to \$9 billion available to support the deployment of 5G in unserved areas. Importantly, adopting the 5G Fund also at long last brought to fruition the Commission's stated intention in 2011 that any pause in the reform of mobile high cost support would be accompanied with the adoption of additional public interest obligations for legacy recipients. These public interest obligations took effect at the beginning of this year, and they ensure that areas receiving legacy support also receive 5G deployments and are not left behind.

[Slide 8 – 5G Fund for Rural America]

The 5G Fund will distribute support in two phases with up to \$8 billion available in the first phase based upon new mobile data coverage collected through the Digital Opportunity Data Collection. The second phase will make at least \$1 billion – plus the remainder of the Phase I budget – available for 5G deployments that facilitate precision agriculture.

The Task Force has moved forward all of these programs collaboratively with staff from across the agency and with remarkable efficiency. It has been an honor to advance these vital universal service programs to bridge the digital divide with so many dedicated staff.

Thank you.