



FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON

OFFICE OF THE
ACTING CHAIRWOMAN

July 29, 2021

The Honorable John Thune
Ranking Member
Subcommittee on Communications, Media, and Broadband
Committee on Commerce, Science, and Transportation
United States Senate
511 Hart Senate Office Building
Washington, DC 20510

Dear Ranking Member Thune:

Thank you for your letter regarding the review process for long-form applications in the Rural Digital Opportunity Fund (RDOF) auction.

I believe that it is essential that we work to close the digital divide so that 100 percent of households in the United States are connected to broadband. During the pandemic, we have seen just how important affordable high-speed internet access is for families, schools, hospitals, and businesses. One way Federal Communications Commission policies can help achieve this goal is through the high-cost program, which is part of the Universal Service Fund developed pursuant to Section 254 of the Communications Act. The high-cost program is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service at rates that are reasonably comparable to those in urban areas. The RDOF auction is an outgrowth of these policies and draws on funds from the high-cost program.

In the RDOF auction, a total of 180 bidders were preliminarily awarded funding to deploy high-speed broadband to over 5.2 million unserved homes and businesses. After these winning bidders were announced, they were given the opportunity to divide their bids among approved providers, allowing bidding consortia to distribute winning bids among its members. As a result, 417 providers ultimately filed "long-form" applications with the Commission. These applications required the subsequent submission of additional financial and technical information. In addition, by June 7, 2021, applicants were required to file certifications that they had obtained eligible telecommunications carrier (ETC) status, which is a necessary prerequisite for the receipt of support from the high-cost fund. Applicants unable to obtain ETC designation in their winning-bid areas were required to file a waiver request explaining in detail the good-faith efforts undertaken to meet the deadline.

Each provider's long-form application must demonstrate to Commission staff that the applicant is legally, technically, and financially capable of providing the required coverage and performance levels within the specified timeframe in the geographic areas in which it won

support. To make this showing, long form applicants were required to submit confidential, detailed technology and system designs that explain how the provider will meet the relevant performance requirements, including information regarding plans to ensure service quality, coverage, voice service capability, network management and on-going operation. As established by the rules and procedures initially adopted in the RDOF program, certain parts of these long-form applications will be made public after the Commission has completed review of applications.

Throughout the long-form application review period, a team of nearly 50 Commission staff, drawn from a variety of offices and bureaus at the agency, have been working carefully to review the application materials to ensure that applicants meet program requirements before any funding is distributed. Their work has been supplemented, from time to time, by other agency staff with specific expertise that may be required during the course of review. The amount of time required to complete review on any individual application varies considerably, depending on the complexity of the application and the responsiveness of the applicant to staff requests for additional information. However, each applicant must meet all legal, financial, and technical program requirements to ensure they are reasonably capable of deploying service to all required locations within the program timeline.

On July 26, 2021, the Commission released the first “ready to authorize” public notice, listing 48 companies as ready to take the next step to receive \$311,669,132 to deploy gigabit service using fiber and cable in 36 states. This public notice triggered the requirement for the applicants to submit an irrevocable letter of credit and a bankruptcy opinion letter to the Universal Service Administrative Company before disbursement of support is authorized. The remaining long-form applications continue to be under review. As tranches of additional applications are deemed “ready to authorize,” the Commission will release public notices identifying those applications. As tranches of “ready to authorize” applicants complete the final steps before being authorized to receive support, the Commission also will release public notices authorizing disbursements to commence and establishing the deployment milestones that each applicant is required to meet. These measures ensure transparency with respect to the status of long-form application review and accountability for those applicants that successfully complete the process.

While the Commission has engaged in this review process, it also has taken steps to address problems with the program. For instance, in response to reports that demonstrated that the auction, as originally conceived, would fund broadband in areas including parking lots, international airports, traffic medians, and dense urban centers, Commission staff sent letters to 197 winning bidders poised to receive support for these areas. These letters provide an opportunity to withdraw funding requests from places that already have service or where significant questions of waste have been raised. In addition, the Commission will not support bidders that failed to diligently pursue their applications. To this end, the Commission denied waivers requested by bidders that failed to make reasonable efforts to pursue ETC designations.

I appreciate your interest in the RDOF auction and how it can be used to help address the digital divide in rural communities. I believe the Commission has been both careful and

thorough in its review of long-form RDOF applications. I will continue to have Commission staff update Committee staff as our long-form process continues.

Sincerely,

A handwritten signature in black ink, appearing to read "Jessica Rosenworcel", with a long horizontal flourish extending to the right.

Jessica Rosenworcel



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OFFICE OF THE
ACTING CHAIRWOMAN

July 29, 2021

The Honorable Roger Wicker
Ranking Member
Committee on Commerce, Science, and Transportation
United States Senate
512 Dirksen Senate Office Building
Washington, DC 20510

Dear Ranking Member Wicker:

Thank you for your letter regarding the review process for long-form applications in the Rural Digital Opportunity Fund (RDOF) auction.

I believe that it is essential that we work to close the digital divide so that 100 percent of households in the United States are connected to broadband. During the pandemic, we have seen just how important affordable high-speed internet access is for families, schools, hospitals, and businesses. One way Federal Communications Commission policies can help achieve this goal is through the high-cost program, which is part of the Universal Service Fund developed pursuant to Section 254 of the Communications Act. The high-cost program is designed to ensure that consumers in rural, insular, and high-cost areas have access to modern communications networks capable of providing voice and broadband service at rates that are reasonably comparable to those in urban areas. The RDOF auction is an outgrowth of these policies and draws on funds from the high-cost program.

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