



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF THE  
CHAIRWOMAN

November 10, 2022

The Honorable Roger F. Wicker  
United States Senate  
555 Dirksen Senate Office Building  
Washington, DC 20510

Dear Senator Wicker:

Thank you for your October 20, 2022 inquiry to the Federal Communications regarding the Rural Digital Opportunity Fund (RDOF) and the 5G Fund for Rural America (5G Fund). We share your commitment to ensuring that all areas of the United States can access high-speed fixed and mobile broadband, and we have been working hard towards that goal.

The RDOF is designed to bring broadband to unserved rural communities across the country. Currently, FCC staff is close to finalizing authorizations for RDOF support, with 413 out of 418 applications resolved. To date we have authorized over \$5.6 billion in support for over 3.1 million locations. In implementing the RDOF during my time as Chairwoman, the FCC has taken a number of steps to carefully protect Universal Service funds. This includes removing questionable locations from deployment support, when the record suggests that either the location is already served by an existing carrier or is a location like a traffic median that never should have been included in the auction in the first place. The agency also has subjected each preliminary winner to a careful technical, financial, and legal review. Furthermore, we have terminated awards where applicants failed to diligently pursue the legal prerequisites for service, including authorization for eligible telecommunications carrier status before state authorities.

While the FCC adopted preliminary requirements for the RDOF Phase II Auction in the RDOF Report and Order in early 2020, the FCC also indicated that it would not take any action on Phase II until the Broadband Data Collection developed pursuant to the Broadband DATA Act, and the resulting broadband maps, were available to guide eligibility. Moreover, after the FCC adopted these elements of the RDOF framework, Congress, through legislation like the Bipartisan Infrastructure Law, a series of new programs to support broadband initiatives. In addition to supporting work at the Commission, funds were appropriated for broadband infrastructure efforts at the National Telecommunications and Information Administration (NTIA) at the Department of Commerce, the Department of Agriculture, and the Department of Treasury.

The Bipartisan Infrastructure Law also required the Commission to report to Congress on the Future of the Universal Service Fund. In the report, adopted on August 12, 2022, the agency discussed the need for future efforts like RDOF Phase II, in light of anticipated broadband infrastructure work from new programs like NTIA's Broadband Equity, Access, and Deployment (BEAD) Program. We noted that after funding from these new programs is put in place, the FCC could consider deployment initiatives for areas still lacking service or otherwise falling short of the speed and latency standards required. Moreover, we suggested that at that point the FCC should consider a notice-and-comment rulemaking to determine how most efficiently bring broadband service to those areas. In such a rulemaking, I believe we should also apply lessons learned from the RDOF program. In particular, I believe the agency should

invest in more comprehensive vetting of applicants before they are qualified to bid in the auction. In the meantime, we are committed to interagency coordination efforts to ensure that federal funds, including from RDOF, are spent efficiently and without unmercenary duplication. To assist with this effort, the FCC has signed a Memorandum of Understanding with NTIA, the Department of Agriculture, and the Department of Treasury.

Additionally, in the report on the Future of the Universal Service Fund, the Commission reiterated its commitment to universal access to broadband and voice services over a mobile wireless platform. We noted, for example, that in an order on October 27, 2020, the Commission terminated the planned Mobility Fund Phase II auction and established the 5G Fund for Rural America. Furthermore, the report on the Future of the Universal Service Fund recognized that the Commission has a unique role to play supporting the deployment of mobile broadband, because funding for deployment under the Bipartisan Infrastructure Law focuses on fixed services, rather than mobile services.

In light of this, it is important to note that the Commission's new mobile broadband deployment maps developed under the Broadband DATA Act, will provide the most detailed and standardized maps for wireless service that the agency has ever produced. As was contemplated by the FCC at the time it adopted the framework for the 5G Fund for Rural America and as the Commission later explained in its recent report, our support initiatives in the future should take into consideration the data we develop in the Broadband Data Collection as well as the impact of programs like BEAD, before moving forward with new approaches to long-term support for mobile broadband.

Finally, it is vital to understand that when the Commission establishes spending requirements or sets a budget for a particular model-based high-cost program, the total amount in the budget is not collected from contributors and then stored in reserves waiting for the moment of distribution. Instead, the contribution system is calculated quarterly based on the ratio of program demand to projected interstate telecommunications revenues. Thus, the contribution factor changes based on both projected revenues and the needs of the various Universal Service programs established by Congress in the Telecommunications Act of 1996. With respect to the RDOF program, for example, funding needs are projected on a rolling basis, and collected based on the expected upcoming distributions to authorized recipients. Therefore, we do not have support in reserve readily available for reallocation to the extent that the total amount authorized for RDOF fell below the projected budget.

I appreciate your interest in these issues and the future of FCC Universal Service programs. Please let me know if I can be of further assistance.

Sincerely,

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

Jessica Rosenworcel