

June 12, 2023

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The Honorable Jessica Rosenworcel
Chairwoman
Federal Communications Commission
45 L Street NE
Washington, D.C. 20554

Dear Chairwoman Rosenworcel,

On November 25, 2020, the Federal Communications Commission (FCC) concluded Phase I of the \$20.4 billion Rural Digital Opportunity Fund (RDOF) program, which will help deploy high-speed broadband networks to unserved areas of the United States. Phase I of the RDOF program included a reverse auction in which, generally speaking, those that submitted the lowest bids with the fastest broadband speeds were chosen as auction winners. The FCC initially planned to distribute \$16 billion during Phase I but authorized funding of only \$6.062 billion, leaving \$14.3 billion in the RDOF program.

Since Phase I of the RDOF program concluded, it has become more expensive to deploy broadband due to rampant. Increases in construction materials, equipment, and labor costs all are contributing, with fiber costs being a poster child at least a 70 percent increase. These costs are expected to rise even more with the National Telecommunications and Information Administration (NTIA) Broadband Equity, Access, and Deployment (BEAD) program's preference for fiber over other technologies.

Given the challenges, RDOF Phase I winners – especially smaller providers – are facing, what options are available to address funding shortfalls as we work on the important task of closing the digital divide? Specifically, we appreciate your review of the following options:

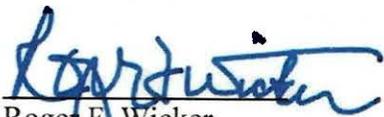
- 1) For RDOF Phase I winners, the FCC could make supplemental funding available from the initial amount obligated for the RDOF Phase I auction. If so, this supplemental funding might be limited to RDOF Phase I winners with less than 250,000 current broadband subscribers.
- 2) If supplemental funding is not made available, the FCC could permit RDOF Phase I winners to relinquish their RDOF Phase I obligations without exposure to forfeitures or other penalties, so that these areas can be funded through BEAD and other programs.

Notably, USDA's Reconnect program already makes such complementary funding available to RDOF winners and has provided supplemental funding to Reconnect Rounds 1 and 2 grant recipients due to the increases in broadband construction costs.

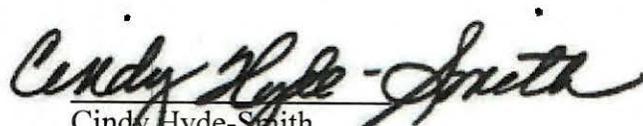
If the FCC wants the RDOF program to be implemented as originally intended – without penalizing RDOF winners with broadband deployment cost increases – further investment from the FCC is required to provide high-speed broadband access to unserved areas of the United States.

We look forward to your response no later than June 23, 2023. Thank you for working with us as we address the challenges of deploying broadband throughout rural America.

Sincerely,



Roger F. Wicker
United States Senator



Cindy Hyde-Smith
United States Senator



J.D. Vance
United States Senator