

**STATEMENT OF
COMMISSIONER GEOFFREY STARKS**

Re: *Letters of Credit for Recipients of High-Cost Competitive Bidding Support*, WC Docket No. 24-144, Notice of Proposed Rulemaking

When the Commission first launched the Rural Digital Opportunity Fund in 2020, we made a commitment to invest in rural communities and get them connected to broadband services. Keeping this promise demands that the Commission serve as a faithful steward of these funds, and ensure that each dollar goes toward the deployment of rural broadband infrastructure. Rural Americans have already waited far too long for these services, so they need us to get this right.

When we first laid out the RDOF program, I noted the importance of safeguarding this investment and stated that the letters of credit requirement would help “promote responsibility and protect the fund.” I believe this statement is no less true today and it applies to each of the broadband programs in this item. Requiring that support recipients obtain a letter of credit serves to demonstrate that the providers have the financial means to meet the broadband commitments they have made. When providers fail to meet their obligations and default on these commitments, of course, it is the rural communities that lack broadband services that are hurt.

As noted in this item, recent changes in the banking industry have significantly reduced the number of banks eligible to issue letters of credit. This has resulted in an influx of requests from support recipients for a waiver of these letter of credit rules as they have found that their bank no longer meets the requirements. I want to commend the Wireline Competition Bureau and its staff for diligently working through these requests and for issuing a temporary waiver earlier this year to ensure that Phase II of the Connected America Fund and the RDOF program can continue to run smoothly.

In light of these changes in the banking industry, today’s item re-evaluates the mechanism used to ensure the financial capabilities of broadband support recipients. Notably, we must do so without lessening the security and integrity of these programs. I believe this item does well to keep with the Commission’s goal of facilitating broad participation in these broadband programs while setting adequate safeguards for these public funds. This item has my support.

Thank you again to the Wireline Competition Bureau and staff for your good work on this item.