

USTELECOM AND THE RURAL DIGITAL OPPORTUNITY FUND (RDOF)

Four Principles to Maximize Rural Broadband Connectivity

FCC Chairman Ajit Pai announced the creation of the Rural Digital Opportunity Fund (RDOF) to promote rural broadband deployment in April 2019. The first phase of the RDOF — a nationwide reverse auction administered by the FCC — is anticipated to conclude in late 2020. Beginning in 2021, the program will ultimately distribute up to \$20.4 billion (over 10 years) to connect millions of unserved rural locations to broadband.

USTelecom members are uniquely positioned to compete for these essential (but finite) government funds to continue connecting rural America to the power and promise of broadband.

FACT: USTelecom members have built the high-speed communications networks that connect more rural Americans to the internet than any other industry segment.

Adhering to these four key principles will ensure the RDOF is spent efficiently, enhance rural deployment, bridge the digital divide, and reach the truly unserved:

PRINCIPLE 1

Future proof today for 5G and next generation technology tomorrow

- To deliver the transformative potential of 5G and other innovations, America must scale its communications infrastructure and lay lots (and lots) of fiber — especially in unserved parts of the country.
- Putting infrastructure in the ground helps ensure all communities can participate in the coming 5G “wireless” revolution (which, after all, is only wireless for the last mile).
- Investing in lower quality, high latency internet that does not result in any new infrastructure deployment (i.e. existing satellite service) will not enable the reliability and speeds for next generation connected technologies like precision agriculture, the Internet of Things, and 5G wireless service.

KEY POINT> In addition to connecting homes and businesses to broadband, there are massive external benefits from the deployment of additional fiber deeper into rural America, opportunities that will be lost if funding is awarded for satellite service that has already been deployed.

PRINCIPLE 2**Experience matters**

- Deploying and maintaining high quality, reliable broadband networks is hard work.
- Fixed broadband providers are digging trenches, pulling fiber and connecting Americans to the world's most modern, high-speed communications networks.
- With billions of dollars at stake, it is essential that providers seeking support have a proven track record to deploy scalable networks so no consumer is left behind.

KEY POINT► Providers eligible for RDOF support should have a strong and proven track record of scalable deployment through major network infrastructure investments.

PRINCIPLE 3**Ensure a smooth transition for consumers and providers**

- The RDOF represents the first time the FCC will be making universal service dollars available for competitors to overbuild networks built by incumbent carriers.
- It is important (and required by law) that RDOF winners be able to provide voice service to all consumers on day one, a requirement the FCC must enforce so no consumer is left behind and incumbent providers are not saddled with unfunded mandates.
- As a former NARUC president put it: "It is critical that the Commission clarify that any regulatory obligations placed on a service provider in a particular territory no longer apply to that provider when it stops receiving an associated subsidy. A 'winner takes all approach' to the RDOF auction should mean the winner does, in fact, take 'all.'"

KEY POINT► The RDOF transition must be orderly and not leave rural consumers and the companies that serve them in the lurch.

PRINCIPLE 4**Use the best available data**

- Based on the findings of the USTelecom-led Broadband Mapping Initiative, the FCC is moving forward with an important new program to improve broadband mapping in America — The Digital Opportunity Data Collection (DODC).
- Because the DODC is not expected to be complete in time for phase one of the RDOF auction, the FCC must acknowledge that its auction will be based on imperfect information — with inaccurate location counts in many areas.
- Uncertainty about the impact of inaccurate data on bidders could chill participation.

KEY POINT► If the RDOF moves forward with existing FCC broadband availability data, RDOF participants should not be penalized after the fact when the number of locations they have committed to serve in an area does not actually match the reality on the ground.