

February 1, 2021

Jessica Rosenworcel, Acting Chairwoman
Federal Communications Commission
45 L Street NE
Washington, DC 20554

Brendan Carr, Commissioner
Federal Communications Commission
45 L Street NE
Washington, DC 20554

Geoffrey Starks, Commissioner
45 L Street NE
Washington, DC 20554

Nathan Simington, Commissioner
45 L Street NE
Washington, DC 20554

RE: The Rural Digital Opportunity Fund Auction, AU Docket No. 20-34; Rural Digital Opportunity Fund, WC Docket No. 19-126; Connect America Fund, WC Docket No. 10-90

Dear Acting Chairwoman Rosenworcel and Commissioners Starks, Carr and Simington,

We are writing to express our concern regarding the substantial subset of bids in the Rural Digital Opportunity Fund (RDOF) Phase I auction awarded to fixed wireless and hybrid fixed wireless Gigabit tier bidders, despite the absence of meaningful industry consensus or a proven track record that fixed wireless technologies can deliver Gigabit tier service in sparsely populated rural areas.

We applaud the FCC for quickly implementing the RDOF Phase I auction to help bridge the digital divide, especially during the unprecedented pandemic that has closed schools and offices and forced Americans to shift to virtual classrooms, telehealth and remote work. Based upon the bids awarded in Phase I, the FCC is slated to award \$9.2 billion to reach more than 5.2 million unserved locations, mostly in rural communities. This has the potential to be extremely beneficial for unserved communities, but it will only be a success if all these locations actually receive the high-quality, reliable broadband service at the level promised. We are concerned that inaccurate assumptions and a lack of transparent metrics, combined with the limited information available, in the case-by-case evaluations of short-form applications proposing fixed wireless technologies in the Gigabit tier resulted in approval of unqualified bidders. Entities submitting these applications were allowed to bid in and were assigned substantial support in Auction 904, despite scant evidence of their ability to support and deliver Gigabit service, except in very limited circumstances. We believe the Commission has the opportunity, if not the obligation, to mitigate this real and substantial risk prior to allocating billions in scarce USF dollars for ten years.

We ask you to direct Commission staff to undertake a comprehensive review of the detailed business plans and technical showings in the long-form applications submitted by winning bidders proposing Gigabit tier fixed wireless and hybrid fixed wireless solutions. We also believe a comparable, in-depth review is appropriate related to the winning bids of entities relying on low-earth-orbit satellites bidding at the 100/20 Mbps tier. It is critical that the FCC ensure that these bidders possess the technical ability to meet their committed service obligations in all areas in which they secured winning bids at the funding level in which they bid.

Many RDOF areas assigned to Gigabit tier fixed wireless and LEOs bidders are in electric cooperative service territory. Our Members are all too familiar with the disadvantages inherent in the digital divide and that these disadvantages are both magnified and growing as the pandemic has made Internet connectivity even more essential. To this end, NRECA worked with National Rural Telecommunications Cooperative (NRTC) to publish the attached whitepaper, *The Rural Digital Opportunity Fund: Rural America's Broadband Hopes at Risk*, that outlines the many limitations and challenges associated with fixed wireless technologies reliability and ability to routinely deliver Gigabit level service in sparsely populated, rugged terrain rural areas.

In its Public Notice setting out the procedures for Auction 904, the FCC emphasized that very few fixed wireless providers could meet the high burden of proof to bid in the Gigabit tier. Nonetheless, many of these same providers were permitted to bid and win in the Gigabit tier. This raises specific concerns with the adequacy of the short-form reviews which were conducted without transparent metrics. In addition to the concerns with their proposed network design, many of these companies continued to bid well after the FCC's clearing round; and in some areas below ten percent of the areas' reserve prices. This raises the question of the financial viability of the business plans that should raise red flags for the FCC and warrant an extensive review to ensure these vital funds are not wasted.

The RDOF is the FCC's biggest step to date in bridging the digital divide. If allowed to go forward without in-depth, critical evaluations of the long-form applications, it will take years for the FCC to determine if this subset of winning bidders are on target and able to meet their buildout obligations. Money, resources and time could be lost in reaching our shared goal of ubiquitous broadband deployment. The prudent exercise of due diligence in reviewing the long-form applications, and accompanying technical and financial documentation, will result in a better outcome for all.

NRECA, NRTC and electric cooperatives all sincerely hope the RDOF will be a great success—and it is in that spirit that we write to encourage you to take every reasonable measure possible to ensure this turns out to be the case. The attached White Paper is intended to assist Commission staff in evaluating the long-form applications and other supporting data submitted by these winning bidders. For both bidders and those in the unserved communities that are relying on RDOF Phase I for the deployment of broadband, a thorough and transparent vetting is the only way to ensure public trust in the Auction 904 outcome.

Our focus is on making sure that every unserved American has access to reliable and robust broadband that will meet not just their needs today but also into the future. It is this focus that compels us to express our concerns today. NRECA and our member cooperatives stand ready to work with the FCC and other stakeholders to make sure RDOF Phase I is a success and to move forward with planning for phase II. Please don't hesitate to contact me if you have any questions.

Sincerely,



Jim Matheson
CEO, NRECA

cc.
Rural Broadband Auctions Task Force