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October 25, 2019

Mr. Chad Rupe  
Administrator  
Rural Utilities Service  
U.S. Department of Agriculture  
Mail Stop 1516, Room 5135  
1400 Independence Avenue, S.W.  
Washington, DC 20250

Dear Administrator Rupe:

The Western Governors' Association (WGA) commends the Rural Utilities Service's (RUS) efforts to support broadband deployment in rural America through the ReConnect Program, which facilitates broadband delivery to rural communities.

In previous [correspondence](#), transmitted during the ReConnect Program's design phase, Western Governors expressed support for the proposed definition of "eligible rural areas", which provides that at least 90 percent of households in a proposed service area must lack broadband access in order to be eligible for program funding. We are pleased that this definition was adopted and that communities wholly or severely lacking broadband access are being prioritized for funding. The definition of "rural area" for funding eligibility ensures that federal dollars are directed to communities that are truly rural in nature. We hope that the ReConnect Program continues to emphasize rural and digitally disconnected communities in the future.

Western Governors appreciate that there are various criteria in the definition of "eligible service area" that seek to prevent over-building of broadband infrastructure or duplication of federal financial support in a single area. We would like to highlight challenges, however, related to the requirement that areas slated to receive support through the Federal Communication Commission's (FCC) Connect America Fund Phase II (CAF-II) can only pursue ReConnect funding through the entity that is receiving CAF-II support.

Western Governors understand that the FCC used a reverse auction system for CAF-II to ensure that the allocation of federal funds was appropriately weighted to support rural connectivity efforts. We also understand that the reverse auction system used for CAF-II focused on "maximum advertised" speeds versus the typical connectivity speeds customers are likely to experience.

We are concerned that the ReConnect application requirement that limits funding to the CAF-II support entity is affecting the ability of western communities to access ReConnect connectivity solutions that will support increased data transmission needs into the future. Most notably, a provider of satellite services participating in the CAF-II auction was assigned a significant number of census blocks in rural areas, including many western states. Attachment 1 illustrates the areas that were ineligible to pursue ReConnect funding other than through the satellite provider during the 2019 application window.

The House Appropriations Committee included language in its report ([H. Rpt. 116-107](#)) accompanying H.R. 3164, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2020, which addresses ReConnect eligibility. The report states:

***High-Cost Universal Service Fund (USF) Recipients with Minimum 25/3 Buildout Obligations.*** – ReConnect funding for service areas where High-Cost USF recipients under the

CAF-II auction have buildout obligations of 25/3 Mbps or greater for fixed terrestrial broadband can only be requested by the entity that is receiving such USF support. Project sponsors that receive USF support in those areas may only apply for funds that serve those areas from the 100% loan funding category under the ReConnect Program. For purposes of clarification, this limitation on eligibility shall only apply to those areas (e.g., study areas or census blocks) for which the USF CAF-II recipient is subject to a buildout obligation of 25/ 3 Mbps or greater for fixed terrestrial broadband.

The Senate Appropriations Committee included the language above in its report accompanying S. 2522, the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2020 ([S. Rpt. 116-110](#)), along with the following statement regarding a departmental review of ReConnect:


The review... should address how additional ISPs can apply for ReConnect funds in the 190,595 locations where only one satellite broadband company has received CAFII funding.


The attention of the House and Senate Appropriations Committees to this matter speaks to the effects of this eligibility requirement on certain rural communities. We hope you will address this issue in advance of future ReConnect funding opportunities, and contact Western Governors if we can be of assistance in this regard.

We are also taking this opportunity to communicate the support of Western Governors for the broadband program improvements included in the 2018 Farm Bill. Adding a grant component to the Rural Broadband Access Loans and Loan Guarantees Program will help western communities access needed broadband deployment funding. We also appreciate that that this program will increase its focus on highly rural, underserved communities and give priority to fully unserved areas. Finally, Western Governors look forward to the positive effects that the new middle mile infrastructure funding and Innovative Broadband Advancement Program will have in rural communities.

Western Governors appreciate the immense challenges that go into designing a program with the goals and scope of ReConnect. RUS is an important partner in executing critical rural development goals, and we look forward to working with you on this and other rural connectivity issues in the future.

Sincerely,

  
Doug Burgum  
Governor of North Dakota  
Chair, WGA

  
Kate Brown  
Governor of Oregon  
Vice Chair, WGA

Attachment

cc: Chairman Ajit Pai, Federal Communications Commission  
Commissioner Michael O'Rielly, Federal Communications Commission  
Commissioner Brendan Carr, Federal Communications Commission  
Commissioner Jessica Rosenworcel, Federal Communications Commission  
Commissioner Geoffrey Starks, Federal Communications Commission

Attachment: ReConnect Funding-Restricted Areas

Connect America Fund Phase II  
Blocks Assigned to Viasat, Inc. by U.S. Congressional District

