



USDA ReConnect and Rural Digital Opportunity Fund Eligibility

VERMONT DEPARTMENT OF PUBLIC SERVICE

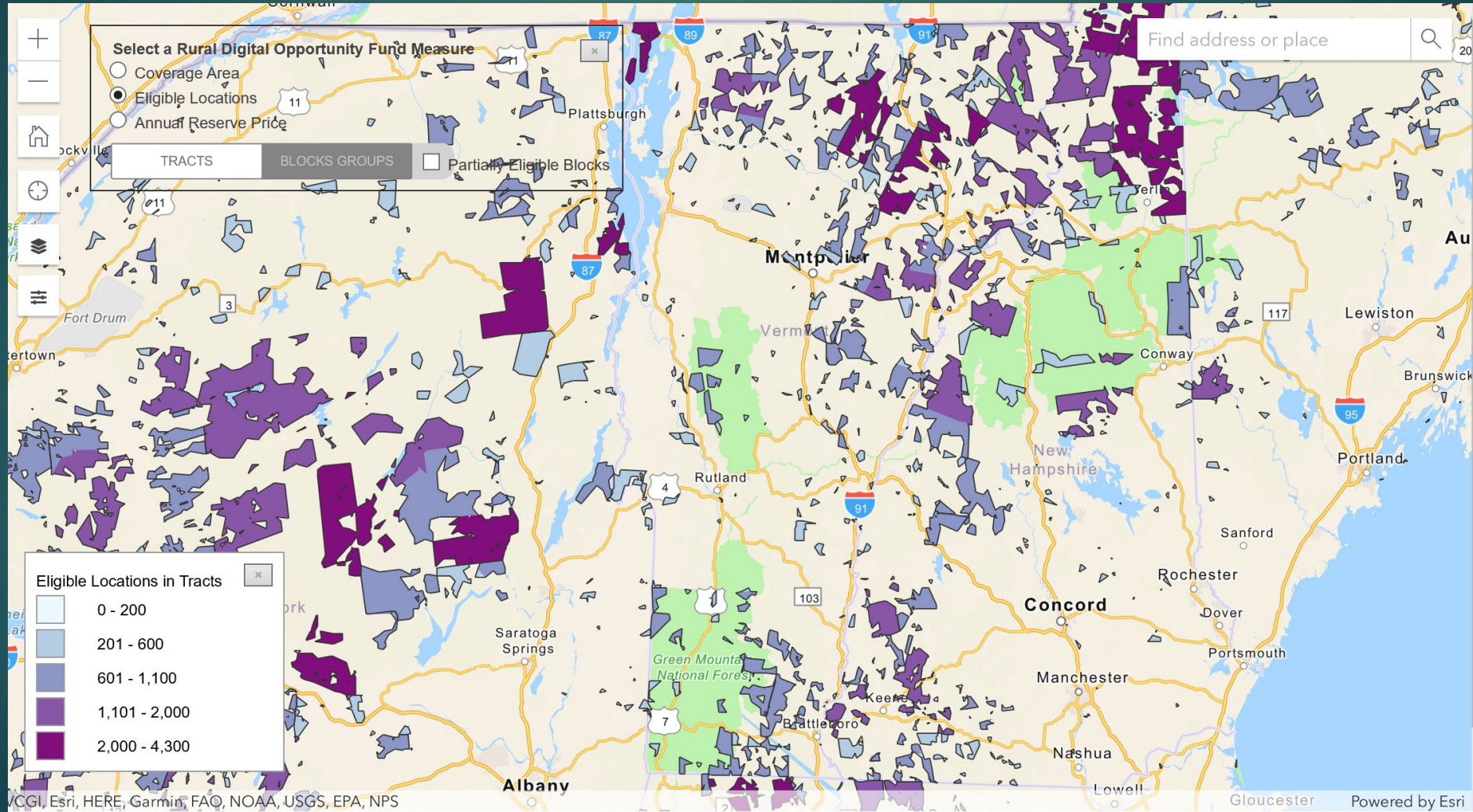
APRIL 10, 2020

FCC Rural Digital Opportunity Fund

- The Rural Digital Opportunity Fund (RDOF) provides funding for broadband deployment nationwide
- \$20.4 billion in federal Universal Service Fund support over ten years to carriers who agree to serve eligible census blocks with broadband service of at **least 25/3 Mbps**.
- Technology neutral, except that the Commission requires carriers to meet certain bandwidth (25/3 Mbps) and latency (<100ms) requirements.
- Census blocks are chosen based on current FCC service availability data.
- The funding will be awarded in two phases and will be deployed through a reverse auction. Phase I will award **\$16B** in funding for “uncontaminated” census blocks – meaning census blocks where 100% of the locations are unserved at 25/3 Mbps. Phase II will \$4.4B, plus the remainder of Phase I. Phase II will be addressed in year 6 and focus on contaminated blocks.
- The FCC has identified 24,631 households in **3,747** eligible census blocks.
- Bidding for Phase I will begin **October 22, 2020**.

RDOF Eligibility Map

<https://www.fcc.gov/auction/904>



RDOF Exclusion Language

“Second, we will exclude those census blocks where a terrestrial provider offers voice and 25/3 Mbps broadband service according to the most recent publicly available FCC Form 477 data. **In addition, we will exclude those census blocks which have been identified as having been awarded funding through the U.S. Department of Agriculture’s ReConnect Program, or awarded funding through other similar federal or state broadband subsidy programs to provide 25/3 Mbps or better service.** This is consistent with our overarching goal of ensuring that finite universal service support is awarded in an efficient and cost-effective manner and does not go toward overbuilding areas that already have service. Although we sought comment on whether there are any other areas that we should include in the initial list of eligible areas, such as areas in legacy rate-of-return areas that are almost entirely overlapped by an unsubsidized competitor, we decline to expand the list of eligible areas at this time and instead focus Phase I on the known wholly unserved census blocks.”

USDA ReConnect

- Builds 25/3 Mbps or better broadband to places that lack currently lack broadband of at least 10/1. Funding at about \$500 million per year
- Additional \$100 million through the CARES Act.
- Program cannot fund areas already funded by the USDA. Much of Vermont is ineligible to new carriers due to a borrower in repayment.
- Grantee must establish absence of 10/1 Mbps broadband in at least 90% of proposed coverage area.

USDA ReConnect

- the following areas are excluded:
 - Urban areas
 - FCC 903 Auction awards
 - Areas awarded state broadband funding to do 25/3
 - Protected borrower service territory
 - Areas that are already served with 10/1
- Since its inception in 2017, the ReConnect program has not awarded any funding to Vermont.
- Most of Vermont is ineligible because the state is in “protected borrower” status.
- Vtel, as previous recipient of USDA loans, may seek future loans in the protected borrower area.