

# Expanding Access to Broadband Throughout Rural America



## In August 2017, the FCC took two important steps to spur its Digital Empowerment Agenda:<sup>1</sup>

**First**, the FCC paved the way to start its innovative Connect America Fund Phase II “Reverse Auction” in 2018. This will be the first auction to award ongoing high-cost universal service support through **competitive bidding** in a multiple-round, reverse auction.<sup>2</sup>

**Second**, the FCC established procedures to identify areas in rural America that will be eligible for funding through the Mobility Fund Phase II program. This action will target funding to rural areas that need it the most.<sup>3</sup>

### Connect America Fund Phase II

#### Reverse Auction

- In February 2017, the FCC outlined rules for disbursing nearly \$2 billion – \$198 million per year for ten years – using a “reverse auction.”
- Connect America Fund Phase II reverse auction will expand broadband coverage to target unserved areas.
- Through its August 2017 action, the FCC sought comment on specific procedures for the reverse auction, including:
  - Qualifications to participate
  - How auction bids will be submitted
  - How auction winners will be determined
- The FCC Connect America Fund II Auction, which is officially known as “**Auction 903**,” will commence on **July 24, 2018**.



### Mobility Fund Phase II

#### Reverse Auction

- In February 2017, the FCC adopted the framework for the Mobility Fund Phase II reverse auction to expand and preserve 4G LTE coverage in rural America and Tribal lands.
- Through a reverse auction, the Mobility Fund Phase II will distribute \$453 million in annual universal service fund support totaling more than \$4.5 billion over ten years.
- With its August 2017 action, the FCC started the process for collecting up-to-date data to identify the rural areas that will be eligible for funding.
- The FCC also established a **robust challenge process** to allow carriers and state and local entities to alert the FCC to rural areas that lack LTE service.



**FCC programs alone are *not enough* to fund the nation’s broadband build-out, but these FCC actions are *two important steps* to spur broadband investment and deployment in rural America.<sup>4</sup>**

### Citations

1. See AT&T Policy Forum, DIGITAL EMPOWERMENT – BUILDING AMERICA’S BROADBAND NETWORKS OF THE FUTURE (May 2017). For an overview of FCC Chairman Ajit Pai’s Digital Empowerment Agenda, see Remarks of FCC Commissioner Ajit Pai, A Digital Empowerment Agenda (Sep. 13, 2016) (summary available at [https://apps.fcc.gov/edocs\\_public/attachmatch/DOC-341210A2.pdf](https://apps.fcc.gov/edocs_public/attachmatch/DOC-341210A2.pdf)).
2. See FCC TAKES NEXT STEP TOWARD \$2 BILLION RURAL BROADBAND EXPANSION, Press Release (Aug. 3, 2017) (available at <https://www.fcc.gov/document/fcc-takes-next-step-toward-2-billion-rural-broadband-expansion>). On February 23, 2017, the FCC adopted a *Report and Order and Order on Reconsideration* concerning Phase II of the Connect America Fund reverse auction. The FCC released the order on March 2, 2017. See *In the Matter of Connect America Fund, Report and Order and Order on Reconsideration*, FCC 17-12 (rel. Mar. 2, 2017).
3. See COMMISSION ESTABLISHES CHALLENGE PROCESS FOR MOBILITY FUND PHASE II, Press Release (Aug. 3, 2017) (available at <https://www.fcc.gov/document/commission-establishes-challenge-process-mobility-fund-phase-ii>). On February 23, 2017, the FCC adopted a *Report and Order and Further Notice of Proposed Rulemaking* concerning Phase II of the FCC’s Mobility Fund. The FCC released the order on March 7, 2017. See *In the Matter of Connect America Fund; Universal Service Reform - Mobility Fund, Report and Order and Further Notice of Proposed Rulemaking*, FCC 17-11 (rel. Mar. 7, 2017).
4. Support for broadband deployment through the FCC’s Connect America Fund Phase II reverse auction will comprise only a fraction of the funds needed to roll out broadband to all of rural America. The Connect America Fund Phase II reverse auction will make available approximately \$198 million/year in support — this is only 21% of the FCC’s own calculated deployment costs for all eligible areas. See *Delivering on the Broadband Promise to All Americans* (available at <https://www.attpublicpolicy.com/broadband/delivering-broadband-promise-americans/>).