

Co-ops Connect FYI

By Jonathan Chambers • Jul 22, 2022

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Updates and insights for electric cooperatives considering or operating rural broadband networks.

Protect Your Service Territory: A Brief History of Federal Broadband Funding



Just two years ago, the largest recipient of federal broadband funding was AT&T.

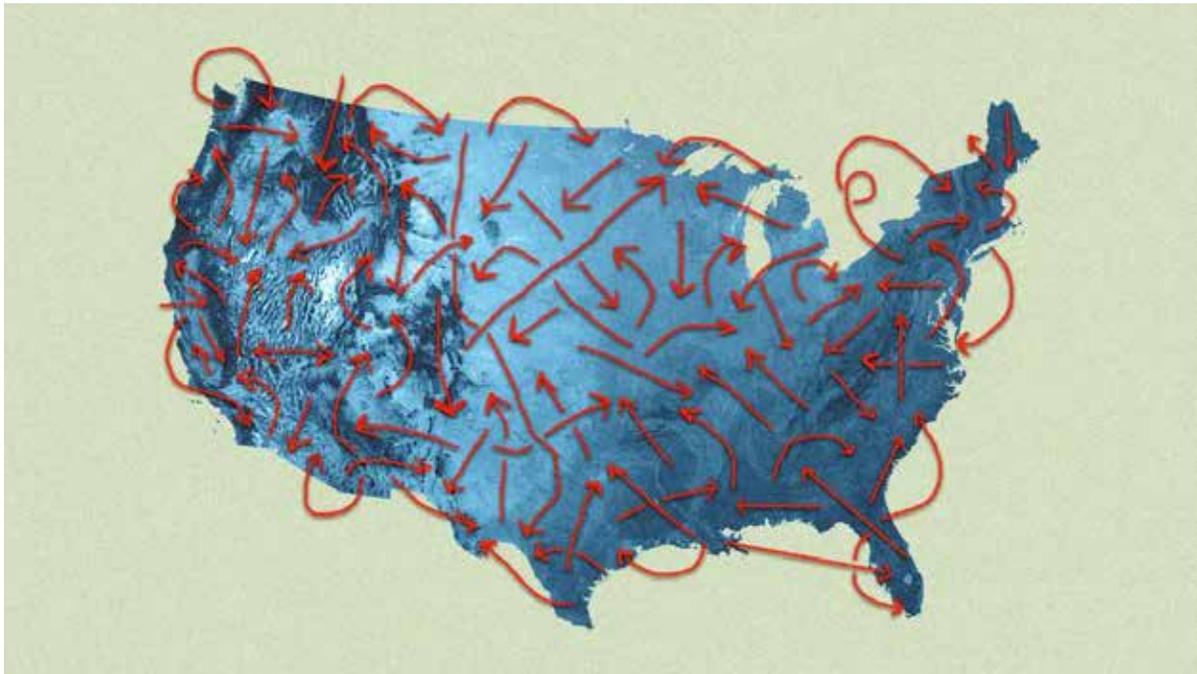
Today, the largest recipient of federal broadband funding is a consortium of electric cooperatives who have acted collectively for years as the Rural Electric Cooperative Consortium (RECC).

- While these 100+ co-ops won their funding over the past four years by competing in auctions for public dollars, **preparation started a decade ago and continues to this day.**

Winning bidders in FCC reverse auctions are the ones who are willing to provide services in a geographic area for the least amount of money.

The bottom line: Auctions, at least FCC auctions, are won and lost at the rulemaking stage, especially when the eligible geography is established.

Mapping The Next Funding Program



One of the first steps of the rulemaking stage in any auction or grant program is the **determination of the geographic area eligible for funding.**

- Each of the major broadband funding programs have started with the National Broadband Map, originally created by NTIA and the FCC and then maintained by the FCC.

- **That was true for the CAF II and RDOF auctions, and it is true with respect to the \$42.5 billion BEAD rural broadband program.**

While the new FCC broadband maps will be more granular, they will still be based on the same erroneous approach to broadband mapping.

- It is the original sin of the FCC's rural broadband plans, dating back to the 2010 National Broadband Plan, ***to define broadband mainly in terms of speed rather than the type of transmission medium.***

Why it matters:

The latest announcement by the FCC **to redefine broadband yet again based on speed (100/20 Mbps) is yet again an error.**

- To define broadband by a speed — a speed that is still slower than the speed available in most urban and suburban areas — **perpetuates the digital divide.**

The bottom line: To protect your rural community, you must do what co-ops have done in electricity for over 85 years, and what a small group of co-ops started doing a decade ago in broadband: ***They protected their territory.***

Eligible Geography, Part I: CAF II Auction



The eligible geography in the CAF II auction were:

1. Unserved, high-cost census blocks that the **large telephone companies had rejected** when offered public money.
— e.g., AT&T rejected Missouri and Oklahoma; Verizon rejected all of its historic service territory; CenturyLink rejected Oklahoma.
2. Unserved census blocks that the **FCC considered “extremely high cost,”** which were defined as the most expensive 1% of the nation’s geography for construction of fiber networks
3. Unserved census blocks that had received a good faith bid and **expression of interest in the Rural Broadband Experiment (RBE) auction.**

Why it mattered:

In this third category, **electric co-ops acted to protect their service territory for broadband. *And they were the only ones to do so.***

- The grassroots group that formed included Randy Klindt at Co-Mo Electric Cooperative in Missouri and then Ozarks Electric Cooperative in Arkansas; Todd Way at Douglas Electric Cooperative in Oregon; Bob Hance at Midwest Energy & Communications (MEC) in Michigan; Darren Farnan at United Electric Cooperative in Missouri; and Mel Coleman at North Arkansas Electric Cooperative.
- This group, encouraged by Alyssa Clemens Roberts (then at the Utilities Telecom Council, now at DMEA - Delta-Montrose Electric Association in Colorado), participated in the RBE auction and filed the necessary paperwork with the FCC.
- Commissioner Clyburn amended the FCC CAF auction rules to include the co-op territories in the CAF II auction.
- **The end result:** These co-ops later formalized their informal coalition, bid together as the Rural Electric Cooperative Consortium, and *became the largest winning bidder at the Gigabit tier in the auction.*

Eligible Geography, Part II: RDOF Auction



The eligible geography in the RDOF auction were unserved, high-cost census blocks according to data that had been collected by the FCC just months prior to setting the rules for the auction.

- Then, the FCC allowed companies to update the broadband data for new service that had been launched in preceding few months.

That's when the mischief started.

- ***Companies began gaming the broadband data***, claiming service where they didn't want to face competition.
- Frontier alone claimed to have launched new broadband service in 17,000 census blocks in the few months prior to filing for bankruptcy.

As I wrote at the time to the FCC, challenging Frontier's claims:

“Under any measure, Frontier’s challenges constitute an extreme outlier in the RDOF preparations. It is our standard practice to examine outlier data with greater scrutiny. Occasionally,

outliers reveal some extraordinary talent or circumstance. For example, Wayne Gretzky is an outlier in hockey scoring, holding sixty-one scoring records in the NHL. **But Frontier is no Wayne Gretzky, and we believe care should be taken with its record-setting claims.”**

Conexon’s approach:

Our activities, following the claims of service, comprised far more than rhetoric.

- We prepared our own maps and data, rebutted the claims of dozens of ISPs in tens of thousands of census blocks.
- We scraped data from the filings and standardized the lists.
- We engaged senators and congressmen, governors, and state attorneys general.
- We protected the service territories of the members of the Rural Electric Cooperative Consortium.
- **The end result:** The FCC rejected the new claims of service by Frontier and dozens of others.

Why it matters:

The results of the RDOF auction have made the members of the Rural Electric Cooperative Consortium **the nation’s largest recipients of federal broadband funding.**

- **The auction** was but the penultimate step in a multi-year, multi-phase approach to securing funds.

Eligible Geography, Part III: The BEAD

Program



The Infrastructure Act appropriates broadband funding to states, allocated based on a formula that is **dependent of the new FCC broadband maps. Data is being collected now.**

- All of us who are ISPs and regularly provide 477 data to the FCC are now preparing 477 data and additional data based on the new location fabric.
- If you are already working with the location fabric, you are discovering whether the data is accurate in your service territory.
- By September 1, the FCC will have completed this initial collection of location-specific broadband data.

The big picture: With \$42.5 billion in public funds at stake, one should ***expect a fair amount of gaming to come.***

The Bottom Line



We are getting the old band back together, working with members of the Rural Electric Cooperative Consortium interested in BEAD funds.

Our initial success in the CAF II auction led to a half dozen copycats in the RDOF auction. **But copying our documents and our materials, as some did, did not reproduce our success.**

The big picture:

Our success started with preparation then, as it does now, which begins with challenges to the government's broadband maps. **That preparation has already started.**

Mike Byrne, our Senior VP for Information Services, will lead our challenge efforts. Mike was the Chief GIS Officer for the FCC when the Commission created the first National Broadband Map.

Join us.

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