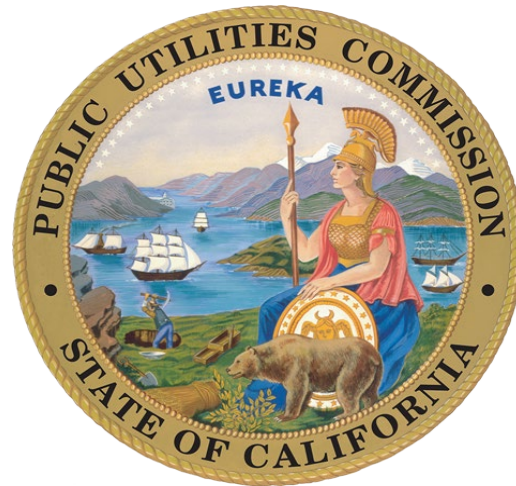




The Rural Digital Opportunity Fund: Opportunity for California



CASF Public Workshop

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What is RDOF?

- The Rural Digital Opportunity Fund (RDOF) is a broadband infrastructure and operations funding program of the Federal Communications Commission (FCC).
- RDOF is a part of the federal universal service fund (USF) of FCC funded by fees assessed on interstate telecom revenues.
- RDOF is one of the largest single broadband infrastructure and operations funding cycles in US history.
- RDOF is focused on broadband unserved areas.



Federal
Communications
Commission





Funding

- \$20.4 billion to be awarded in 2 Phases:
 - Phase I (Auction 904): October 22, 2020 - \$16 billion
 - Phase II: 3Q – 4Q 2021:* \$4.4 billion + \$Unawarded Phase I
 - There is no state by state allocated funding.
 - Funds are competed for nationally.
- Support Term of awards:
 - Years 1 – 6 capital for infrastructure
 - Years 7 – 10 payments of operations and maintenance
 - Authorized awardees receive funding in equal monthly installments for 10-year period.





Cost Model Based

- RDOF will issue funds on a cost model basis.
 - All awarded funds will be issued based on algorithms that model the costs of building networks in different areas.
 - The model estimates costs for various tech types as well.
 - The Connect American Fund Phase II (CAF II) model (CAM 4.3) will be used for RDOF.
 - Funds will be awarded for “locations” (housing units and business facilities).
- The cost model calculates higher funding for lower density / higher cost locations.





2 Reverse Auctions, 2 Data Sets

- Phase I (Auction 904) will launch its bidding rounds on 10/22/2020:
 - Data for eligible areas and locations counts will be from FCC Form 477.
 - Funding eligibility = Unserved areas below 25 Mbps down / 3 Mbps up.
 - Funding priorities = Unserved areas below 10 Mbps down / 3 Mbps up.
 - Incentives are established in the Auction Procedures for higher network build out speeds, in a tiered structure up to Gigabit service.
- Phase II is estimated to launch Q3 2021 or after.





Pre- & Post- Auction Qualifications

- Bidders must file the FCC Short-Form and be certified to bid prior to the opening of the Phase I Auction.
 - FCC requires basic identification and business qualification information.
 - CPUC-issued Eligible Telecommunications Carrier (ETC) certification is not required for FCC Short-Form certification..
- Winning bidders must file the FCC Long-Form and be certified prior to being issued awarded funds.
 - A Resolution to streamline RDOF ETCs will go before the Commission in May.
 - FCC requires valid Letters of Credit (LOCs) and other business qualification documentation.





RDOF Phase I Milestones

- July 8, 2020: FCC Short-Form Applications Window Opens
- July 22, 2020: FCC Short-Form Window Closes
- **October 22, 2020: Phase I Auction Launches**
- November 15, 2020: Phase I Auction Closes
- May 15, 2021: Deadline for Long-Form Filing for Winning Bidders

CPUC staff estimate: Black

FCC date set in RDOF Order: Red





Estimating California's RDOF Opportunity

- CPUC – Communications Division has run RDOF cost model replications for California since January 2020.
- Resources used:
 - FCC RDOF funding eligibility statements.
 - FCC RDOF “Preliminary” data issued 03/17/20.
 - CPUC data and mapping systems supporting the California Interactive Broadband Map.

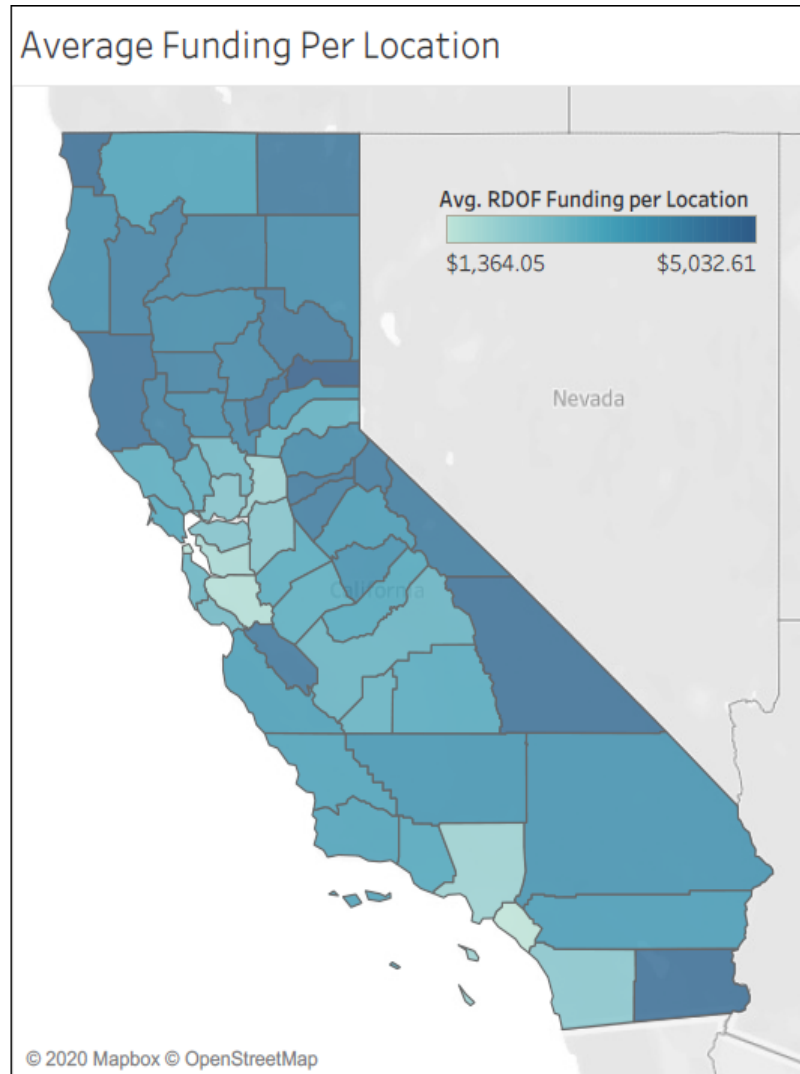




California Phase I Estimate

- \$1.6 Billion*
- 380,000*
locations

RDOF Phase I
Funding for California





Summary

- RDOF is not a traditional grant program.
- RDOF will issue funds on a cost model basis.
- RDOF will conduct 2 separate reverse auctions.
- Phase I (Auction 904) is scheduled to launch on October 22, 2020.
- Phase II will launch after the new broadband data / mapping protocol is in place.
- The key to a successful Phase I for California carriers, providers, and others:
 - Understand the rules - Short Form Certification
 - Winning bid strategies - Long Form Certification





Resources: FCC

Webinar - May 5, 2020, 4:00 PM (EDT)

<https://www.fcc.gov/document/fcc-announces-rural-digital-opportunity-fund-auction-webinar>

RDOF Online Fact Sheet

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

Auction 904: Rural Digital Opportunity Fund

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

Technical Guide for Auction 904 Proposed Bidding Procedures

<https://www.fcc.gov/document/technical-guide-auction-904-proposed-bidding-procedures>





Resources: CPUC

Watch for Federal Broadband Funding Updates:

<https://www.cpuc.ca.gov/Communications/federal/funding/>

Your input, questions & suggestions are welcome:

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Thank you!

