FCC Announces Provisional Winners in Rural Broadband Experiment Auction

A Connected Nation Policy Brief

December 5, 2014

The Federal Communications Commission (FCC) Wireline Competition Bureau today announced a list of 40 "provisional" winners in the Rural Broadband Experiment network subsidy auction. As noted in prior Policy Briefs, the FCC's Rural Broadband Experiment is the first attempt by the FCC to award fixed broadband network subsidies through a competitive bidding mechanism. Collectively, the 40 funded projects could receive nearly $100 million in Connect America Fund subsidies to build broadband networks in over 26,000 unserved census blocks identified on the National Broadband Map.

As we have previously noted, the FCC received nearly 600 project bids to serve over 76,000 census blocks by a November 7, 2014 auction deadline. The FCC analyzed these bids based upon a cost-effectiveness analysis, which used information from the National Broadband Map collected by Connected Nation and other broadband mapping agents and the Connect America Fund cost model.

The Rural Broadband Experiment project is notable because it is the first time the FCC has sought to award Connect America Fund subsidies for fixed broadband network upgrades from non-incumbent providers. There has been a great deal of provider interest in the program – when first announced earlier this year, the FCC received over 1000 "expressions of interest" in the program, and the final bids collectively requested funding of over $880 million, well over the $100 million program budget. The FCC is seeking to fund a wide variety of network speeds and technologies in the project, including many fixed wireless projects.

The next step is a technical and operational review by the FCC of each of the winning projects. This review will include financial statements, technology descriptions, designs and network diagrams. Only after the completion of this review and submission of letter of credit and eligible telecommunications certifications will the FCC finalize the list of winning projects.

Wide Geographic Scope of Provisional Awards

Provisional winners include broadband projects in in 25 states and Puerto Rico. The following table lists all winning projects. Projects in states in which Connected Nation administers or supports the State Broadband Initiative program are highlighted. There were three categories of RBE projects that received provisional awards – 19 projects building networks capable of 100 Mbps download/25 Mbps upload; 12projects building networks capable of 10 Mbps download/1 Mbps upload in eligible unserved areas; and 9 projects building networks capable of 10 Mbps download/1 Mbps upload in extremely high, unserved cost areas.

Bidder	State	Subsidy
Networks Capable of Delivering 100 Mbps download/25 Mbps upload		
Airnorth Communications, Inc.	MI	$1,990,400.00
Brainstorm Valley Micro Fiber Networks, Inc.	CO	$1,737,648.00

Broad Valley Micro Fiber Networks, Inc.	DE	$110,000.00
Cricelli, Inc.	CA	$522,300.00
Donnell (d/b/a San Joaquin Broadband)	CA	$14,833,187.00
Halstad Telephone Company	ND	$303,760.00
Lake County d/b/a Lake Connections	MN	$3,499,965.00
Liberty Cablevision of Puerto Rico, LLC	PR	$41,831.15
LTD Broadband LLC	IA, MN	$20,000,000.00
NCRESA	MI	$500,000.00
New Lisbon Telephone Company	IN	$37,695.00
Northeast Rural Services, Inc.	OK	$1,029,274.00
Rural Broadband Services Corporation, Inc.	OK	$17,500,648.00
Skybeam, LLC	IA, NE, IL, KS, TX	$8,839,194.00
Southwest Arkansas Telephone Cooperative	AR	$17,420.00
Terastream Broadband (USA), Inc.	NM	$1.00
Tower Communications LLC	AR	$3,191,090.40
Valley Electric Association, Inc.	NV	$527,326.00
Wichita Online, Inc.	OK	$314,633.00
Networks Capable of 10 Mbps down/1 Mbps up in Eligible Unserved Areas		
Agile Network Builders, LLC	OH	$3,324,400.00
Airnorth Communications, Inc.	MI	$420,000.00
Allamakee-Clayton Electric Cooperative, Inc.	IA	$1,453,593.00
Big Bend Telecom, LTD	TX	$14,800.00
Chaffee County Telecom, LLC	CO	$2,586,882.00
Cloudwyze Inc.	NC	$23,000.00
Crystal Broadband Networks, Inc.	KY	$428,361.00
Declaration Networks Group, Inc.	VA	$1,246,052.00
First Step Internet, LLC	ID, WA	$415,855.00
Giant Communications, Inc.	KS	$650,000.00

Mercury Wireless, Inc.	KS	$4,450,000.00
Meriweather Lewis Electric Cooperative	TN	$41,600.00
Networks Capable of 10 Mbps down/1 Mbps up in Extremely High Cost Areas		
Big Bend Telecom, LTD	TX	$163,625.00
Consolidated Communications Networks, Inc.	ND	$3,096,810.00
De Novo Group	CA	$609,600.00
Delta Communications LLC	IL	$2,196,000.00
Last Mile Broadband LLC	MD	$260,000.00
Lennon Telephone Company	MI	$60,000.00
Mercury Wireless Inc.	KS	$250,000.00
Northern Valley Communications, LLC	SD	$2,022,120.00
Worldcall Interconnect Inc.	TX	$850,000.00

All told, 15 of the 40 provisionally winning projects are located in the Connected Nation State Broadband Initiative footprint. Connected Nation provided a wide variety of information and support to prospective bidders and stakeholders in these states, including webinars to states and with FCC staff, regularly-updated FAQs, mapping of eligible areas and corresponding analysis, Policy Briefs, and application assistance. These fifteen projects in Connected Nation jurisdictions account for $41.7 million of all of the subsidies provisionally awarded, or approximately 42% of the nearly $100 million in provisional awards.

For more information about the Connect America Fund and the Rural Broadband Experiment program, as well as other broadband policy issues, please contact Connected Nation at policy@connectednation.org.