



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON, DC

Mike O’Rielly  
Commissioner

November 25, 2020

The Honorable Mark Gordon  
Governor of Wyoming  
State Capitol  
200 West 24th Street  
Cheyenne, WY 82002

Dear Governor Gordon:

Several of Wyoming’s local fiber and cable-based broadband providers recently brought to my attention legitimate concerns that their high-speed broadband networks are likely to be overbuilt by competitors receiving CARES Act grants being distributed through the Wyoming Business Council’s (WBC) Connect Wyoming program. I have spent a good portion of my career at the FCC fighting against the wasteful subsidization of network builds where competitors are already providing service, which siphons funding away from projects that could otherwise help reach unserved areas and threatens the viability of existing providers’ private investments. I was, therefore, quite concerned to learn that Wyoming may be using scarce federal CARES Act dollars in this very manner and funding the duplication of broadband networks in communities where providers are already offering service. This type of inefficient spending is especially problematic when there are millions of Americans, and tens of thousands of citizens in your state alone, that do not have access to any broadband at all. As co-chair of the WBC, I believe you may be in the best position to respond to and address concerns regarding this matter.

Based on information that has been brought to my attention, the WBC has not publicly released the applications or proposed coverage maps for the grant recipients, nor has it taken the requisite steps to ensure subsidized overbuilding did not and will not occur. For example, there has not been an opportunity to challenge any of the submitted applications, despite the fact that Wyoming law appears to require such a process prior to distributing state broadband subsidies,<sup>1</sup> and there is no apparent legal reason why the state law would be inapplicable to the Connect Wyoming program or preempted by the CARES Act. I am concerned that this lack of guardrails and needed transparency with respect to the applications will weaken public support for state-administered federal grant programs while perpetuating real broadband gaps in Wyoming.

I am also concerned that the Connect Wyoming grants may undermine the FCC’s own Universal Service Fund (USF) subsidies, since it has also been alleged that one or more of the grants will overbuild a recipient of Connect America Fund Phase II Auction funding. This would not only artificially impair the value of the FCC’s past and current subsidies but would also undercut providers’ willingness to compete in future FCC reverse auctions. Further, this form of subsidized overbuilding is unfair to USF ratepayers, who expect their hard-earned investments to be spent efficiently and not wasted on account of government coordination failures.

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<sup>1</sup> Wyo. Stat. Ann. § 9-12-1504 (2018)

For these reasons, I respectfully request that the WBC immediately release coverage maps for awarded projects, enable existing providers to challenge any duplicative projects, and halt any funding for projects that will result in subsidized overbuilding.

Given the importance of this matter, I thank you in advance for your prompt attention and expeditious reply.

Sincerely,

A handwritten signature in blue ink, appearing to read "Michael O'Rielly". The signature is fluid and cursive, with a prominent initial "M" and a long, sweeping tail.

Michael O'Rielly

CC: Mike Easley, co-Chair, WBC Board of Directors  
Erick Arens, WBC Board of Directors  
Chuck Brown, WBC Board of Directors  
John Coyne III, WBC Board of Directors  
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