



*Jim Justice*  
*Governor of West Virginia*

September 3, 2020

Secretary Ed Gaunch  
West Virginia Department of Commerce  
[Ed.Gaunch@wv.gov](mailto:Ed.Gaunch@wv.gov)

Executive Director Mike Graney  
West Virginia Development Office  
[Michael.R.Graney@wv.gov](mailto:Michael.R.Graney@wv.gov)

Re: *Directive to Limit Approval of Projects Seeking to Use WVEDA Insurance Fund; Executive Order 66-20 Suspending Regulatory Caps to Leverage Federal RDOF Funding*

Dear Secretary Gaunch and Executive Director Graney:

Today, September 3, 2020, I entered Executive Order 66-20, to suspend certain regulatory caps on the use of the WVEDA Insurance Fund under West Virginia Code § 31-15-8. Specifically, this Executive Order suspends the requirements, under West Virginia Code § 12-6C-11(h), that each project utilizing the fund shall be strictly limited to \$10 million in assistance per project, and the requirement that use of this fund is strictly limited to \$50 million. This action is intended to allow for utilization of the WVEDA Insurance Fund to provide insurance for letters of credit to be issued on behalf of internet service providers who intend to participate in the Rural Digital Opportunity Fund (“RDOF”) Auction, offered by the Federal Communications Commission.

These letters of credit are required under RDOF, and we have been advised that without assistance from the State by allowing for increased use of the WVEDA Insurance Fund, it may be impossible for broadband providers intending to install broadband service in West Virginia through RDOF to secure such letters of credit. Therefore, in connection with Executive Order 66-20, I am directing you to limit the approval of any further applications for use of the WVEDA Insurance Fund to only those projects that will leverage RDOF dollars and to ensure a strict limit on use of that fund to only what is necessary for the first year's allocation of RDOF funds to the broadband providers the FCC selects to fund.

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As you well know, the WVEDA Insurance Fund was created to allow the West Virginia Economic Development Authority to financially assist certain projects in West Virginia. Bidding for the RDOF auction is expected to begin on October 22, 2020, and the knowledge that assistance is available from the State to help the applicant broadband providers secure letters of credit is necessary in making their applications.

It is clear that the COVID-19 pandemic and its effects will remain with us for the foreseeable future and that these statutory caps, if not suspended, would prevent, hinder, or delay necessary action in coping with the emergency by preventing the State from fully leveraging available RDOF funding that will be used to install broadband services throughout West Virginia's high cost census blocks to improve access to telehealth, distance learning, and other vital services that are more safely available by remote delivery over adequate internet networks.

Throughout this process, we have worked with the leaders from both houses and both parties who have pledged their support for these actions. They have also pledged their support for a bill by the Legislature when they come back in, in February, to replace the caps on the use of this fund with new caps that will allow West Virginia to take full advantage of this RDOF opportunity, while at the same time ensuring liquidity and cash availability for the State. When this bill comes before the Legislature, I ask that you, as I know that you will, give it your full support.

Again, this letter directs you to limit any further applications that may be approved from the WVEDA Insurance Fund to only those projects that will leverage RDOF dollars and to ensure a strict limit on use of that fund to only what is necessary for the first year's allocation of RDOF funds to the broadband providers the FCC selects to fund, until the Legislature can meet in February and institute new caps on the use of this fund that will allow West Virginia to leverage as much federal funding for broadband service expansion as possible.

Sincerely,



Jim Justice  
Governor