



WEST VIRGINIA LEGISLATURE
STATE CAPITOL
CHARLESTON, WEST VIRGINIA 25305

September 1, 2020

The Honorable Jim Justice
Governor of West Virginia
State Capitol
1900 Kanawha Blvd E.
Charleston, WV 25305

Dear Governor Justice:

We are writing to request that you issue an Executive Order on or before September 4, 2020, for the purpose of removing the regulatory caps on the West Virginia Broadband Infrastructure Loan Insurance (BLINS) program that are currently set at \$50 million, and that regulatory caps per provider be eliminated.

The reason for this request is our state's desperate need to expand its broadband capabilities in light of the ongoing COVID-19 epidemic. Expanded access to broadband internet will help keep West Virginians safer at home by allowing them to access telehealth services, distance learning, and work-from-home initiatives. Your Executive Action will place West Virginia in an ideal position to enable broadband providers to utilize an important program offered by the Federal Communications Commission (FCC) entitled the Rural Digital Opportunity Fund (RDOF). Nationally, this program will award up to \$20.4 billion to internet providers across the nation to finance broadband networks in unserved rural areas. West Virginia is eligible to receive more than \$800 million through RDOF; which, if maximized, will make high-speed broadband available to more than 120,000 West Virginian households.

The primary challenge that prevents West Virginia internet service providers from taking full advantage of this tremendous opportunity is an FCC mandate that requires a recipient of RDOF funds to produce a letter of credit equal to a significant percentage of the funds an internet provider is awarded.

Access to capital is a long-standing impediment to broadband expansion in West Virginia. Fortunately, the RDOF program is making available almost \$1 billion to solve the digital divide in our state. West Virginia can draw upon this significant infusion of funds by assisting broadband providers to obtain the required letter of credit. The West Virginia BLINS program is ideally suited to meet this challenge of access to capital. In fact, it was created for just such a purpose. This

program is not funded by an appropriation, and no money has ever been expended to provide the loan insurance that the program has extended. The loan insurance is facilitated by the West Virginia Board of Treasury Investments (BTI). BTI, subject to a liquidity determination and cash availability, makes funds available to the West Virginia Economic Development Authority (EDA) in the form of a nonrecourse revolving loan, for the purpose of insuring loans for broadband expansion projects. Unfortunately, there are regulatory caps on the amount of funds that BTI can make available. They are limited to a total of \$50 million and no more than \$10 million may be insured for any one enterprise in a single calendar year. These regulator caps were established in 2017, when it was unthinkable that the FCC would make more than \$800 million available to the state for broadband expansion.

Upon your determination that such action is within legal authority, a timely Executive Order issued before September 4, 2020, will enable broadband providers to secure financing and participate in the RDOF auction, scheduled for October 22, 2020. Your administration of the EDA and the BTI will limit loan insurance in a fiscally responsible manner, while also facilitating much needed broadband expansion. We are confident the Legislature will address this issue during the upcoming Legislative session. However, the tight FCC timeline and West Virginia's critical broadband needs, which have been highlighted by the COVID-19 pandemic, dictate that there must be an immediate solution.

Sincerely yours,



Mitch B. Carmichael
Senate President



Roger Hanshaw
Speaker of the House of Delegates



Roman Prezioso
Senate Minority Leader



Tim Miley
House Minority Leader

| | Total Available | Eligible |
|-----------------|----------------------|----------------|
| County | 10-year Funds | Households |
| Barbour | \$7,465,780 | 998 |
| Berkeley | \$4,198,730 | 1,826 |
| Boone | \$770,890 | 150 |
| Braxton | \$21,499,260 | 2,376 |
| Brooke | \$2,462,730 | 603 |
| Cabell | \$5,672,600 | 1,404 |
| Calhoun | \$19,681,140 | 2,475 |
| Clay | \$17,525,350 | 2,625 |
| Doddridge | \$14,883,860 | 1,881 |
| Fayette | \$20,818,050 | 3,463 |
| Gilmer | \$22,744,070 | 1,978 |
| Grant | \$18,904,730 | 2,648 |
| Greenbrier | \$33,477,490 | 4,603 |
| Hampshire | \$44,764,010 | 9,004 |
| Hancock | \$1,767,140 | 718 |
| Hardy | \$1,600,590 | 243 |
| Harrison | \$4,715,290 | 734 |
| Jackson | \$22,977,760 | 3,827 |
| Jefferson | \$1,017,030 | 422 |
| Kanawha | \$10,169,830 | 2,376 |
| Lewis | \$12,804,260 | 1,451 |
| Lincoln | \$10,249,080 | 1,614 |
| Logan | \$2,427,810 | 610 |
| Marion | \$11,448,760 | 1,587 |
| Marshall | \$16,204,460 | 2,266 |
| Mason | \$25,119,690 | 5,294 |
| McDowell | \$10,468,930 | 1,695 |
| Mercer | \$13,206,400 | 2,058 |
| Mineral | \$16,110,740 | 3,053 |
| Mingo | \$5,683,680 | 1,209 |
| Monongalia | \$19,463,080 | 6,572 |
| Monroe | \$33,998,670 | 4,886 |
| Morgan | \$11,327,910 | 2,988 |
| Nicholas | \$28,221,450 | 5,412 |
| Ohio | \$2,093,520 | 559 |
| Pendleton | \$27,261,710 | 2,394 |
| Pleasants | \$9,004,990 | 1,091 |
| Pocahontas | \$31,530,140 | 4,126 |
| Preston | \$30,037,380 | 4,858 |
| Putnam | \$15,082,980 | 2,811 |
| Raleigh | \$3,514,020 | 555 |
| Randolph | \$28,831,920 | 2,842 |
| Ritchie | \$4,277,370 | 481 |
| Roane | \$27,099,310 | 3,980 |
| Summers | \$21,834,080 | 3,244 |
| Taylor | \$3,391,150 | 498 |
| Tucker | \$10,885,510 | 2,315 |
| Tyler | \$14,332,050 | 2,299 |
| Upshur | \$13,855,060 | 1,679 |
| Wayne | \$13,568,300 | 2,242 |
| Webster | \$11,930,330 | 1,805 |
| Wetzel | \$12,622,020 | 1,610 |
| Wirt | \$13,211,560 | 1,248 |
| Wood | \$11,465,240 | 1,834 |
| Wyoming | \$4,530,630 | 566 |
| WV TOTAL | \$804,210,520 | 128,086 |

| | Total Available | Eligible | 70% | Year 1 | Year 2 | Year 3 | Year 4 |
|-----------------|----------------------|---------------|-----------------------|---------------------|---------------------|----------------------|----------------------|
| County | 10-year Funds | Households | Total Available Funds | L.O.C. Requirement | L.O.C. Requirement | L.O.C. Requirement | L.O.C. Requirement |
| Barbour | \$7,465,780 | 998 | \$5,226,046 | \$522,605 | \$783,907 | \$1,045,209 | \$1,567,814 |
| Berkeley | \$4,198,730 | 1826 | \$2,939,111 | \$293,911 | \$440,867 | \$587,822 | \$881,733 |
| Boone | \$770,890 | 150 | \$539,623 | \$53,962 | \$80,943 | \$107,925 | \$161,887 |
| Braxton | \$21,499,260 | 2376 | \$15,049,482 | \$1,504,948 | \$2,257,422 | \$3,009,896 | \$4,514,845 |
| Brooke | \$2,462,730 | 603 | \$1,723,911 | \$172,391 | \$258,587 | \$344,782 | \$517,173 |
| Cabell | \$5,672,600 | 1404 | \$3,970,820 | \$397,082 | \$595,623 | \$794,164 | \$1,191,246 |
| Calhoun | \$19,681,140 | 2475 | \$13,776,798 | \$1,377,680 | \$2,066,520 | \$2,755,360 | \$4,133,039 |
| Clay | \$17,525,350 | 2625 | \$12,267,745 | \$1,226,775 | \$1,840,162 | \$2,453,549 | \$3,680,324 |
| Doddridge | \$14,883,860 | 1881 | \$10,418,702 | \$1,041,870 | \$1,562,805 | \$2,083,740 | \$3,125,611 |
| Fayette | \$20,818,050 | 3463 | \$14,572,635 | \$1,457,264 | \$2,185,895 | \$2,914,527 | \$4,371,791 |
| Gilmer | \$22,744,070 | 1978 | \$15,920,849 | \$1,592,085 | \$2,388,127 | \$3,184,170 | \$4,776,255 |
| Grant | \$18,904,730 | 2648 | \$13,233,311 | \$1,323,331 | \$1,984,997 | \$2,646,662 | \$3,969,993 |
| Greenbrier | \$33,477,490 | 4603 | \$23,434,243 | \$2,343,424 | \$3,515,136 | \$4,686,849 | \$7,030,273 |
| Hampshire | \$44,764,010 | 9004 | \$31,334,807 | \$3,133,481 | \$4,700,221 | \$6,266,961 | \$9,400,442 |
| Hancock | \$1,767,140 | 718 | \$1,236,998 | \$123,700 | \$185,550 | \$247,400 | \$371,099 |
| Hardy | \$1,600,590 | 243 | \$1,120,413 | \$112,041 | \$168,062 | \$224,083 | \$336,124 |
| Harrison | \$4,715,290 | 734 | \$3,300,703 | \$330,070 | \$495,105 | \$660,141 | \$990,211 |
| Jackson | \$22,977,760 | 3827 | \$16,084,432 | \$1,608,443 | \$2,412,665 | \$3,216,886 | \$4,825,330 |
| Jefferson | \$1,017,030 | 422 | \$711,921 | \$71,192 | \$106,788 | \$142,384 | \$213,576 |
| Kanawha | \$10,169,830 | 2376 | \$7,118,881 | \$711,888 | \$1,067,832 | \$1,423,776 | \$2,135,664 |
| Lewis | \$12,804,260 | 1451 | \$8,962,982 | \$896,298 | \$1,344,447 | \$1,792,596 | \$2,688,895 |
| Lincoln | \$10,249,080 | 1614 | \$7,174,356 | \$717,436 | \$1,076,153 | \$1,434,871 | \$2,152,307 |
| Logan | \$2,427,810 | 610 | \$1,699,467 | \$169,947 | \$254,920 | \$339,893 | \$509,840 |
| Marion | \$11,448,760 | 1587 | \$8,014,132 | \$801,413 | \$1,202,120 | \$1,602,826 | \$2,404,240 |
| Marshall | \$16,204,460 | 2266 | \$11,343,122 | \$1,134,312 | \$1,701,468 | \$2,268,624 | \$3,402,937 |
| Mason | \$25,119,690 | 5294 | \$17,583,783 | \$1,758,378 | \$2,637,567 | \$3,516,757 | \$5,275,135 |
| McDowell | \$10,468,930 | 1695 | \$7,328,251 | \$732,825 | \$1,099,238 | \$1,465,650 | \$2,198,475 |
| Mercer | \$13,206,400 | 2058 | \$9,244,480 | \$924,448 | \$1,386,672 | \$1,848,896 | \$2,773,344 |
| Mineral | \$16,110,740 | 3053 | \$11,277,518 | \$1,127,752 | \$1,691,628 | \$2,255,504 | \$3,383,255 |
| Mingo | \$5,683,680 | 1209 | \$3,978,576 | \$397,858 | \$596,786 | \$795,715 | \$1,193,573 |
| Monongalia | \$19,463,080 | 6572 | \$13,624,156 | \$1,362,416 | \$2,043,623 | \$2,724,831 | \$4,087,247 |
| Monroe | \$33,998,670 | 4886 | \$23,799,069 | \$2,379,907 | \$3,569,860 | \$4,759,814 | \$7,139,721 |
| Morgan | \$11,327,910 | 2988 | \$7,929,537 | \$792,954 | \$1,189,431 | \$1,585,907 | \$2,378,861 |
| Nicholas | \$28,221,450 | 5412 | \$19,755,015 | \$1,975,502 | \$2,963,252 | \$3,951,003 | \$5,926,505 |
| Ohio | \$2,093,520 | 559 | \$1,465,464 | \$146,546 | \$219,820 | \$293,093 | \$439,639 |
| Pendleton | \$27,261,710 | 2394 | \$19,083,197 | \$1,908,320 | \$2,862,480 | \$3,816,639 | \$5,724,959 |
| Pleasants | \$9,004,990 | 1091 | \$6,303,493 | \$630,349 | \$945,524 | \$1,260,699 | \$1,891,048 |
| Pocahontas | \$31,530,140 | 4126 | \$22,071,098 | \$2,207,110 | \$3,310,665 | \$4,414,220 | \$6,621,329 |
| Preston | \$30,037,380 | 4858 | \$21,026,166 | \$2,102,617 | \$3,153,925 | \$4,205,233 | \$6,307,850 |
| Putnam | \$15,082,980 | 2811 | \$10,558,086 | \$1,055,809 | \$1,583,713 | \$2,111,617 | \$3,167,426 |
| Raleigh | \$3,514,020 | 555 | \$2,459,814 | \$245,981 | \$368,972 | \$491,963 | \$737,944 |
| Randolph | \$28,831,920 | 2842 | \$20,182,344 | \$2,018,234 | \$3,027,352 | \$4,036,469 | \$6,054,703 |
| Ritchie | \$4,277,370 | 481 | \$2,994,159 | \$299,416 | \$449,124 | \$598,832 | \$898,248 |
| Roane | \$27,099,310 | 3980 | \$18,969,517 | \$1,896,952 | \$2,845,428 | \$3,793,903 | \$5,690,855 |
| Summers | \$21,834,080 | 3244 | \$15,283,856 | \$1,528,386 | \$2,292,578 | \$3,056,771 | \$4,585,157 |
| Taylor | \$3,391,150 | 498 | \$2,373,805 | \$237,381 | \$356,071 | \$474,761 | \$712,142 |
| Tucker | \$10,885,510 | 2315 | \$7,619,857 | \$761,986 | \$1,142,979 | \$1,523,971 | \$2,285,957 |
| Tyler | \$14,332,050 | 2299 | \$10,032,435 | \$1,003,244 | \$1,504,865 | \$2,006,487 | \$3,009,731 |
| Upshur | \$13,855,060 | 1679 | \$9,698,542 | \$969,854 | \$1,454,781 | \$1,939,708 | \$2,909,563 |
| Wayne | \$13,568,300 | 2242 | \$9,497,810 | \$949,781 | \$1,424,672 | \$1,899,562 | \$2,849,343 |
| Webster | \$11,930,330 | 1805 | \$8,351,231 | \$835,123 | \$1,252,685 | \$1,670,246 | \$2,505,369 |
| Wetzel | \$12,622,020 | 1610 | \$8,835,414 | \$883,541 | \$1,325,312 | \$1,767,083 | \$2,650,624 |
| Wirt | \$13,211,560 | 1248 | \$9,248,092 | \$924,809 | \$1,387,214 | \$1,849,618 | \$2,774,428 |
| Wood | \$11,465,240 | 1834 | \$8,025,668 | \$802,567 | \$1,203,850 | \$1,605,134 | \$2,407,700 |
| Wyoming | \$4,530,630 | 566 | \$3,171,441 | \$317,144 | \$475,716 | \$634,288 | \$951,432 |
| WV TOTAL | \$804,210,520 | 128086 | \$562,947,364 | \$56,294,736 | \$84,442,105 | \$112,589,473 | \$168,884,209 |