

**BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Nancy Lange	Chair
Dan Lipschultz	Vice Chair
Matt Schuerger	Commissioner
John Tuma	Commissioner
Katie Sieben	Commissioner

In re Midcontinent Communications Expansion of Service Area	Docket No. _____
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**PETITION OF MIDCONTINENT COMMUNICATIONS  
FOR EXPANSION OF ETC SERVICE AREA**

Midcontinent Communications (“Midco”), for its petition to expand the area in which it provides service as an Eligible Telecommunications Carrier (“ETC”), states as follows.

1. On August 24, 2018, the Federal Trade Commission (“FCC”) announced that Midco was one of winning bidders to receive funding under the second phase of the Connect America Fund program (“*CAF II*”) to be used to provide service in certain areas determined by the FCC to be unserved or underserved areas. Attached to this Petition as Exhibit A is a copy of the FCC’s Public Notice of its decision.

2. Upon satisfying the conditions of the award, Midco will receive approximately \$38.9 million over the next ten years to be used to provide broadband and voice service in areas identified by the FCC as unserved or underserved. Among the conditions that Midco must satisfy is that it must be designated as an ETC in each census block for which the FCC has provisionally awarded funding. By this Petition, Midco seeks to expand its ETC service area for the purpose of receiving *CAF II* funding. This Petition is not intended to affect Midco’s ETC status in any areas other than those areas for which Midco has been provisionally awarded *CAF II* funding.

3. Midco is certified by the Commission to provide resold local and long distance service and facilities-based local exchange service.<sup>1</sup>

4. By order dated October 24, 2011, the Commission granted Midco's petition to be designated as an ETC in specific exchanges.<sup>2</sup> By order dated April 3, 2016, the Commission granted Midco's petition to expand the area in which it is authorized to provide service as an ETC.<sup>3</sup>

5. Attached to this Petition as Exhibit B is a list of the census blocks identified by the FCC for which Midco has been provisionally awarded funding. Attached to this Petition as Exhibit C are maps showing the locations of census blocks for which Midco has been provisionally awarded funding.

6. Pursuant to Minn. Rule 7811.1400, subp. 4(A), Midco states its name, address, telephone number, and designated contact person as follows:

Midcontinent Communications  
3901 N Louise Ave  
Sioux Falls, SD 57107  
Patrick J. Mastel  
General Counsel  
Telephone #: 605-271-0594

Midco is also represented in this matter by its legal counsel:

Gregory Merz  
Gray Plant Mooty  
500 IDS Center  
80 South Eighth Street  
Minneapolis, MN 55402  
Telephone #: 612-632-3257

7. If the Commission grants this Petition, Midco will not be receiving High Cost Universal Support because as a non-rural carrier there currently is no federal support money

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<sup>1</sup> See Docket Nos. P6186/NA-02-1541 and P6186/NA-07-160.

<sup>2</sup> Docket No. P61861/M-11-399.

<sup>3</sup> Docket No. P6186/M-16-39.

designated in Minnesota. Midco will however, in addition to receiving *CAF II* funding, seek reimbursement for its Lifeline support given to Minnesota customers eligible for Lifeline service and makes its application for ETC designation accordingly.

8. The FCC has issued a separate order on ETC status for *CAF II* recipients like Midco. A copy of that order is attached to this Petition as Exhibit D.

## **II. CRITERIA FOR ETC DESIGNATION**

9. To qualify for ETC designation under 47 U.S.C. § 214(e)(1), 47 C.F.R. § 54.201, and Minn. Rules 7811.0100, subp. 15, a carrier must meet the following requirements:

- (a) the Company must be a "common carrier" under federal law;
- (b) the Company must offer or be able to offer the supported services using its own facilities, or a combination of its own facilities and resale of another carrier's services;
- (c) the Company must advertise the availability and charges for the supported services using media of general distribution; and
- (d) the Company must provide the supported services throughout its designated ETC service area upon reasonable request.

10. Section 54.101(a)(1)-(a)(9) of the FCC's Rules require that an ETC provide the following services or functionalities as the supported services:

- (a) voice-grade access to the public switched telephone network;
- (b) local usage; dual-tone multi-frequency ("DTMF") signaling or its functional equivalent; single-party service or its functional equivalent; access to emergency services; access to operator services access to interexchange service; access to directory assistance; and toll limitation for qualifying low-income consumers.

11. Consistent with the public interest, convenience, and necessity, a competitive ETC may be designated in any area served by a non-rural telephone company so long as the applicant meets the requirements of 47 U.S.C. § 214(e)(1). The Commission may designate an additional eligible telecommunications carrier for an area served by a rural telephone company, if the Commission finds that the designation is in the public interest. 47 C.F.R. §54.201(c).

### **III. MIDCO SATISFIES EACH OF THE REQUIREMENTS FOR DESIGNATION AS A COMPETITIVE ETC**

12. A telecommunications carrier utilizing any technology is eligible to receive federal universal service support if the company meets the requirements established under 47 U.S.C. § 214(e)(1). As demonstrated below, Midco satisfies each of these requirements. Midco operates as a common carrier, provides each of the nine supported services established by the FCC, and offers and advertises the availability of, and charges for, such services throughout its designated Service Area. Finally, Midco's designation as a competitive ETC will serve the public interest.

#### **A. Midco is a Common Carrier**

13. The first requirement for ETC designation is that the applicant is a common carrier. A common carrier is defined by the Act as “any person engaged as a common carrier for hire, in interstate or foreign communications by wire or radio.” Midco offers local exchange service including a basic phone line offered via Voice over Internet Protocol (“VoIP”) and various features to choose from such as caller ID, call waiting, call forwarding, and ancillary services like voice mail, to the general public. Therefore, Midco meets the federal definition of common carrier for purposes of ETC designation.

#### **B. Midco Provides Each of the Nine Required Supported Services**

14. The second requirement for ETC designation is that the applicant be capable of and committed to providing each of the nine (9) supported services upon designation.

15. Midco currently provides the supported services set forth in 47 C.F.R. § 54.101(a)(1)-(9) over its existing network infrastructure in Minnesota as follows:

(a) Voice Grade Access: The FCC has determined that voice grade access to the public switched telephone network means the ability to make and receive calls with a minimum bandwidth of 300 to 3500 Hertz. Through its interconnection agreements with various ILECs, Midco's customers are currently able to make and receive calls on the public switched telephone network within the FCC's specified frequency range, which is offered via VoIP.

(b) Local Usage: "Local usage" means an amount of minutes of use of exchange service, as prescribed by the FCC, provided free of charge to end users. Midco includes local usage in all of its service offerings.

(c) Dual Tone Multi-Frequency Signaling or Its Functional Equivalent: "Dual Tone Multi-Frequency" ("DTMF") is a method of signaling that facilitates the transportation of call set-up and call detail information. Midco's service complies with this requirement.

(d) Single-Party Service or its Functional Equivalent: Midco provides single-party service.

(e) Access to Emergency Service: "Access to emergency service" means the ability to reach a public service answering point ("PSAP") by dialing "911." The FCC also requires that a carrier provide access to enhanced 911 or "E-911," which includes the capability of providing both automatic numbering information ("ANI") and automatic location information ("ALI"), when the PSAP is capable of receiving such information and the service is requested from the carrier. Midco is currently in compliance and has

approved 911 Plans on file with the Commission. Midco has the ability to remain functional in emergency situations. Midco has auxiliary and battery power backups.

(f) Access to Operator Services: “Access to operator services” means any automatic or live assistance provided to a customer to arrange for the billing or completion, or both, of a telephone call. Midco meets this requirement by providing all of its customers with access to operator services provided either by Midco or third parties.

(g) Access to Interexchange Service: “Access to interexchange service” means the ability to make and receive toll or interexchange calls. Midco currently meets this requirement by providing all of its customers with the ability to make and receive interexchange calls through their carrier of choice.

(h) Access to Directory Assistance: “Access to directory assistance” means the ability to provide access to a service that makes directory listings available. Midco currently meets this requirement by providing all of its customers with access to directory assistance by dialing "411" or "(NPA) 555-1212."

(i) Toll Limitation Services: An ETC must offer “toll limitation” services to qualifying low-income consumers at no charge. FCC Rule 54.400(d) defines “toll limitation” as either “toll blocking” or “toll control” if a carrier is incapable of providing both, but as both “toll blocking” and “toll control” if a carrier can provide both. Toll blocking allows consumers to elect not to allow the completion of outgoing toll calls. Toll control allows consumers to specify a certain amount of toll usage that may be incurred per month or per billing cycle. Midco will utilize its existing toll-blocking technology to provide the service at no additional charge to requesting Lifeline customers.

16. Midco offers a basic local service plan that is comparable to the basic local usage plan that is offered in the service area for which Midco seeks ETC designation. Midco's basic flat rated residential line is priced at \$20.00 with Caller ID and Call Waiting available at an a la carte rate of \$3.95. In addition, Midco offers a digital phone package that provides discounts when buying the line and features together in a bundled package. Midco offers this Digital Phone Package for \$32.95 which includes the local phone line, unlimited domestic long distance and local calling to any state and Canada, the U.S. Virgin Islands, Puerto Rico, and Guam; along with 8 calling features.

**C. Midco Will Offer and Advertise the Availability of, and Charges for, the Supported Services Throughout Its Service Area**

17. The third requirement for ETC designation is that an applicant must advertise the availability of, and charges for, the supported services using media of general distribution. Midco currently offers and advertises its telecommunications services to customers in Minnesota using media of general distribution, including television and print advertising. Midco advertises the availability of its service offerings and the corresponding rates for those services throughout its Service Area through media of general distribution in a manner that fully informs the general public. Advertisement of its service offerings is a part of, and integrated into, its current advertising for its existing array of services and offerings in a manner that fully complies with federal requirements and Midco commits to such advertisements in the future.

18. Midco's telephone service brochures and the handbooks provided to new telephone customers provide information on the availability of Lifeline assistance. Also, at least annually Midco advises customers of the program through its billing statement message. A billing statement message is sent on a quarterly basis.

#### **IV. DESIGNATING MIDCO AS AN ETC WILL SERVE THE PUBLIC INTEREST**

19. The Commission must find that the designation of a competitive ETC is consistent with the public interest, convenience, and necessity. This standard is met where the applicant satisfies the prerequisites of 47 U.S.C. § 214(e)(1) and can offer consumers a competitive alternative to the incumbent carrier. As discussed above, Midco fully satisfies each of the requirements of 47 U.S.C. § 214(e)(1).

20. The Commission has previously applied a public interest analysis under 47 U.S.C. § 214(e)(2) considering: (1) whether customers are likely to benefit from increased competition; (2) whether designation of an ETC would provide benefits not available from incumbent carriers; (3) the impact of multiple designations on the federal universal service fund; (4) any commitments made regarding quality services provided by competing providers; and (5) whether customers would be harmed if the incumbent carrier exercised its option to relinquish its ETC designation. Following this standard, the Commission should determine that it is in the public interest to designate Midco as an additional ETC.

##### **A. Granting ETC Designation Will Facilitate Competition to the Benefit of Consumers**

21. The purpose of the Connect America Fund program and the FCC's provisional award of funds to Midco under the program is to facilitate the development of infrastructure necessary to provide broadband services, particularly in rural areas that have either no or limited access to such services. Designation of Midco as an ETC for purposes of receiving *CAF II* funding will, therefore, benefit consumers by providing access to services that might not otherwise be available.

22. In addition, increased competition can be expected to drive down prices, lead to better service quality, and promote the development of new, innovative services.



23. Consumers should be able to choose services based on their own needs, and not just the service of the incumbent LEC. Designating Midco as a competitive ETC will allow the consumers in the requested Service Areas to choose their provider based on the price, services, service quality, customer service and service availability offered by openly competing companies. This use of federal universal service support would enable Midco to: (1) maintain rates for its local exchange services that are affordable and reasonably comparable to rates being charged by the Incumbent Local Service Provider for the same services; and (2) to upgrade and maintain its telecommunications facilities and equipment as necessary to meet evolving service requirements and high quality service. The use of federal universal service support for these purposes is clearly consistent with the federal universal service provisions.

24. Funds received by Midco under the universal service supports for low income customers will be used by Midco to reduce the cost of basic local service provided to those customers qualified to receive support under the program.

**B. Midco will comply with all State and Federal Requirements**

25. Midco's service offerings in rural unserved areas will include state-of-the-art network facilities; reduced long-distance rates; competitive pricing; 24-hour customer service; enhanced features, such as voice-mail, caller-ID, call-waiting, and call-forwarding; and high-speed data functions including email and Internet access. Customers will benefit by the ability to access these advanced services at competitive prices.

26. Consistent with the obligations of a competitive federal ETC, Midco is committed and able to provide service to all customers within its Service Area upon reasonable request. To ensure its ability to meet reasonable requests for service, Midco will comply with the service extension commitments previously accepted by the FCC and by this Commission. Consistent with its past practice, Midco hereby certifies that it will provide service on a timely basis to all

requesting customers within its designated ETC service area. In certain cases, the provisioning of this service may require a customer in a new location to first meet the requirements of Midco's line extension policies. These line extension policies are, however, consistent with the requirement under both federal and state law to meet all reasonable requests for service.

**C. Midco is Committed to Service Quality**

27. Midco is committed to providing high service quality to its customers consistent with the public interest. As a certificated carrier in Minnesota, Midco is in compliance with the Commission's consumer protection and service quality requirements as set forth in Minn. R. parts 7812.0700 and 7810.0100 through 7810.6100 and will continue to be in compliance with those requirements following its designation as an ETC.

28. Midco commits to follow the same procedures approved by the Commission and the FCC to provide service to all requesting customers within the Company's Service Area upon reasonable request.

29. Accordingly, the Commission should find that designating Midco as a competitive ETC will serve the public interest.

**F. Emergency Requirements**

30. Midco has the ability to remain functional in emergency situations. Midco currently provides auxiliary and battery power backup. Midco has a Power Supply Response Team whose objective is to provide uninterrupted service to telephone subscribers during periods of commercial power interruptions. Midco utilizes power supplies within its network which convert commercial power to 87.5-volts AC and provide the power to the network nodes, amplifiers and customer premise equipment. Each power supply unit shall have battery backup in order to continue to provide network power in the event of a commercial power failure.

Portable generators shall be deployed by the PSRT to provide continuous uninterrupted power augmenting the battery power life cycle.

## **V. REQUEST FOR VARIANCE OF CERTAIN COMMISSION RULES**

31. Minnesota Rule part 7811/7812.1400, subp. 3, provides that the “applicable universal service area shall be the study area of the relevant LEC unless the commission and the FCC adopt a different service area pursuant to Code of Federal Regulations, title 47, section 54.203, paragraphs (c) and (d).” Consistent with its practice under the Connect America Fund, the *CAF II* funding provisionally awarded by the FCC is approved to provide service in specific census blocks that the FCC has determined are unserved or underserved areas. These census blocks do not match the study area of the relevant LECs.

32. Pursuant to Minnesota Rule part 7829.3200, subp. 1, the Commission may grant a variance to its rules when: 1) enforcement of the rule would impose an excessive burden upon the applicant or others affected by the rule; 2) granting the variance would not adversely affect the public interest; and 3) granting the variance would not conflict with standards imposed by law. These requirements are met here. Because a variance is necessary in order for Midco to receive funding that will enable it to provide broadband and voice service in rural areas of Minnesota that are presently unserved or underserved, enforcing the rule would impose an excessive and unnecessary burden and would deprive Minnesota consumers of the benefits that will result from the receipt of these federal funds. Granting the variance will not conflict with any standards imposed by law.

## **CONCLUSION**

Midco respectfully requests that the Commission promptly grant this Petition and designate Midco as an ETC in all areas where it is authorized to provide service, for the purposes

of receiving Lifeline support in Minnesota. Midco would further ask the Commission to expedite the ETC approval process.

Respectfully submitted,

Dated: October 30, 2018

GRAY, PLANT, MOOTY, MOOTY  
& BENNETT

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GP:4842-0355-8520 v1

# **EXHIBIT A**



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

News Media Information: 202-418-0500  
Internet: <http://www.fcc.gov>  
TTY: 888-835-5322

DA 18-887  
August 28, 2018

## CONNECT AMERICA FUND PHASE II AUCTION (AUCTION 903) CLOSES WINNING BIDDERS ANNOUNCED FCC FORM 683 DUE OCTOBER 15, 2018

AU Docket No. 17-182  
WC Docket No. 10-90

1. By this Public Notice, the Rural Broadband Auctions Task Force, Wireless Telecommunications Bureau (WTB), and Wireline Competition Bureau (WCB) announce that bidding in the Connect America Fund Phase II (Phase II) auction (Auction 903) concluded on August 21, 2018. There were 103 winning bidders in the auction, with the 10-year support amount totaling \$1.488 billion and covering 713,176 locations in 45 states. Of the 974,223 locations in the 30,033 eligible census block groups (CBGs), approximately 73 percent of the locations are covered by winning bids. While winning bids are for a range of performance tiers, winning bids for downstream speeds of at least 100 megabits per second (Mbps) cover 53 percent of these locations. And over 99.7 percent of these locations will receive at least 25 Mbps downstream speeds, more than twice the 10 Mbps minimum standard for the Connect America Fund program.

2. Winning bidders are required to submit a post-auction application for support (FCC Form 683) no later than **October 15, 2018**. Winning bidders that wish to assign some or all of their winning bids to related entities must do so by **September 14, 2018**, using the Divide Winning Bids process described below.

### I. WINNING BIDDERS

3. This Public Notice summarizes the results of the auction and provides winning bidders with important information, including FCC Form 683 filing requirements and support disbursement matters. Key information appears in the following attachments:

- Attachment A:** “Winning Bidders Summary” lists for each bidder: the state, the 10-year assigned support amount, and the number of locations assigned in winning bids.
- Attachment B:** “State Results Summary” lists for each state with eligible areas in Auction 903: the total assigned support, the number of locations assigned, and the number of bidders with winning bids.
- Attachment C:** “FCC Form 683: Application for Connect America Fund Phase II Auction Support – Instructions.”

4. A copy of this Public Notice will be sent to each qualified bidder via overnight delivery to the contact person at the contact address listed in each qualified bidder’s short-form application (FCC Form 183).

## II. AUCTION RESULTS

5. Concurrent with the release of this Public Notice, the Commission is making available the detailed auction results and bidding information described below.

**Online Map:** An interactive visual representation of the auction results is available on the Auction 903 web page ([www.fcc.gov/auction/903](http://www.fcc.gov/auction/903)) and at [www.fcc.gov/reports-research/maps/caf2-auction903-results/](http://www.fcc.gov/reports-research/maps/caf2-auction903-results/). There are options for displaying all eligible areas and non-winning bids. Clicking on a state or winning bid listed on the right-hand side of the map will zoom the map in to that area.

**Results Data:** An online viewer of results data and downloadable files that include the identities of bidders and all their submitted bids are now available in the FCC Auctions Public Reporting System ([auctiondata.fcc.gov](http://auctiondata.fcc.gov)), for which there is a link on the Results tab on the Auction 903 web page ([www.fcc.gov/auction/903/](http://www.fcc.gov/auction/903/)).<sup>1</sup>

6. Additionally, the Commission will soon make available certain, previously withheld information submitted in the applications to participate in the auction (FCC Forms 183). This information includes the state(s) and performance tier and latency combination(s) for which each applicant was found to be eligible and applicants' spectrum access attachments, if any.<sup>2</sup> The applications are viewable through the application search feature, which can be accessed through the Application tab on the Auction 903 web page.

## III. POST-AUCTION PROCEDURES

7. Under the competitive bidding rules adopted in the *Phase II Auction Order*, Auction 903 winning bidders must file a post-auction application for support, also referred to as FCC Form 683, consistent with all requirements of the long-form application process.<sup>3</sup> FCC Form 683 has two discrete parts—the Divide Winning Bids portion and the long-form application portion. Each winning bidder is required to file an FCC Form 683 to become authorized to receive support. Prior to completing the long-form application portion, a winning bidder may divide its winning bids by assigning them to related entities, as described below. If a winning bidder divides its winning bids among related entities, those entities will be required to file the long-form application portion of an FCC Form 683 for those winning bids, as described below. A winning bidder will be responsible for completing the long-form application portion of FCC Form 683 for any winning bids that it does not assign to a related entity.

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<sup>1</sup> Because bids in Auction 903 implied annual support amounts, the bids and results data in the FCC Auctions Public Reporting System are on an annual basis, in contrast to the 10-year total support amounts reported in Attachments A and B.

<sup>2</sup> We will continue to withhold from routine public inspection responses to the technical questions in Appendix A of the *Auction 903 Procedures Public Notice* and any supporting information; financial information for which confidential treatment was requested under the section 0.459(a)(4) abbreviated confidential treatment process; and any other information subject to a request for confidential treatment that has been granted or remains pending. See *Connect America Fund Phase II Auction Scheduled for July 24, 2018; Notice and Filing Requirements and Other Procedures for Auction 903*, Public Notice, 33 FCC Rcd 1428, 1475-76, 1528-29, para. 127, App. A (2018) (*Auction 903 Procedures Public Notice*).

<sup>3</sup> 47 CFR § 1.21004; *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 6000, para. 144 (2016) (*Phase II Auction Order*).

8. **Winning bidders that intend to file a long-form application covering all their winning bids are not required to participate in the Divide Winning Bids process.**<sup>4</sup> Any winning bidder that does not submit the Divide Winning Bids portion of FCC Form 683 prior to 6:00 p.m. ET on September 14, 2018, must file a long-form application that covers *all* its winning bids. In such circumstances, the winning bidder must file the long-form application in its own name, be designated as the eligible telecommunications carrier (ETC) to serve the relevant areas, be named in the requisite letter(s) of credit, and fulfill the public interest obligations associated with receiving Phase II support.

**A. Divide Winning Bids Portion of FCC Form 683**

9. Any winning bidder that intends to assign some or all its winning bids to related entities must do so by submitting the Divide Winning Bids portion of the FCC Form 683 during the Divide Winning Bids filing window. **The Divide Winning Bids filing window will open at 10:00 a.m. Eastern Time (ET) on Tuesday, September 4, 2018, and close at 6:00 p.m. ET on Friday, September 14, 2018.** During this period, a winning bidder will be able to log into the Auction Application System using the FCC Registration Number (FRN) that it used to file its short-form application and complete the Divide Winning Bids portion of FCC Form 683. The instructions in Attachment C explain how a winning bidder can assign its winning bids to related entities.

10. A winning bidder may only assign its winning bids to a related entity that is named in its short-form application or that was formed after the short-form application deadline (i.e., March 30, 2018).<sup>5</sup> The Auction Application System will not permit a winning bidder to assign its winning bids to another winning bidder. A related entity is an entity that is controlled by the winning bidder or is a member of (or an entity controlled by a member of) a consortium/joint venture of which the winning bidder is a member.<sup>6</sup> Thus, if a holding company/parent company is a winning bidder in Auction 903, the winning bidder may designate at least one operating company that it controls to complete the long-form application to receive Phase II support for some or all of the winning bids in a state. If a consortium/joint venture is a winning bidder in Auction 903, the entity may designate at least one member of (or an entity controlled by a member of) the consortium/joint venture to complete the long-form application to receive Phase II support for some or all of the winning bids in a state.

11. A winning bidder may assign winning bids to more than one entity in a single state, but it cannot assign a single winning bid to more than one entity.<sup>7</sup> Thus, a winning bidder may not apportion among multiple entities either: 1) eligible census blocks within a winning bid for an individual census block group, or 2) separate census block groups within a winning package bid.

12. **Each entity that is assigned a winning bid through the Divide Winning Bids process is the entity that must file the long-form application portion of FCC Form 683 in its own name, be designated as the eligible telecommunications carrier to serve the relevant area(s), be named in the requisite letter(s) of credit, and fulfill the public interest obligations associated with receiving Phase II support.**<sup>8</sup>

13. A winning bidder that assigns some or all its winning bids to a related entity must make a number of certifications in the Divide Winning Bids portion of FCC Form 683. In particular, it must certify and acknowledge that it:

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<sup>4</sup> *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1442-43, para. 37.

<sup>5</sup> *Id.* at 1442, para. 37 n.75.

<sup>6</sup> *See generally id.* at 1441, para. 34 (defining a controlling interest for purposes of Auction 903 “as an individual or entity with positive or negative *de jure* or *de facto* control”); *see also* 47 CFR § 1.2105(a)(4)(i) (defining *de jure* and *de facto* control).

<sup>7</sup> *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1442, para. 37.

<sup>8</sup> *Id.* at 1442-43, para. 37.



- has assigned the winning bids to related entities that were named in the short-form application or are newly formed,
- will inform each entity of its filing obligation and cause each entity to submit a timely FCC Form 683 long-form application,
- will be at risk for default if any of the related entities do not submit a timely FCC Form 683 long-form application, and
- will submit a timely FCC Form 683 long-form application for any of the winning bids that it did not assign to another entity.

**B. Obligation to Apply for Support – Long-Form Application Portion of FCC Form 683**

14. A winning bidder that retains any of its bids, as well as all entities that are assigned winning bids by a winning bidder, must electronically submit the long-form application portion of FCC Form 683 covering those bids prior to the close of the long-form application filing window. **The long-form application filing window will open at 10:00 a.m. ET on Monday, October 1, 2018, and will close at 6:00 p.m. ET on Monday, October 15, 2018.** Certain additional information may be submitted to the Commission after this filing window closes, as described below. **The Auction Application System will open a filing window at 10:00 a.m. ET on Monday, October 22, 2018 to permit applicants to submit this additional information by the relevant deadlines.**

**1. Deadlines**

15. Attachment C of this Public Notice provides instructions for completing the long-form application portion of FCC Form 683. These instructions are consistent with the Commission's requirements fully described in section 54.315(b) & (c) of the Commission's rules and paragraphs 289 to 316 of the *Auction 903 Procedures Public Notice*.<sup>9</sup> Below is a summary of the information that must be submitted by the applicable application deadlines:<sup>10</sup>

- **Information due prior to 6:00 p.m. ET on October 15, 2018:**
  - **Applicant information**, including legal classification (e.g., corporation, general partnership, etc.), jurisdiction of formation, address, contact information, and responsible individual
  - **Whether the applicant has already been designated as an eligible telecommunications carrier (ETC)** for all the eligible census blocks in a winning bid(s)<sup>11</sup>
    - If the applicant has already obtained a high-cost ETC designation that covers all the relevant areas in a state, it should submit the required ETC documentation and certification letter by this deadline so that Commission staff can expeditiously verify the applicant's ETC status in the state

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<sup>9</sup> 47 CFR § 54.315(b), (c); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1512-21, paras. 289-316; *see also Phase II Auction Order*, 31 FCC Rcd at 5986-6005, paras. 111-56.

<sup>10</sup> As discussed in Attachment C, certain applicant information will be automatically transferred from a winning bidder's short-form application (FCC Form 183) to its long-form application (FCC Form 683).

<sup>11</sup> By February 25, 2019, the long-form applicant must obtain from all the relevant states or the Commission a high-cost ETC designation(s) that cover its winning bid areas and upload the required documentation and a certification letter to its FCC Form 683. 47 CFR § 54.315(b)(5); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1519, para. 310; *Phase II Auction Order*, 31 FCC Rcd at 5999, 6002-05, paras. 141, 149-56.

- If the applicant has obtained a high-cost ETC designation for only some of the relevant areas in a state, Commission staff will not verify the applicant's ETC status in a state until the applicant has submitted the required documentation and certification letter for *all* the relevant areas in the state
- **Whether the applicant is required to submit audited financial statements** during the long-form application process and whether it seeks confidential treatment of those financial statements<sup>12</sup>
- **Initial project overview(s)** describing at a high-level the applicant's intended technology and system design for each state with a winning bid.<sup>13</sup> An applicant should not include any confidential trade secrets or commercial information in its overview(s), which will be made publicly available.
- **Project funding description(s)** that explains how necessary construction will be funded in each state<sup>14</sup>
- **Spectrum access description(s)** demonstrating that the applicant has sufficient access to spectrum in each state, if applicable<sup>15</sup>
- **Agreement information**, including information regarding any agreements relating to the applicant's participation in Auction 903<sup>16</sup>
- **Ownership information**, including information regarding entities that have an ownership or other interest in the applicant and associated Commission-regulated businesses<sup>17</sup>
- **Various certifications**, including certifications regarding the applicant's compliance with statutory and regulatory requirements; financial and technical qualifications; available funds; compliance with the relevant public interest obligations and ETC requirements; and spectrum access, if applicable<sup>18</sup>

16. In the *Auction 903 Procedures Public Notice*, the Commission adopted a deadline of 60 days from the release of this Public Notice for long-form applicants to submit letter of credit commitment letters, as well as detailed technology and system design descriptions.<sup>19</sup> We find good cause to waive this deadline and provide a short extension for the filing of this information. Generally, the Commission's rules may be waived for good cause shown.<sup>20</sup> Waiver of the Commission's rules is appropriate only if both: (1) special circumstances warrant a deviation from the general rule, and (2) such deviation will

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<sup>12</sup> As noted below, the audited financial statements are due by February 25, 2019. 47 CFR § 54.315(b)(4); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1519-20, para. 311; *Phase II Auction Order*, 31 FCC Rcd at 5983-84, 5989, paras. 102-03, 116.

<sup>13</sup> *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1514, para. 299.

<sup>14</sup> 47 CFR § 54.315(b)(2)(vi); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1518, para. 306; *Phase II Auction Order*, 31 FCC Rcd at 5989, para. 116.

<sup>15</sup> *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1518-19, paras. 307-08.

<sup>16</sup> *Id.* at 1485, para. 162.

<sup>17</sup> 47 CFR §§ 1.2112(a), 54.315(b)(2)(i).

<sup>18</sup> *See, e.g.*, 47 CFR § 54.315(b)(2)(ii), (iii), (v), (vii); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1513-14, 1518, 1519, paras. 292-97, 306, 308.

<sup>19</sup> *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1514, 1519, paras. 300, 309.

<sup>20</sup> 47 CFR § 1.3.

serve the public interest.<sup>21</sup> We find that special circumstances exist because we have shifted the initial post-auction filing deadline to allow for the Divide Winning Bids portion of FCC Form 683 and we cannot immediately open another filing window for the information due by the 60-day deadline due to administrative reasons.<sup>22</sup> We conclude that it serves the public interest to extend the deadline to provide long-form applicants with sufficient time to submit this information after the filing window re-opens at 10:00 a.m. ET on Thursday, October 22, 2018, and before the deadline of 6:00 p.m. ET on November 5, 2018. Because we are only extending the 60-day deadline by a week and are not adjusting the final 180-day long-form application deadline, we expect that this extension will not materially delay our efforts to authorize applicants for support. Accordingly, we find the public interest benefits outweigh any potential harm.

- **Information due prior to 6:00 p.m. ET on November 5, 2018:**
  - **Letter of credit commitment letter(s)** for each applicable state from a qualified bank committing to issue an irrevocable stand-by letter of credit to the long-form applicant in the required form that covers the first year of support (at a minimum)<sup>23</sup>
  - **Detailed technology and system design description(s)** for each applicable state, including a network diagram certified by a professional engineer; paragraphs 298 to 305 of the *Auction 903 Procedures Public Notice* provide detailed guidance on how an applicant can successfully meet this requirement<sup>24</sup>
    - The professional engineer must certify that he or she has reviewed the network diagram and that the network is capable of delivering, to at least 95 percent of the required number of locations in each relevant state, voice and broadband service that meets the requisite performance requirements<sup>25</sup>
    - While it is not necessary that the professional engineer certifying the network diagram have a Professional Engineer license, the certification should describe the professional engineer's qualifications such that the certifier's expertise is apparent
- **Information due prior to 6:00 p.m. ET on February 25, 2019:**
  - **Documentation of high-cost ETC designation(s)** in all areas where the applicant will receive support, as described in paragraph 310 of the *Auction 903 Procedures Public*

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<sup>21</sup> See *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (citing *WAIT Radio v. FCC*, 418 F.2d 1153, 1157-59 (D.C. Cir. 1969), *cert. denied*, 93 S. Ct. 461 (1972)).

<sup>22</sup> *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1512, para. 290 (noting that the original initial long-form application filing deadline was “[u]nless otherwise provided by public notice, within 10 business days after release of the Auction 903 closing public notice”).

<sup>23</sup> 47 CFR § 54.315(b)(3); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1519, para. 309; *Phase II Auction Order*, 31 FCC Rcd at 5997, para. 134. At a minimum, the letter must provide the dollar amount of the letter of credit and the issuing bank's agreement to follow the terms and conditions of the Commission's model letter of credit in Appendix B of the *Phase II Auction Order*. *Phase II Auction Order*, 31 FCC Rcd at 6045-49, App. B. The requirements for a qualified bank are described in detail in the *Phase II Auction Order* and section 54.315(c) of the Commission's rules. 47 CFR § 54.315(c)(2); *Phase II Auction Order*, 31 FCC Rcd 5992-97, paras. 126-33.

<sup>24</sup> 47 CFR § 54.315(b)(2)(iv); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1514-18, paras. 298-305.

<sup>25</sup> 47 CFR § 54.315(b)(2)(iv); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1514, para. 298; *Phase II Auction Order*, 31 FCC Rcd at 5987-88, para. 114.

*Notice.*<sup>26</sup> An applicant should also upload a .csv file of the census blocks that are included in the ETC designation order, if applicable.

- **ETC certification letter(s)** from an officer of the applicant certifying that the long-form applicant's ETC designation(s) covers all the areas where the applicant will receive support<sup>27</sup>
- If not provided with the FCC Form 183 short-form application by the long-form applicant or a related entity,<sup>28</sup> **financial statements from the prior fiscal year (i.e., 2017) that have been audited by an independent certified public accountant**, including the audit opinion, balance sheets, net income, and cash flow statements<sup>29</sup>
  - The applicant must submit the audited financial statements of the entity that submitted its unaudited financial statements in the relevant FCC Form 183 short-form application or its own audited financial statements<sup>30</sup>
  - Any applicant that fails to submit the audited financial statements as required by this deadline will be subject to a base forfeiture of \$50,000, which will be subject to adjustment upward or downward as appropriate based on criteria set forth in the Commission's forfeiture guidelines<sup>31</sup>

17. Timely submitted applications will be reviewed by Commission staff for completeness and compliance with the Commission's rules and to determine if the long-form applicant has demonstrated that it is technically and financially qualified to fulfill its Phase II public interest obligations if authorized to receive support. Commission staff will notify a long-form applicant if additional information is required. If the application and the information with respect to each winning bid in a particular state is complete and the long-form applicant has demonstrated that it is technically and financially qualified, WCB will release a public notice identifying the applicant and the winning bids for which the Commission is ready to authorize Phase II support.<sup>32</sup> If a long-form applicant ultimately fails to provide all the required information or demonstrate that it is technically and financially qualified, WCB will release a public notice identifying the applicant and the winning bids that are considered in default.<sup>33</sup>

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<sup>26</sup> 47 CFR § 54.315(b)(5); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1519, para. 310; *Phase II Auction Order*, 31 FCC Rcd at 5999, para. 141.

<sup>27</sup> 47 CFR § 54.315(b)(5); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1519, para. 310; *Phase II Auction Order*, 31 FCC Rcd at 5999, para. 141.

<sup>28</sup> In this context, a related entity means the long-form applicant's parent/holding company or, if the long-form applicant is a member of a consortium or joint venture, the member of the consortium or joint venture that submitted financial statements with the short-form application.

<sup>29</sup> 47 CFR § 54.315(b)(4); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1519-20, para. 311; *Phase II Auction Order*, 31 FCC Rcd at 5983-84, 5989, paras. 102-03, 116.

<sup>30</sup> Accordingly, if the long-form applicant is a member of a consortium, it should submit the audited financial statements of the consortium member that submitted its unaudited financial statements in FCC Form 183. If the long-form applicant is an operating company of a holding company that filed a FCC Form 183 on behalf of the long-form applicant, the long-form applicant should submit the audited financial statements of the holding company. A long-form applicant also has the option of filing its own audited financial statements instead.

<sup>31</sup> *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1519-20, para. 311; *Phase II Auction Order*, 31 FCC Rcd at 5984-85, paras. 103-05; 47 U.S.C. § 503(b)(2)(B); 47 CFR § 1.80(b)(8), note to paragraph (b)(8).

<sup>32</sup> 47 CFR § 54.315(b)(6)(v).

<sup>33</sup> A long-form applicant that defaults on a winning bid in a state may still be authorized to receive support for its remaining winning bids in that state.

- If not already provided, the applicant will have 10 business days from the release of the public notice indicating that the Commission is ready to authorize support to submit:
  - **Irrevocable standby letter(s) of credit** for each state where the long-form applicant will be authorized to receive support. Long-form applicants should carefully review the letter of credit requirements in section 54.315(c) of the Commission's rules and in the *Phase II Auction Order*,<sup>34</sup> which are summarized below:
    - The letter(s) of credit must cover the first year of support for the state, at a minimum.<sup>35</sup> An applicant may obtain multiple letters of credit to cover all the bids in the state, but compliance with service milestones will be reviewed on a state-wide basis. Accordingly, if a long-form applicant chooses to obtain a letter of credit for each of its bids that are located in a state and defaults, a draw on *all* the letters of credit covering all of the bids in the state will be authorized.<sup>36</sup>
    - The letter(s) of credit must be issued in substantially the same form as set forth in the model letter of credit provided in Appendix B of the *Phase II Auction Order*.<sup>37</sup>
    - The long-form applicant must be the entity that is named in the letter(s) of credit<sup>38</sup>
    - The letter(s) of credit must be issued by a qualified bank. The issuing bank eligibility requirements are described in section 54.315(c)(2) of the Commission's rules and in paragraphs 126 to 133 of the *Phase II Auction Order*.<sup>39</sup>
    - Before a support recipient can receive its next year's support and each year's support thereafter, it must modify, renew, or obtain a new letter of credit to ensure that it is valued at a minimum at the total amount of support that has already been disbursed plus the amount of support that is going to be provided in the next year, subject to certain reductions when the support recipient has substantially met its service milestones<sup>40</sup>
    - The letter(s) of credit must remain open until the support recipient has certified that it has met the final service milestone and the Universal Service

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<sup>34</sup> 47 CFR § 54.315(c); *Phase II Auction Order*, 31 FCC Rcd at 5989-99, 6045-49, paras. 119-40, App. B.

<sup>35</sup> 47 CFR § 54.315(c)(1); *Phase II Auction Order*, 31 FCC Rcd at 5997, para. 135.

<sup>36</sup> *Phase II Auction Order*, 31 FCC Rcd at 5991, para. 122 & n.242.

<sup>37</sup> *Id.* at 6045-49, App. B.

<sup>38</sup> *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1443, para. 37.

<sup>39</sup> 47 CFR § 54.315(c)(2); *Phase II Auction Order*, 31 FCC Rcd 5992-97, paras. 126-33.

<sup>40</sup> 47 CFR § 54.315(c)(1); *Phase II Auction Order*, 31 FCC Rcd at 5991, 5997, paras. 122, 135. Once an Auction 903 support recipient has met its 60 percent service milestone, its letter of credit may be valued at 90 percent of the total support amount already disbursed plus the amount that will be disbursed in the coming year. Once an Auction 903 support recipient has met its 80 percent service milestone, its letter of credit may be valued at 60 percent of the total support amount already disbursed plus the amount that will be disbursed in the coming year. See *Connect America Fund et al.*, Order on Reconsideration, 33 FCC Rcd 1380, 1405, para. 64 (2018) (*Phase II Auction Reconsideration Order*); *Phase II Auction Order*, 31 FCC Rcd at 5997-98, para. 136.

Administrative Company (USAC) has verified that the build out obligation has been fulfilled<sup>41</sup>

- **Letter of Credit Bankruptcy Opinion Letter(s)** from legal counsel regarding the treatment of the letter(s) of credit or its proceeds in a bankruptcy proceeding<sup>42</sup>

18. Once Commission staff has determined that a long-form application is complete and the long-form applicant is financially and technically qualified, and the letter(s) of credit and accompanying opinion letter(s) have been received and approved, WCB will issue a public notice announcing the authorization of support for the winning bid(s) and directing USAC to begin disbursing support.<sup>43</sup> USAC will issue a new study area code to each long-form applicant for each state in which it is authorized to receive support. Long-form applicants will be notified of the new study area code prior to the authorization for support along with procedures for disbursing support. Monthly support disbursements will begin shortly after the authorization public notice has been released.

19. If an applicant is not authorized to receive support for a winning bid, it will be in default and subject to forfeiture for that winning bid as described below.

## 2. Forfeiture in the Event of Default

20. As described in the *Phase II Auction Order*,<sup>44</sup> winning bidders or long-form applicants that have been assigned winning bids during the Divide Winning Bids stage will be subject to a forfeiture in the event of a default. A winning bidder or long-form applicant will be considered in default and will be subject to forfeiture if it fails to timely file a long-form application, fails to meet the document submission deadlines, is found ineligible or unqualified to receive Phase II support, and/or otherwise defaults on its winning bids or is disqualified for any reason prior to the authorization of support. Any such determination shall be final, and a winning bidder or long-form applicant shall have no opportunity to cure through additional submissions, negotiations, or otherwise.

21. In the event of an auction default, a base forfeiture per violation of \$3,000 may be imposed.<sup>45</sup> So that this base forfeiture amount is not disproportionate to the amount of a winning bidder's bid, the Commission has limited the total base forfeiture to five percent of the bidder's total assigned support for the bid for the support term.<sup>46</sup> Notwithstanding this limitation, the total base forfeiture will also be subject to adjustment upward or downward based on the criteria set forth in the Commission's

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<sup>41</sup> 47 CFR § 54.315(c)(1); *Phase II Auction Order*, 31 FCC Rcd at 5991, para. 123.

<sup>42</sup> 47 CFR § 54.315(c)(3); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1520, para. 313; *Phase II Auction Order*, 31 FCC Rcd at 5992, para. 125.

<sup>43</sup> 47 CFR § 54.315(b)(6)(vi).

<sup>44</sup> *Phase II Auction Order*, 31 FCC Rcd at 6000-01, paras. 143-45; *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1520-21, paras. 314-15.

<sup>45</sup> *Phase II Auction Order*, 31 FCC Rcd at 6000, para. 143; *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1521, para. 315.

<sup>46</sup> *Phase II Auction Order*, 31 FCC Rcd at 6000-01, para. 144; *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1521, para. 315. This would occur in situations where the dollar amount associated with the bid is low. For example, assume Bidder A's winning bid includes 100 CBGs for \$100,000 over the 10-year support term. We may impose a base forfeiture of \$5,000 (5 percent of \$100,000) because otherwise the base forfeiture would be \$300,000 (\$3,000 x 100 CBGs), which is three times the entire bid amount. In contrast, if Bidder B's winning bid includes 100 CBGs for \$7,000,000 over the support term, we may impose a base forfeiture of \$300,000 (\$3,000 x 100 CBGs), which is 4.3 percent of the total bid.

forfeiture guidelines.<sup>47</sup> A violation is defined as any form of default with respect to the minimum geographic unit eligible for bidding.<sup>48</sup> In other words, there shall be separate apparent violations for each census block group assigned in a bid.

### C. General FCC Form 683 Information

22. For both the Divide Winning Bids and long-form application portions of FCC Form 683, the application may be filed at any time after the relevant filing window opens until the filing window closes. Applicants are strongly encouraged to file early and are responsible for allowing adequate time for filing their applications. Applications can be updated or amended multiple times until the relevant filing window closes.

23. A winning bidder and/or long-form applicant must always click on the CERTIFY & SUBMIT button on the “Certify & Submit” screen to successfully submit its FCC Form 683 and any modifications; otherwise, the application or changes to the application will not be received or reviewed by Commission staff. If a winning bidder or long-form applicant needs guidance or encounters technical difficulties in filing FCC Form 683, it may contact FCC Auctions Technical Support using the information in the Contact section, below.

### D. Maintaining Accuracy of Information

24. Each long-form applicant must make all changes to its information in the Auction Application System using FCC Form 683. With the release of this Public Notice, long-form applicants are no longer required to maintain the accuracy and completeness of information furnished in their FCC Form 183 applications.

25. A long-form applicant will be permitted to make minor modifications to its application after the deadline for submitting applications.<sup>49</sup> Minor modifications include correcting typographical errors and supplying non-material information that was inadvertently omitted or not available at the time the application was submitted.<sup>50</sup> If a long-form applicant makes a major modification to its application, the application will be denied.<sup>51</sup> In such an event, the long-form applicant will be subject to forfeiture. Major modifications include, but are not limited to, any changes in the ownership of the long-form applicant that constitute an assignment or transfer of control, any changes in the identity of the long-form applicant, or any changes in the required certifications.<sup>52</sup>

### E. Public Availability of FCC Form 683 Information

26. Information submitted in FCC Form 683 will generally be publicly available after Commission staff completes its review. Accordingly, a long-form applicant should take care not to include any unnecessary sensitive information, such as Taxpayer Identification Numbers or Social Security Numbers, in its application. However, consistent with the Commission’s limited information procedures in place for Auction 903, certain information will be withheld from routine public inspection even after support is authorized.

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<sup>47</sup> See 47 U.S.C. § 503(b)(2)(B); 47 CFR § 1.80(b)(8), note to paragraph (b)(8); *Phase II Auction Order*, 31 FCC Rcd at 6000-01, para. 143; *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1521, para. 315.

<sup>48</sup> *Phase II Auction Order*, 31 FCC Rcd at 6000, para. 144; *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1521, para. 315.

<sup>49</sup> 47 CFR § 54.315(b)(6)(iii).

<sup>50</sup> *Id.*

<sup>51</sup> *Id.* § 54.315(b)(6)(iv).

<sup>52</sup> *Id.*

27. Information related to a long-form applicant's detailed technology and system design description and its project funding description will be treated as confidential and will be withheld from public inspection.<sup>53</sup> The Commission will treat long-form applicants that submit this information as having made a request to treat this information as confidential trade secrets and/or commercial information. As such, a long-form applicant need not submit a separate section 0.459 confidentiality request for this information with its FCC Form 683.

28. Moreover, a long-form applicant may request confidential treatment of its audited financial statements directly on FCC Form 683, using an abbreviated process under section 0.459(a)(4) of the Commission's rules. The applicant need not submit a separate section 0.459 confidentiality request with its FCC Form 683.<sup>54</sup>

29. Nevertheless, if a request for public inspection under section 0.461 is made for the long-form applicant's audited financial statements, detailed technology and system design description, or project funding description, the long-form applicant will be notified and then must justify the continued confidential treatment of the information if it objects to the disclosure.<sup>55</sup>

30. A long-form applicant may include with its FCC Form 683 a request that any other information submitted in its application not be made routinely available for public inspection following the procedures set forth in section 0.459 of the Commission's rules.<sup>56</sup> Requests for confidential treatment of information other than that discussed above will not be routinely granted.

#### IV. OTHER IMPORTANT INFORMATION

##### A. Maintaining Prohibition on Certain Communications

31. Section 1.21002 of the Commission's rules provides that, subject to specified exceptions, after the deadline for filing a short-form application, an applicant "is prohibited from communicating with any other applicant in any manner the substance of its own, or one another's, or any competing applicant's bids or bidding strategies, until after the post-auction deadline for winning bidders to submit applications for support."<sup>57</sup> As explained more fully in the *Auction 903 Procedures Public Notice*, this prohibition took effect as of the short-form application filing deadline, i.e., March 30, 2018, at 6:00 p.m. ET, and extends until the deadline for filing the long-form application portion of FCC Form 683, i.e., **October 15, 2018, at 6:00 p.m. ET.**<sup>58</sup>

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<sup>53</sup> *Id.* § 0.459; *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1515, paras. 300 n.447 & 306 n.499. A long-form applicant's high-level initial project overview will be made publicly available. *Id.* at 1514, para. 299.

<sup>54</sup> 47 CFR § 0.459(a)(4). To ensure that the particular information is afforded such treatment, in both cases, a long-form applicant must upload the information to FCC Form 683 using the appropriate attachment "type" as described in the instructions in Attachment C.

<sup>55</sup> *Id.* § 0.461

<sup>56</sup> *Id.* § 0.459.

<sup>57</sup> *Id.* § 1.21002(b).

<sup>58</sup> See *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1477, para. 134.



32. **This prohibition applies to all short-form applicants regardless of whether such applicants became qualified bidders or actually bid.**<sup>59</sup> We also emphasize that, for purposes of this prohibition, an “applicant” includes the entity filing the application, each entity capable of controlling the applicant, and each entity that may be controlled by the applicant or by an entity capable of controlling the applicant.<sup>60</sup>

33. The prohibition of “communicating in any manner” includes public disclosures, private communications, and indirect or implicit communications, as well as express statements of bids and bidding strategies.<sup>61</sup> Consequently, an applicant must take care to determine whether its auction-related communications may reach another applicant.

#### **B. High-Cost Eligible Telecommunications Carrier Designations**

34. As noted above, by February 25, 2019, the long-form applicant must have obtained a high-cost ETC designation(s) from all the relevant states or the Commission that covers its winning bid areas and must submit the required documentation and a certification letter(s) from an officer.<sup>62</sup> Long-form applicants subject to state jurisdiction must petition the relevant state commissions for ETC designation and should follow state rules and requirements to apply for designation(s).<sup>63</sup> Long-form applicants not subject to state jurisdiction must petition the Commission for designation(s) as described in the *Auction 903 ETC Public Notice*.<sup>64</sup>

35. In the event a long-form applicant determines that it will be unable to obtain the necessary ETC designations within 180 days, it should upload a petition for waiver of the deadline to its FCC Form 683. The Commission has found that it would be appropriate to waive the 180-day timeframe if the long-form applicant is able to demonstrate that it has engaged in good faith efforts to obtain an ETC designation, but the proceeding is not yet complete.<sup>65</sup> A waiver of the 180-day deadline would be appropriate if, for example, an entity has an ETC application pending with a state and the state’s next scheduled meeting at which it would consider the ETC application will occur after the 180-day window. When considering waivers of the 180-day timeframe for obtaining ETC designation, we will presume that

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<sup>59</sup> An entity that submits an application becomes an “applicant” under the rule at the application filing deadline and that status does not change based on subsequent developments. *See, e.g., Star Wireless, LLC v. FCC*, 522 F.3d 469 (D.C. Cir. 2008) (section 1.2105(c) applies to applicants regardless of whether they are qualified to bid). Thus, an auction applicant that does not correct deficiencies in its application, or does not otherwise become qualified, remains an “applicant” for purposes of the rule and remains subject to the prohibition on certain communications until the long-form application filing deadline.

<sup>60</sup> 47 CFR § 1.21002(a).

<sup>61</sup> *Id.*; *see generally Updating Part 1 Competitive Bidding Rules*, Report and Order et al., 30 FCC Rcd 7493, 7577, para. 199 (2015) (explaining that similar section 1.2105(c) language prohibiting communicating bids or bidding strategies “in any manner” bars “communicating bids or bidding information, either directly or indirectly”); *Cascade Access, L.L.C.*, Forfeiture Order, 28 FCC Rcd 141, 144, para. 7 (EB 2013) (rejecting argument that the communication was not prohibited because it did not reveal the “substance” of Cascade’s bids or bidding strategies).

<sup>62</sup> 47 CFR § 54.315(b)(5); *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1519, para. 310.

<sup>63</sup> 47 U.S.C. § 214(e)(2).

<sup>64</sup> 47 U.S.C. § 214(e)(6); *WCB Reminds Connect America Fund Phase II Auction Applicants of the Process for Obtaining a Federal Designation as an Eligible Telecommunications Carrier*, WC Docket Nos. 09-197, 10-90, Public Notice, DA 18-714 (WCB July 10, 2018). As described in the public notice, the Commission places the burden of proof upon the petitioner seeking a Commission ETC designation to demonstrate that the Commission has jurisdiction. *Id.* at 1-2.

<sup>65</sup> *Phase II Auction Order*, 31 FCC Rcd at 6002-03, paras. 152-53.

an entity acted in good faith if the entity files its ETC application **within 30 days** of the release of this Public Notice.<sup>66</sup>

### C. Public Interest Obligations and Annual Reporting Requirements

36. To ensure that Phase II support meets the Commission's public interest objectives, a long-form applicant that has received notice from the Commission that it is authorized to receive Phase II support will be subject to a variety of obligations, including service requirements, service milestones, reporting, and record retention requirements.<sup>67</sup> This includes the requirement that Auction 903 support recipients test and certify compliance with the relevant performance requirements in accordance with the uniform framework to measure and report on performance that was adopted by WCB, WTB, and the Office of Engineering and Technology.<sup>68</sup>

37. An Auction 903 support recipient will be subject to non-compliance measures if it fails or is unable to meet the service milestones or other service requirements, or fails to fulfill any other term or condition of Phase II support.<sup>69</sup> As described in the *December 2014 Connect America Order*, the *Phase II Auction Order*, and the *CAF Performance Measures Order*, these measures will scale with the extent of non-compliance, and include additional reporting, withholding of support, support recovery, and drawing on the support recipient's letter of credit if the support recipient cannot pay back the relevant support by the applicable deadline.<sup>70</sup> A support recipient may also be subject to other sanctions for non-compliance with the terms and conditions of Phase II support, including, but not limited to, the Commission's existing enforcement procedures and penalties, potential revocation of ETC designations, and suspension or debarment.<sup>71</sup>

### D. Location Total and Support Adjustment Process

38. If a Phase II support recipient cannot identify enough locations in the eligible census blocks in its winning bids to meet its statewide obligation, it will have one year from the release of this Public Notice to file evidence of the total number of locations in those census blocks, including geolocation data of all the locations it was able to identify.<sup>72</sup> The support recipient's filing will be subject to review and comment by relevant stakeholders and an audit. If the support recipient demonstrates that the number of actual, on-the-ground locations is lower than the number estimated by the Connect America Cost Model, its state location total will be adjusted, and its support will be reduced on a pro rata basis.<sup>73</sup> If a support recipient finds that the number of actual locations has increased, its location total and support will not be increased.<sup>74</sup> We will release a public notice seeking comment on the implementation of this process.

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<sup>66</sup> *Id.*

<sup>67</sup> See, e.g. 47 CFR §§ 54.309, 54.310(c), 54.313, 54.314, 54.316, 54.320; *Auction 903 Procedures Public Notice*, 33 FCC Rcd at 1433-36, 1473, paras. 12-17, 121 (providing a high-level summary of the relevant public interest obligations and high-cost ETC obligations).

<sup>68</sup> *Connect America Fund*, WC Docket No. 10-90, Order, DA 18-710 (WCB/WTB/OET July 6, 2018) (*CAF Performance Measures Order*).

<sup>69</sup> 47 CFR §§ 54.315(c)(4), 54.320.

<sup>70</sup> *Id.* §§ 54.315(c)(4), 54.320; *CAF Performance Measures Order* at 23-25, paras. 60-67; *Phase II Auction Order*, 31 FCC Rcd at 6016-18, paras. 189-94; *Connect America Fund et al.*, Report and Order, 29 FCC Rcd 15644, 15694-701, paras. 142-57 (2014) (*December 2014 Connect America Order*).

<sup>71</sup> 47 CFR § 54.320(c); *Phase II Auction Order*, 31 FCC Rcd at 6018, para. 194.

<sup>72</sup> *Phase II Auction Reconsideration Order*, 33 FCC Rcd at 1389-91, paras. 23-28.

<sup>73</sup> *Id.* at 1389, para. 23.

<sup>74</sup> *Id.* at 1390, para. 26.

**E. Return of SecurID® Tokens**

39. The SecurID® tokens distributed to qualified bidders were tailored to Auction 903 and will not work for future auctions. Each bidder should return its SecurID® tokens to the Commission for recycling. The Commission will send each bidder, along with the copy of this Public Notice, a pre-addressed, stamped envelope for returning the SecurID® tokens.

**F. Contact Information**

40. For further information, contact:

**Technical Support**

Electronic Filing  
Auction Application System and CAF II Bidding  
System (Hardware/Software Issues)

**FCC Auctions Technical Support Hotline**

(877) 480-3201, option nine; or (202) 414-1250  
(202) 414-1255 (TTY)  
Hours of service: 8:00 a.m. – 6:00 p.m. ET,  
Monday through Friday

**Press Information**

Mark Wigfield, (202) 418-0253

**General Universal Service Information****Wireline Competition Bureau,  
Telecommunications Access Policy Division**

Alex Minard  
Heidi Lankau  
Katie King  
(202) 418-7400

**Auction 903 Information**

General Auction Information, Process, and  
Procedures

**Auctions and Spectrum Access Division**  
(717) 338-2868

Post-Auction Rules, Policies, and Regulations

**Rural Broadband Auctions Task Force**

Chelsea Fallon, (202) 418-7991  
Kirk Burgee, (202) 418-1599  
Nathan Eagan, (202) 418-0991

**Wireless Telecommunications Bureau  
Auctions and Spectrum Access Division**

Mark Montano  
(202) 418-0660

**Small Businesses**

Additional information for small and  
disadvantaged businesses

**Office of Communications Business  
Opportunities**

(202) 418-0990  
<http://www.fcc.gov/ocbo/>

**Accessible Formats**

Braille, large print, electronic files, or  
audio format for people with disabilities

**Consumer and Governmental Affairs Bureau**

(202) 418-0530 or (202) 418-0432 (TTY)  
[fcc504@fcc.gov](mailto:fcc504@fcc.gov)

**FCC Internet Sites**

<http://www.fcc.gov>  
[www.fcc.gov/auction/903](http://www.fcc.gov/auction/903)

- FCC -

# **EXHIBIT B**

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903	Midcontinent Communications	2621951	270131714001108
903	Midcontinent Communications	2621951	270131714001111















































































































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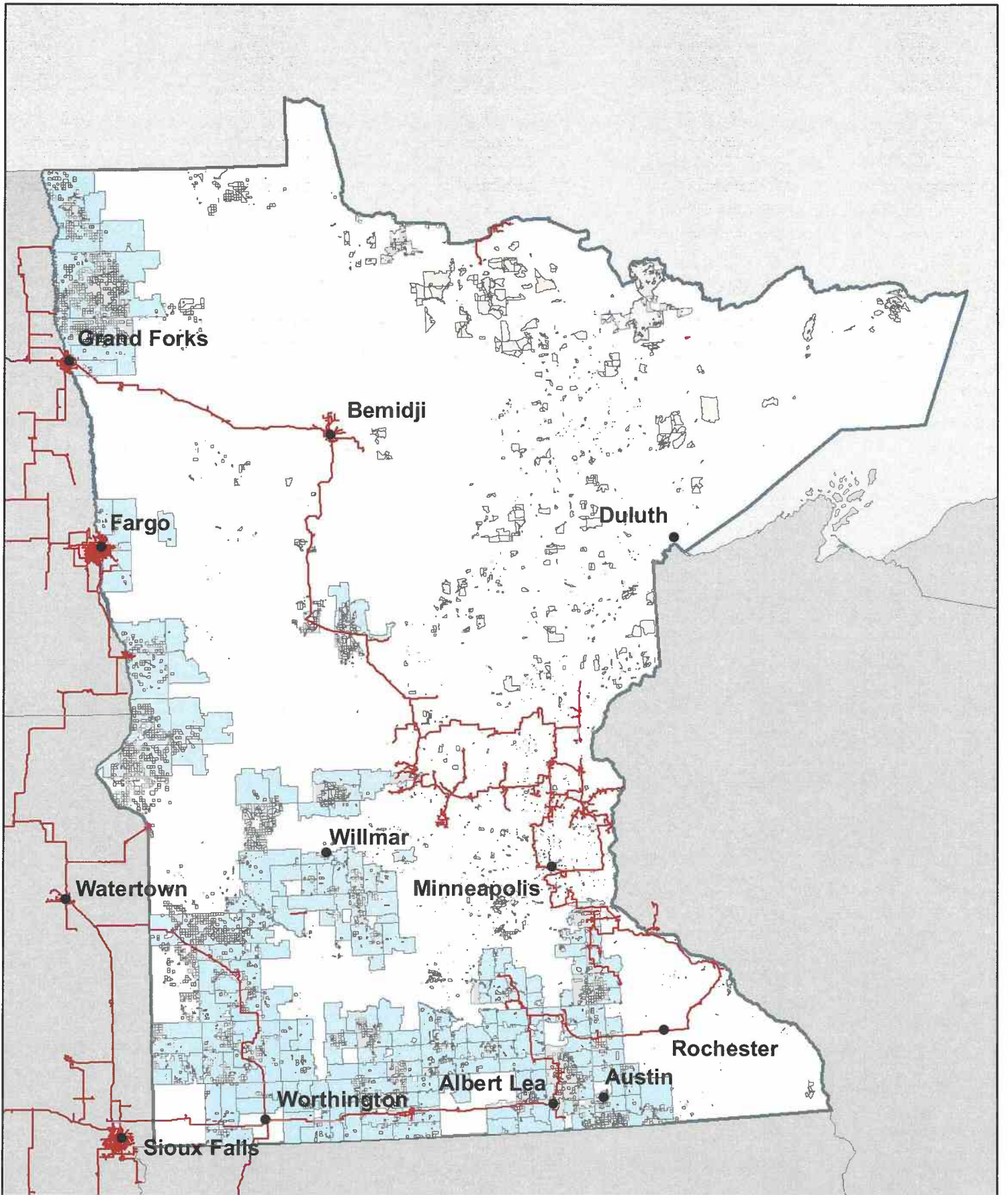









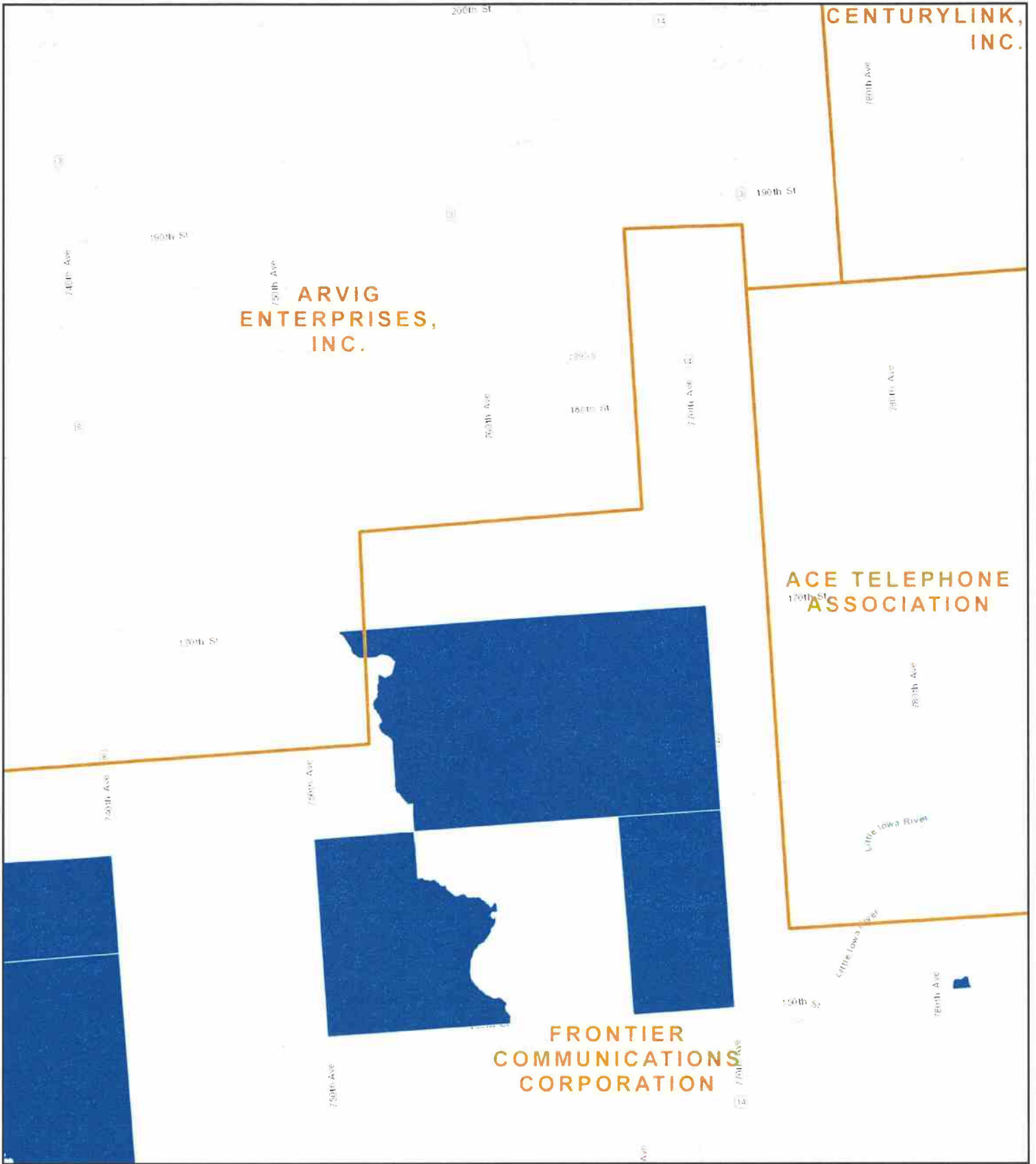
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# EXHIBIT C

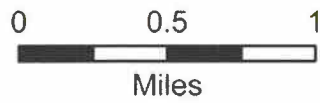


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-  CAF Eligible Blocks
-  CAF CBGs Awarded to Midco



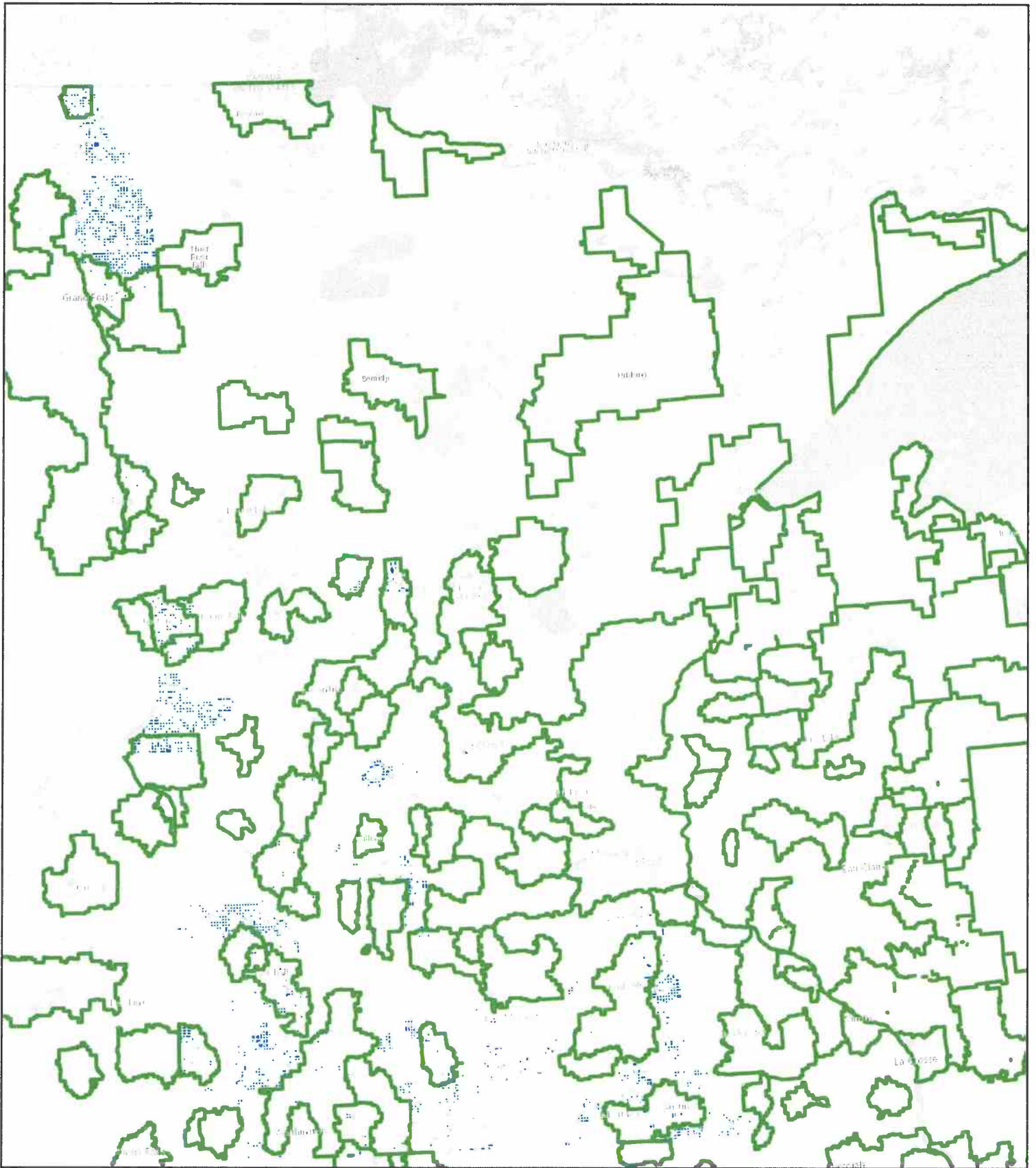




-  FCC Study Areas
-  CAF Blocks Awarded to Midco



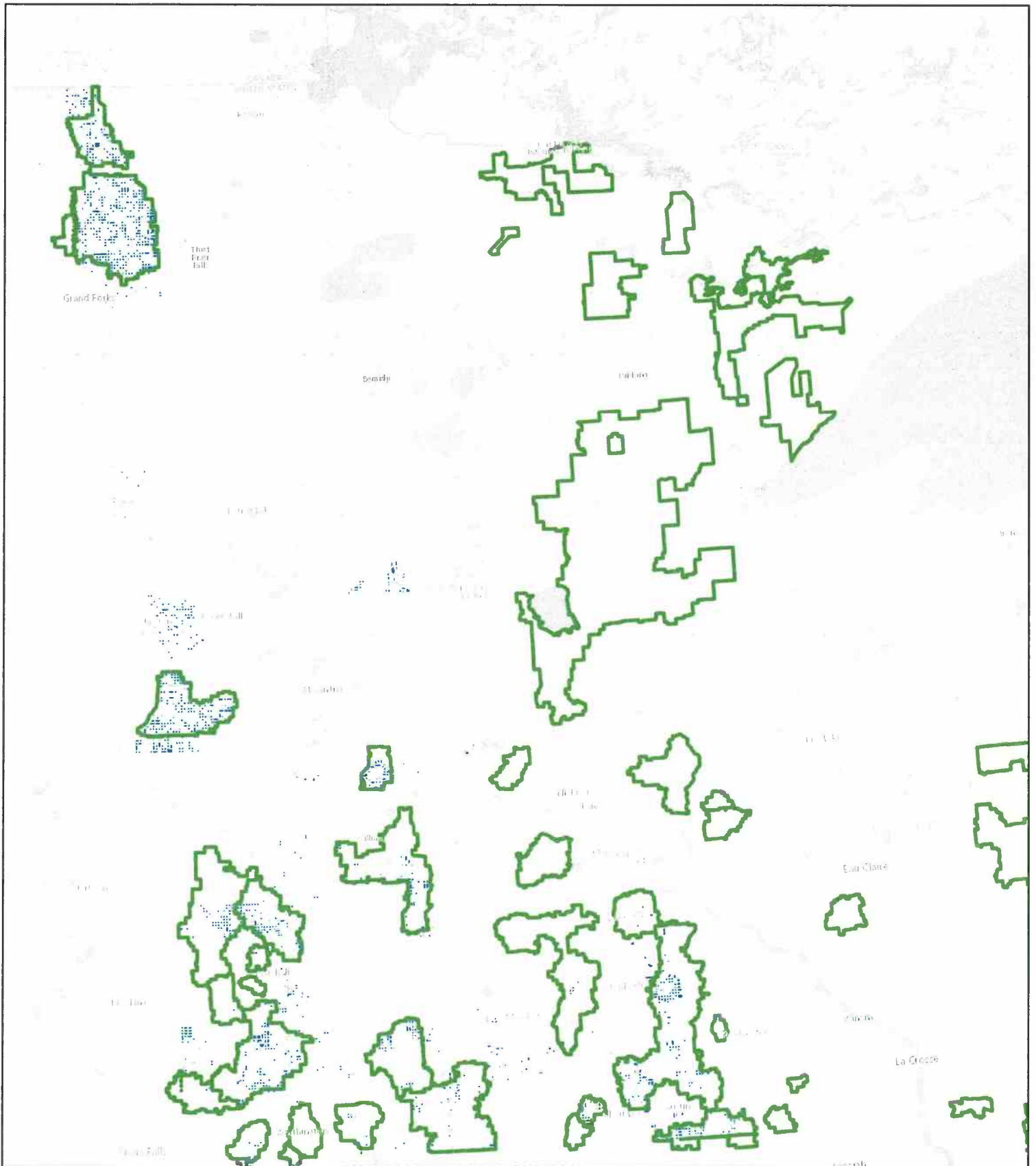
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, © OpenStreetMap contributors, and the GIS User Community





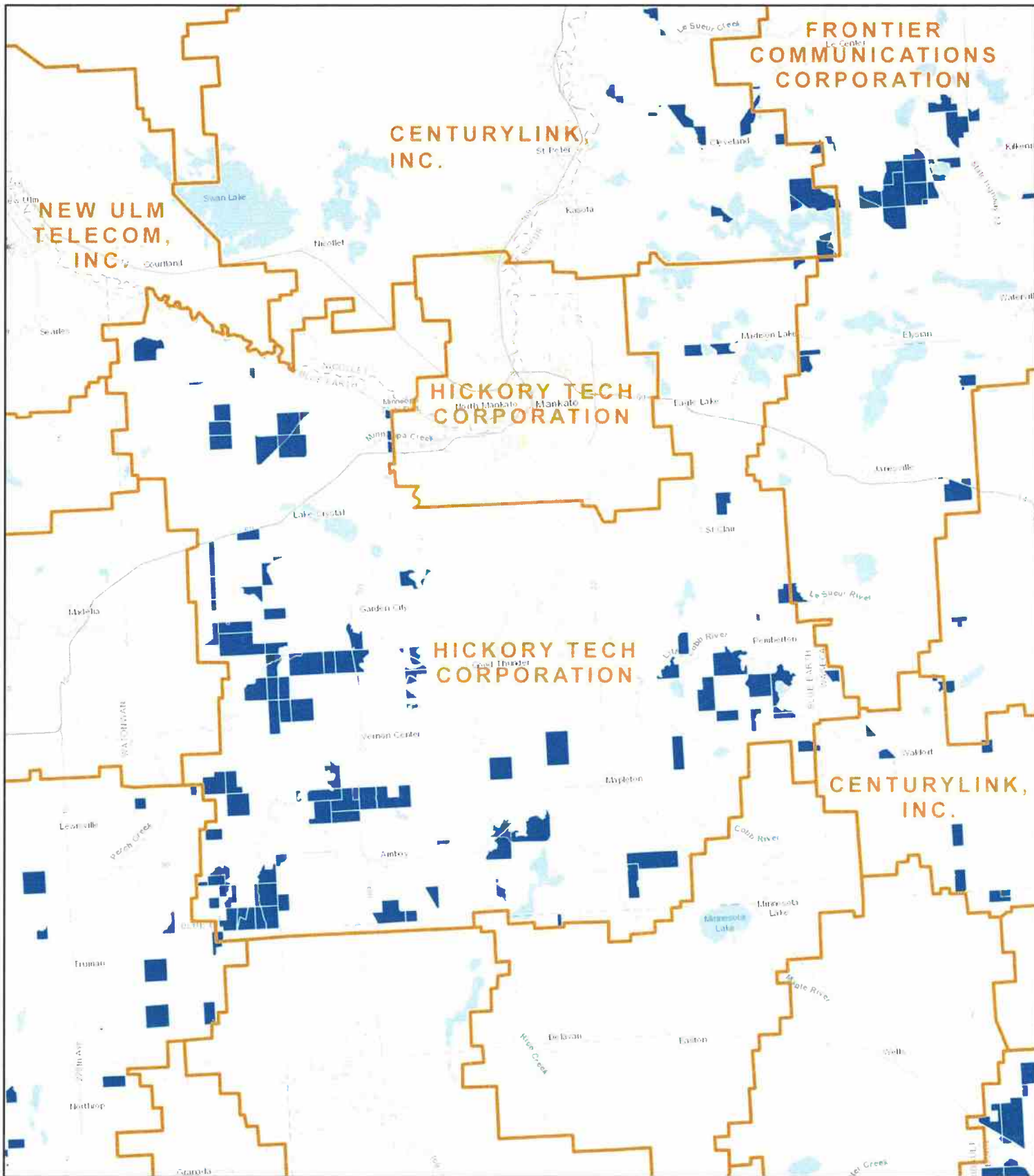
-  CAF Blocks Awarded to Midco
-  Century Link FCC Study Areas





- CAF Blocks Awarded to Midco
- Frontier FCC Study Areas

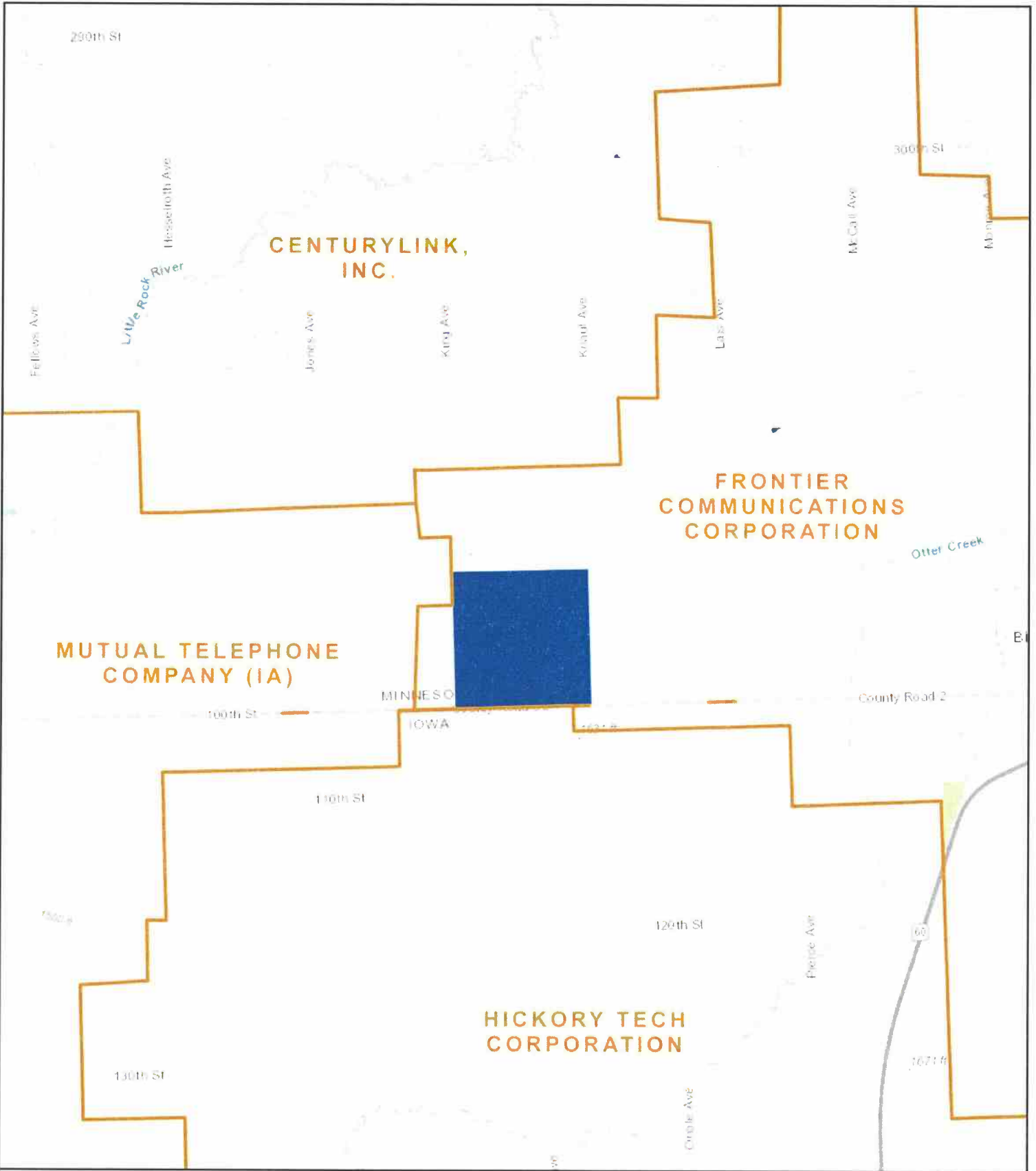






- FCC Study Areas
- CAF Blocks Awarded to Midco



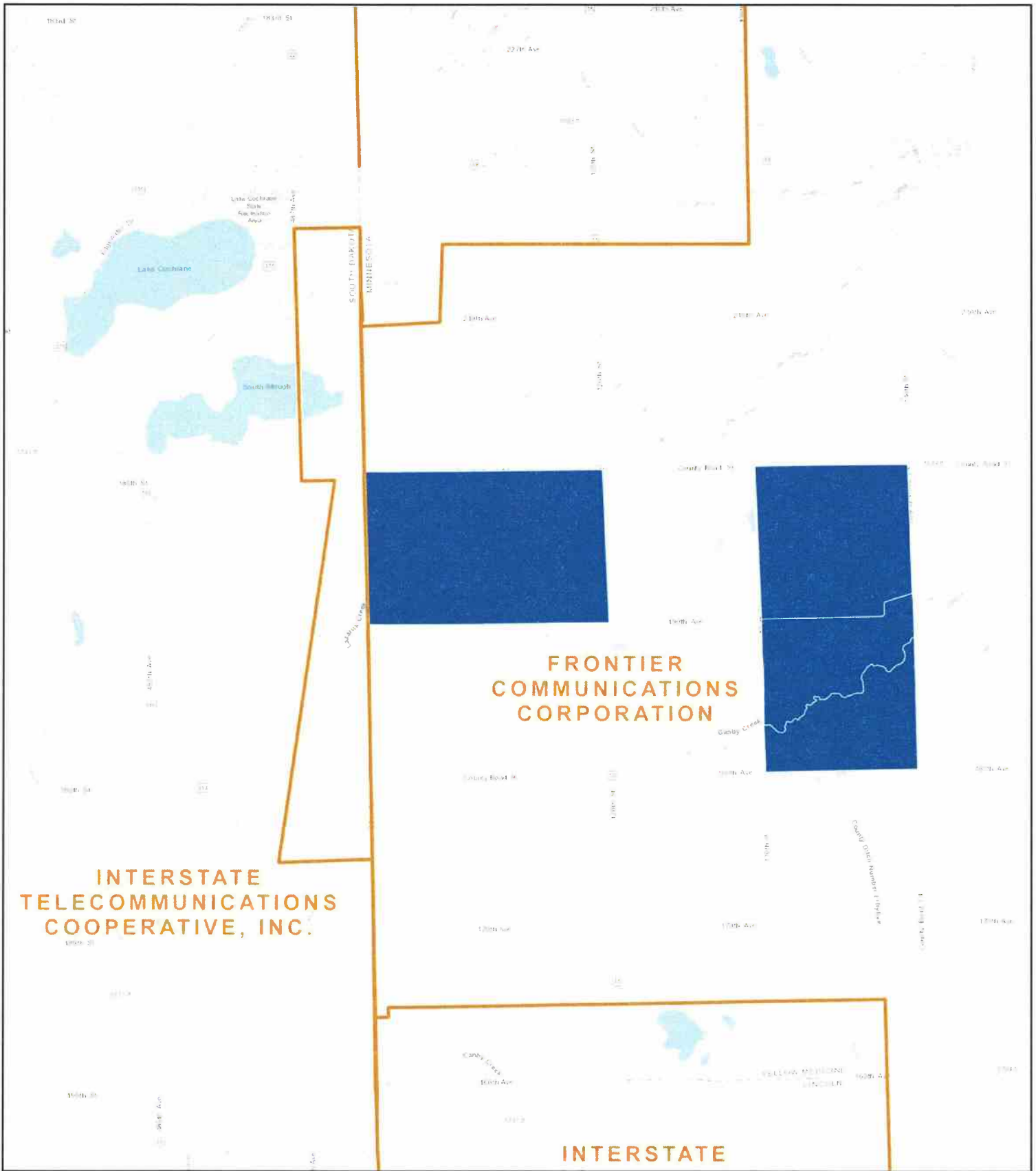





-  FCC Study Areas
-  CAF Blocks Awarded to Midco



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, © OpenStreetMap contributors, and the GIS User Community

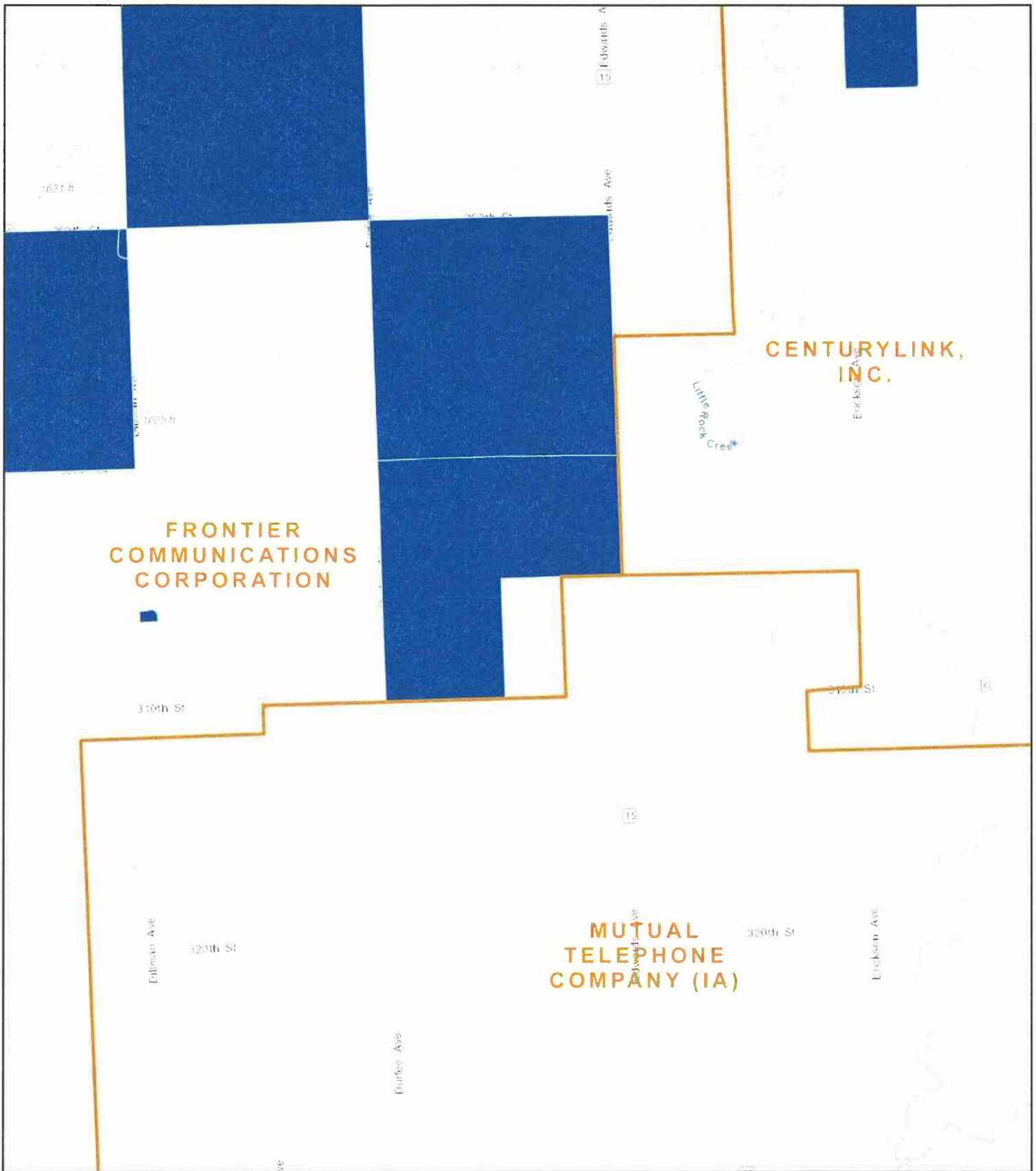




 FCC Study Areas

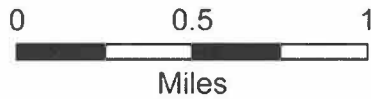
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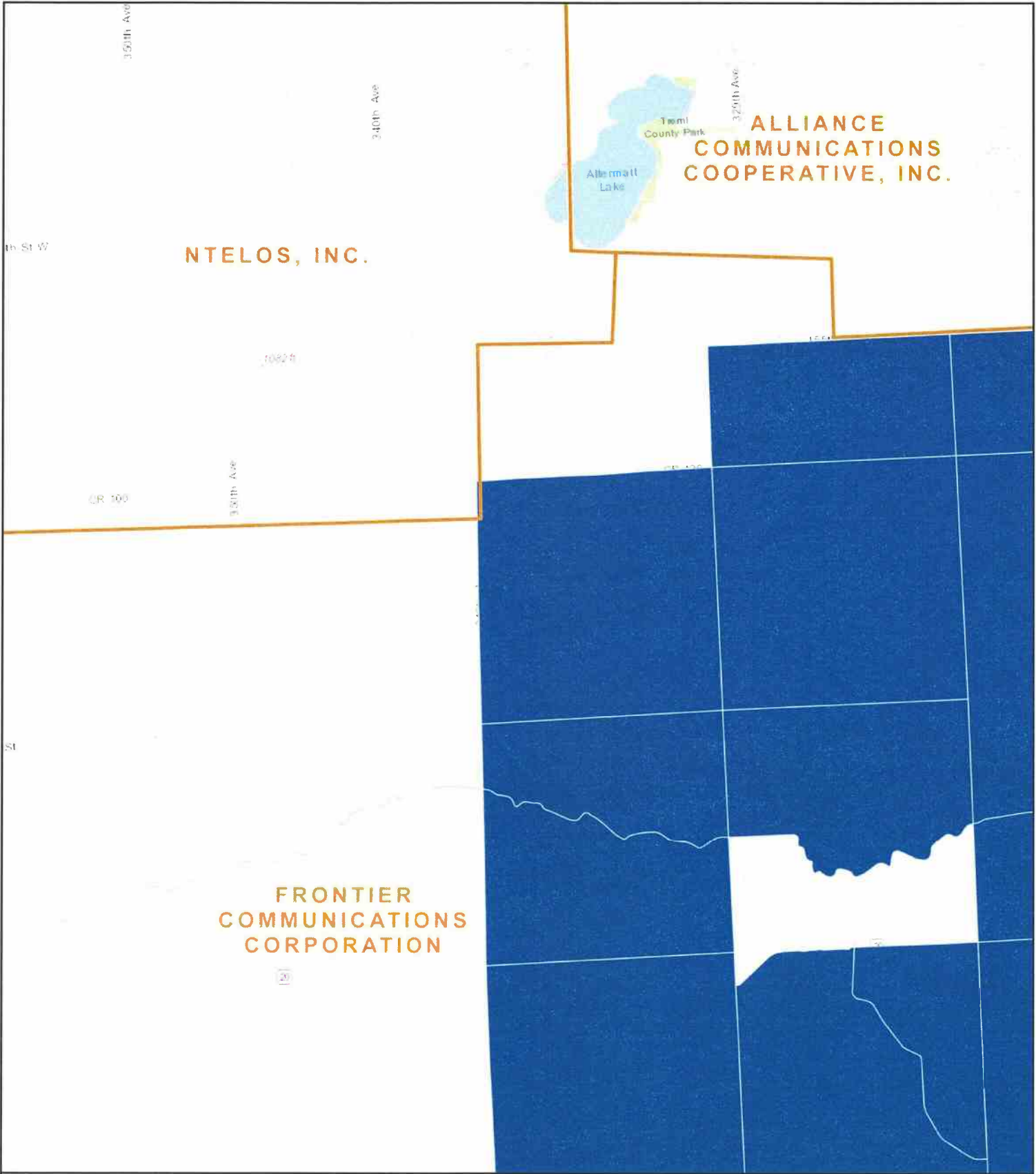






-  FCC Study Areas
-  CAF Blocks Awarded to Midco



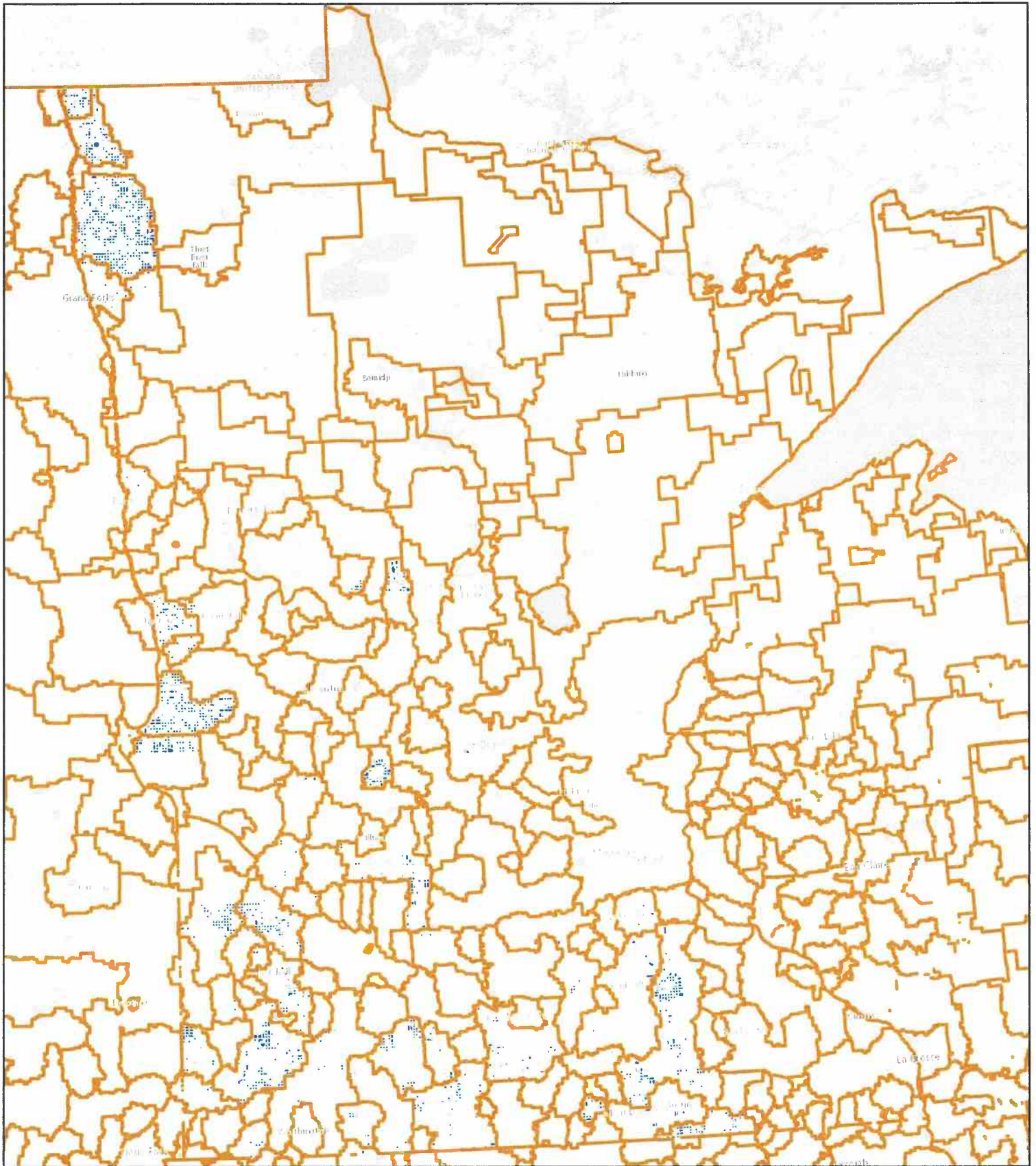


- FCC Study Areas
- CAF Blocks Awarded to Midco



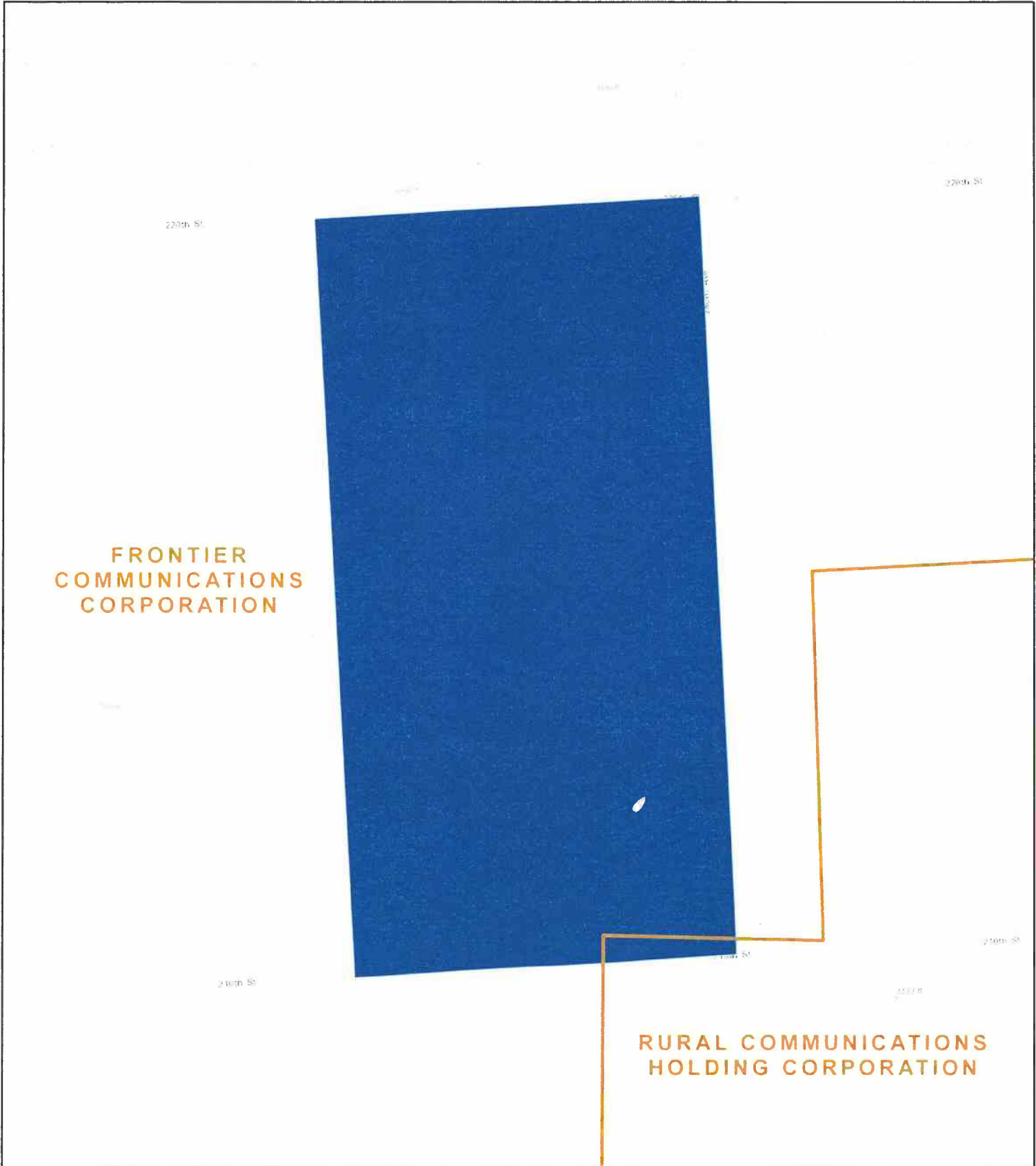
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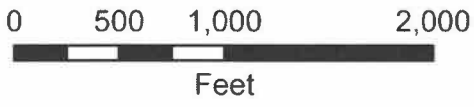


- FCC Study Areas
- CAF Blocks Awarded to Midco





-  FCC Study Areas
-  CAF Blocks Awarded to Midco



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, © OpenStreetMap contributors, and the GIS User Community

TELEPHONE  
AND DATA  
SYSTEMS, INC.

WINDSTREAM  
CORPORATION

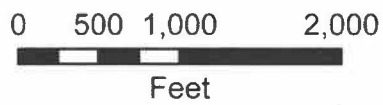


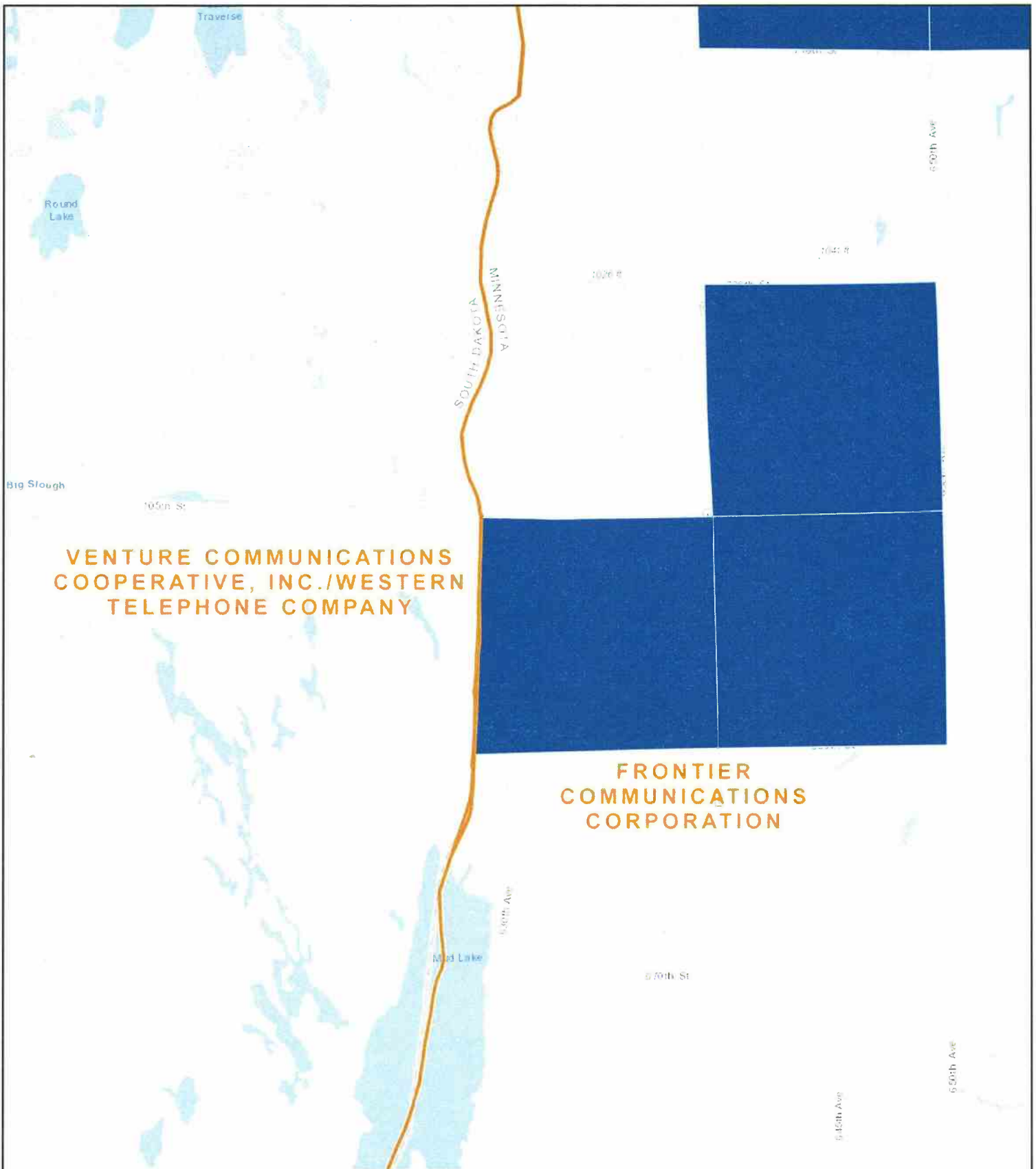
TELEPHONE  
AND DATA  
SYSTEMS, INC.

FRONTIER  
COMMUNICATIONS  
CORPORATION

 FCC Study Areas

 CAF Blocks Awarded to Midco





**VENTURE COMMUNICATIONS  
COOPERATIVE, INC./WESTERN  
TELEPHONE COMPANY**

**FRONTIER  
COMMUNICATIONS  
CORPORATION**


-  FCC Study Areas
-  CAF Blocks Awarded to Midco

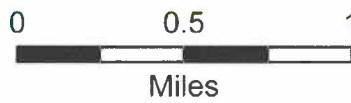


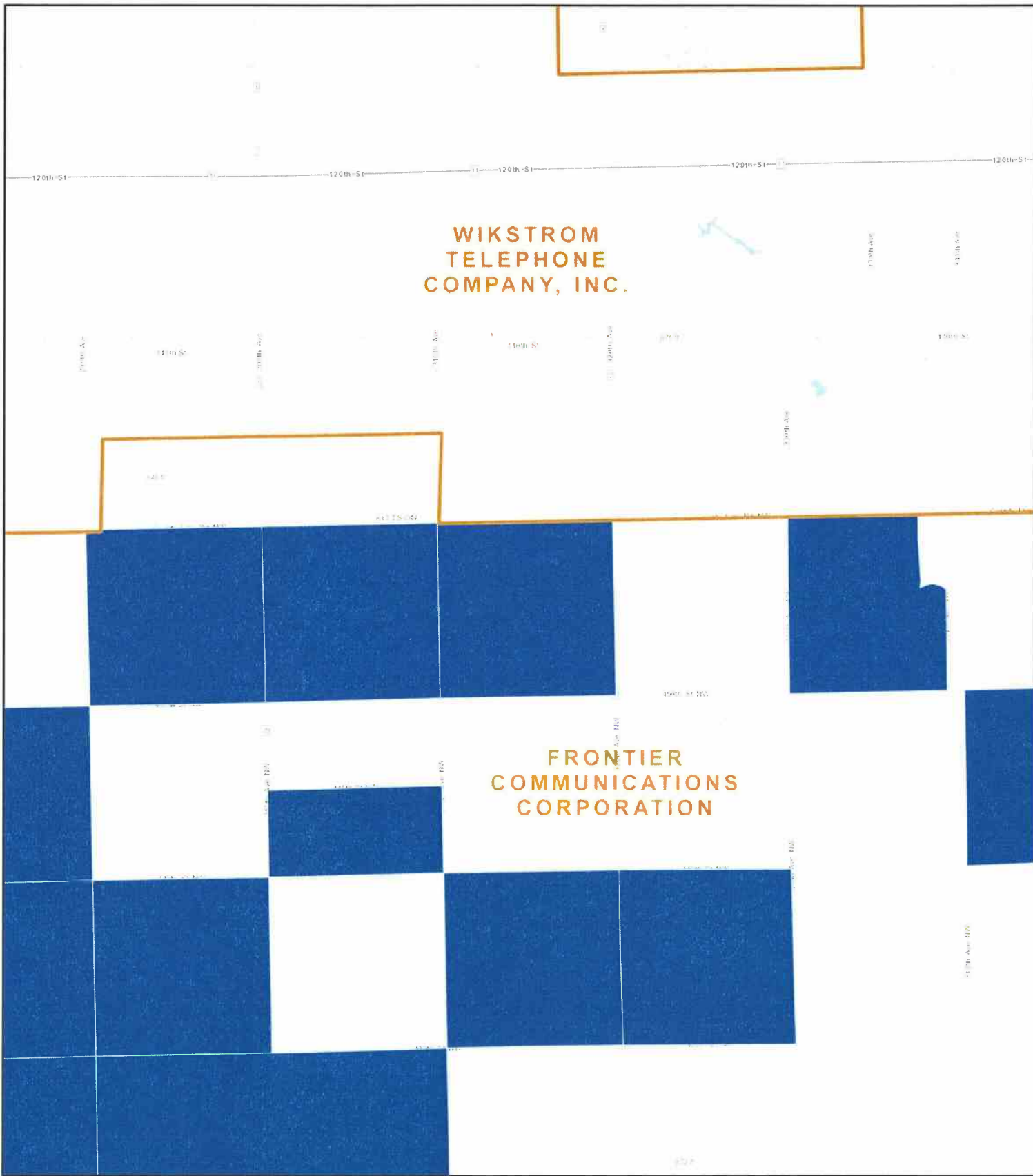
Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, © OpenStreetMap contributors, and the GIS User Community

CENTURYLINK,  
INC.

WEST CENTRAL  
TELEPHONE  
ASSN.

-  FCC Study Areas
-  CAF Blocks Awarded to Midco





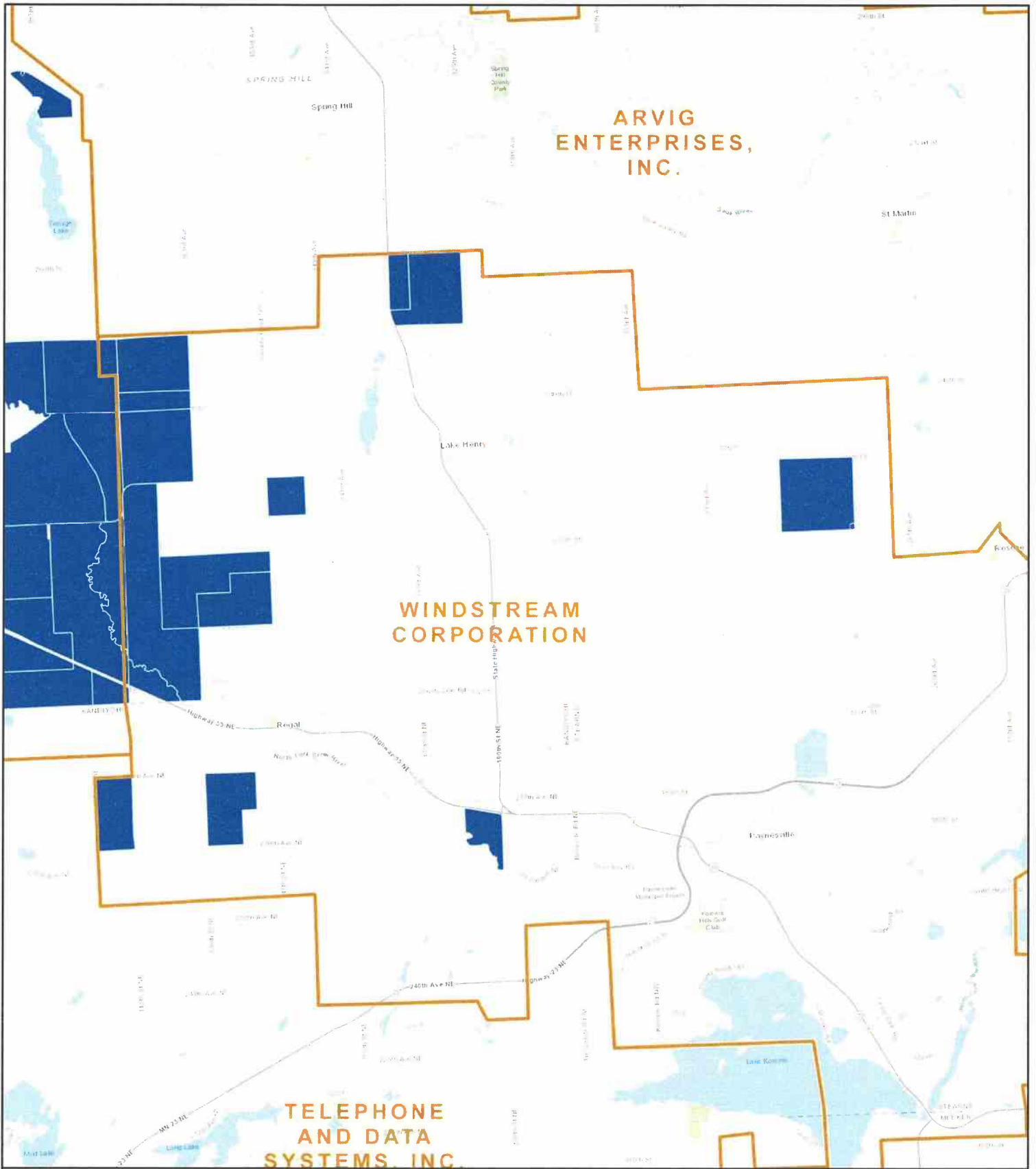
**WIKSTROM  
TELEPHONE  
COMPANY, INC.**



**FRONTIER  
COMMUNICATIONS  
CORPORATION**

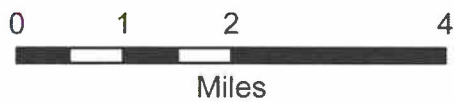
-  FCC Study Areas
-  CAF Blocks Awarded to Midco



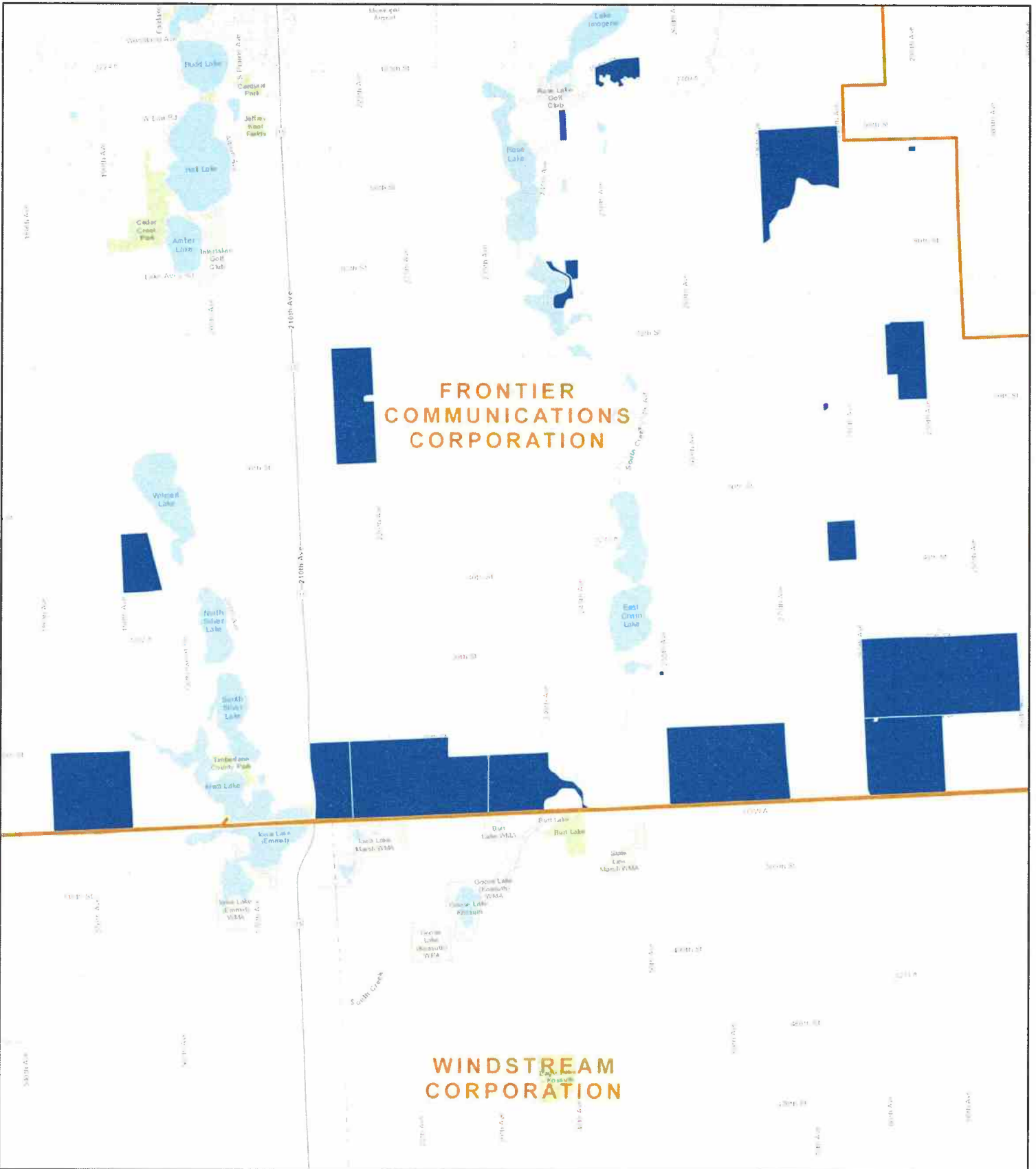
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-  FCC Study Areas
-  CAF Blocks Awarded to Midco





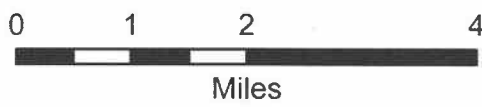


**FRONTIER  
COMMUNICATIONS  
CORPORATION**

**WINDSTREAM  
CORPORATION**

 FCC Study Areas

 CAF Blocks Awarded to Midco



Sources: Esri, HERE, Garmin, Intermap, increment P Corp., GEBCO, USGS, FAO, NPS, NRCAN, GeoBase, IGN, Kadaster NL, Ordnance Survey, Esri Japan, METI, Esri China (Hong Kong), swisstopo, © OpenStreetMap contributors, and the GIS User Community

# **EXHIBIT D**



# PUBLIC NOTICE

Federal Communications Commission  
445 12<sup>th</sup> St., S.W.  
Washington, D.C. 20554

News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>  
TTY: 1-888-835-5322

DA 18-714  
Released: July 10, 2018

## WCB REMINDS CONNECT AMERICA FUND PHASE II AUCTION APPLICANTS OF THE PROCESS FOR OBTAINING A FEDERAL DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER

WC Docket Nos. 09-197, 10-90

This Public Notice reminds participants in the Connect America Fund Phase II (CAF Phase II) auction (Auction 903) about the process for obtaining designation as an eligible telecommunications carrier (ETC) by the Federal Communications Commission (FCC or Commission) where a state lacks jurisdiction to do so.<sup>1</sup> Successful bidders must submit proof of their ETC designation in all supported areas within 180 days of the Commission's announcement of their winning bids.<sup>2</sup> In order to assist auction participants, we summarize and, where necessary, waive, the FCC's ETC designation process for winning bidders.<sup>3</sup>

### FCC Jurisdiction Under Section 214(e)(6) of the Communications Act of 1934, as Amended

Congress gives primary authority for ETC designations to state commissions.<sup>4</sup> The FCC has authority only when "a common carrier [is] providing telephone exchange service and exchange access

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<sup>1</sup> Carriers subject to state jurisdiction must petition state commissions for ETC designation. 47 U.S.C. § 214(e)(2). Carriers seeking a designation relating to an auction application should not submit their petitions for ETC designation to the Commission (or the relevant state commission(s), if applicable) until after the release of the Auction Closing Public Notice. 47 CFR § 1.21002.

<sup>2</sup> *Connect America Fund et al.*, WC Docket No. 10-90 *et al.*, Report and Order and Further Notice of Proposed Rulemaking, 31 FCC Rcd 5949, 5999, para. 141 (2016) (*Phase II Auction Order*); 47 CFR § 54.315(a)(3), (b)(5); *see also* 47 U.S.C. § 254(e) (providing that "only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific Federal universal service support"). To meet this deadline (or qualify for waiver of this deadline), the Commission expects winning bidders to submit their petitions for ETC designation to the appropriate authority within 30 days of the Commission's announcement of their winning bids. *See Phase II Auction Order*, 31 FCC Rcd at 6002, para. 152. If a winning bidder fails to do so, it is subject to forfeiture liability for an auction default. *Connect America Fund Phase II Auction Scheduled for July 24, 2018 Notice and Filing Requirements and Other Procedures for Auction 903*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 33 FCC Rcd 1428, 1521-22, paras. 314-316 (2018) (*Phase II Auction Procedures Public Notice*).

<sup>3</sup> *See* Procedures for FCC Designation of Eligible Telecommunications Carriers Pursuant to Section 214(e)(6) of the Communications Act, CC Docket No. 96-45, Public Notice, 12 FCC Rcd 22947, 22948 (1997) (delegating FCC ETC designation authority to the Common Carrier Bureau) (*Section 214(e)(6) Public Notice*); *Establishment of the Media Bureau, the Wireline Competition Bureau and the Consumer and Governmental Affairs Bureau, Reorganization of the International Bureau, and Other Organizational Changes*, Order, 17 FCC Rcd 4672 (2002) (renaming the Common Carrier Bureau, the Wireline Competition Bureau); *see also* *Federal-State Joint Board on Universal Service*, CC Docket No. 95-45, Report and Order, 20 FCC Rcd 6371 (2005) (*ETC Designation Report and Order*).

<sup>4</sup> *See* 47 U.S.C. § 214(e)(2). Carriers subject to state jurisdiction should follow state rules and requirements to apply for designation.

that is not subject to the jurisdiction of a State commission.”<sup>5</sup> The FCC places the burden of proof upon the petitioner seeking an FCC ETC designation to demonstrate that the FCC has jurisdiction.<sup>6</sup>

*Non-Tribal Lands.* Petitioners seeking an FCC ETC designation to serve non-Tribal lands must submit “an affirmative statement from the state commission or a court of competent jurisdiction that the carrier is not subject to the state commission’s jurisdiction.”<sup>7</sup> The statement may take the form of a “duly authorized letter, comment, or order, from the relevant state regulatory commission or a court of competent jurisdiction, indicating that the state lacks authority to designate the carrier.”<sup>8</sup> Carriers cannot rely on jurisdictional statements in past orders relating to different carriers or simply challenge the state commission’s jurisdiction in their petition directly.<sup>9</sup> If a state law expressly articulates that it does not have jurisdiction over a relevant type of technology, Commission staff would consider such a statute relevant in its determination of Commission jurisdiction.<sup>10</sup>

*Tribal Lands.* Petitioners seeking an FCC ETC designation to serve Tribal lands may petition the FCC directly so long as they have not initiated an ETC designation proceeding before the relevant state commission.<sup>11</sup> The petition must accurately describe and demonstrate that the specific geographic area satisfies the definition of Tribal lands adopted for this purpose<sup>12</sup> and provide fact-specific support for FCC jurisdiction, including citations to relevant case law, statutes, and treaties.<sup>13</sup> Generalized statements of FCC jurisdiction are insufficient and will result in dismissal of the petition.<sup>14</sup>

### Service Requirements

Section 214(e)(1) of the Communications Act of 1934, as amended (Act) requires all ETCs to offer, throughout their designated service areas, all services that the Commission designates for high-cost universal service support pursuant to section 254(c) of the Act, “either using its own facilities or a combination of its own facilities and resale of another carrier’s services.”<sup>15</sup> Carriers must also advertise the availability of such services (and the charges thereof) using media of general distribution.<sup>16</sup>

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<sup>5</sup> *Id.* § 214(e)(6).

<sup>6</sup> *See Federal-State Joint Board on Universal Service et al.*, CC Docket No. 96-45, Twelfth Report and Order, Memorandum Opinion and Order, and Further Notice of Proposed Rulemaking, 15 FCC Rcd 12208, 12267, para. 120 (2000) (*2000 Tribal Order*).

<sup>7</sup> *Phase II Auction Order*, 31 FCC Rcd at 6004, para. 154 (quoting *2000 Tribal Order*, 15 FCC Rcd at 12214, para. 7).

<sup>8</sup> *2000 Tribal Order*, 15 FCC Rcd at 12264, para. 113.

<sup>9</sup> *See id.*

<sup>10</sup> *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 29 FCC Rcd 7051, 7112, para. 183 (2014).

<sup>11</sup> *2000 Tribal Order*, 15 FCC Rcd at 12268-69, para. 126.

<sup>12</sup> *Id.* at 12268, para. 125 (requiring petitioners seeking FCC ETC designation for service provided on Tribal lands to describe the specific geographic areas they wish to serve and to demonstrate that such areas satisfy the definition of Tribal lands); *see also id.* at 12218-19, paras. 17-18 (defining Tribal lands to include “reservation” and “near reservation,” as those terms are defined under BIA’s regulations); 25 CFR § 20.1(r), (v).

<sup>13</sup> *2000 Tribal Order*, 15 FCC Rcd at 12267, para. 122; *see also, e.g., Petition of Leech Lake Telecommunications Company, LLC for Designation as an Eligible Telecommunications Carrier within Ojibwe Tribal Lands*, WC Docket No. 09-197 et al., at 5-8 (filed Dec. 5, 2015).

<sup>14</sup> *2000 Tribal Order*, 15 FCC Rcd at 12267, para. 122.

<sup>15</sup> 47 U.S.C. § 214(e)(1); *see also* 47 CFR § 54.201(d).

<sup>16</sup> 47 U.S.C. § 214(e)(1); *see also* 47 CFR § 54.201(d).

For CAF Phase II support recipients, the Commission defines supported service as qualifying voice service and conditions grant of funding on the offering of qualifying broadband services.<sup>17</sup> As a condition of receiving support, ETCs must therefore offer voice telephony as a standalone service throughout their designated service area and must offer voice telephony services at rates that are reasonably comparable to urban rates.<sup>18</sup> The Commission has adopted a similar reasonable comparability rate certification requirement for broadband performance obligations.<sup>19</sup>

All ETCs must offer qualifying voice service using their own facilities, at least in part.<sup>20</sup> The Commission has interpreted the term “facilities,” for purposes of section 214(e) of the Act, to mean “any physical components of the telecommunications network that are used in the transmission or routing of the services designated for support under section 254(c)(1).”<sup>21</sup> As explained by the Commission, “a carrier need not offer universal service wholly over its own facilities in order to be designated an eligible carrier because the statute allows an eligible carrier to offer the supported services through a combination of its own facilities and resale.”<sup>22</sup> Facilities are the ETC’s “own” if the ETC has exclusive right to use the facilities to provide the supported services<sup>23</sup> or when service is provided by any affiliate within the holding company structure.<sup>24</sup>

An ETC satisfies its obligation to “offer” qualifying services by being legally responsible for dealing with customer problems, providing quality of service guarantees, and meeting universal service fund (USF)-related requirements.<sup>25</sup> Accordingly, a broadband provider may satisfy its voice obligation by

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<sup>17</sup> 47 CFR § 54.101 (including both eligible voice telephony and eligible broadband internet access as services “supported by federal universal service support mechanisms,” and characterizing the provision of eligible broadband service as a high-cost public interest obligation); *see also Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17691-94, paras. 74-89 (2012) (describing the “core functionalities of the supported services as ‘voice telephony service,’” and separately conditioning receipt of offer broadband service in their supported area) (*USF/ICC Transformation Order*).

<sup>18</sup> *USF/ICC Transformation Order*, 26 FCC Rcd at 17693, paras. 80-81; *see also* 47 CFR § 54.101(b).

<sup>19</sup> *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15686-87, para. 120 (2014) (*December 2014 CAF Order*).

<sup>20</sup> 47 U.S.C. § 214(e)(1); 47 CFR § 54.101.

<sup>21</sup> *Federal-State Joint Board on Universal Service*, CC Docket No. 96-45, Report and Order, 12 FCC Rcd 8776, 8847, para. 128 (1997).

<sup>22</sup> *Id.* at 8870, para. 169.

<sup>23</sup> *Id.* at 8866, para. 160.

<sup>24</sup> *December 2014 CAF Order*, 29 FCC Rcd at 15668 n.143; *see also* 47 U.S.C. § 153(2) (defining an affiliate as “a person that (directly or indirectly) owns or controls, is owned or controlled by, or is under common ownership or control with, another person”); *cf.* Rural Broadband Experiments – Frequently Asked Questions (FAQs), May 27, 2015, at <https://www.fcc.gov/general/rural-broadband-experiments> (explaining that “recipients of support in the rural broadband experiments, like all recipients of Connect America support, are free to meet their broadband public interest obligations through any affiliate within the holding company”).

<sup>25</sup> *Cf. Connect America Fund*, WC Docket No. 10-90, Report and Order, 28 FCC Rcd 7211, 7215, para. 9 (WCB 2013) (finding that it is not sufficient for a broadband provider to qualify as an “unsubsidized competitor” if a consumer must obtain voice service from a third party, because that broadband provider would not be offering a voice service) (*Phase II Challenge Process Order*).

offering voice service through an affiliate or by offering a managed voice solution (including VoIP) through a third-party vendor but cannot simply rely on the availability of over-the-top voice options.<sup>26</sup>

Under section 54.202 of the Commission's rules, the Commission adopted additional requirements for parties seeking an FCC ETC designation.<sup>27</sup> For example, a petitioner seeking an FCC ETC designation must submit a five-year improvement plan and a certification committing to implement consumer protection and customer service standards (consumer protection certification).<sup>28</sup> The Commission adopted these requirements in 2005, in conjunction with related annual reporting obligations, to monitor carriers' use of funding.<sup>29</sup>

For CAF recipients, however, the Commission adopted more specific measures to track deployment, including annual reporting of service to geocoded locations and certification of compliance with benchmark milestones.<sup>30</sup> For this reason, the Commission eliminated the five-year improvement plan requirement for price-cap and rate-of-return carriers and for recipients of funding under the rural broadband experiments.<sup>31</sup> The Commission also eliminated, for all CAF recipients, the annual reporting obligations associated with both the five-year improvement plan and the consumer protection certification, after determining that such obligations were no longer essential to the Commission's ability to monitor ETC use of support for its intended purpose.<sup>32</sup> Consistent with these decisions, we find good cause to waive, on our own motion, the requirement that winning bidders seeking an FCC ETC designation file a five-year improvement plan and demonstrate that it will satisfy applicable consumer

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<sup>26</sup> See *Connect America Fund et al.*, WC Docket Nos. 10-90, 14-58, 14-259, Order on Reconsideration, 33 FCC Rcd 1380, 1387-88, para. 20 (2018) (rejecting arguments contending that "because VoIP is provided over broadband networks and over-the-top voice options are available, broadband service providers need only offer broadband as a standalone service," and requiring carriers to "offer VoIP over their broadband network on a standalone basis"); cf. *Phase II Challenge Process Order*, 28 FCC Rcd 7224, n.21 (explaining that a broadband provider would be considered to be providing voice service if it did so through an affiliated competitive local exchange company or "through a managed voice solution obtained from a third party vendor . . . , so long as the broadband provider is the entity responsible for dealing with any customer problems, and it provides quality of service guarantees to end user customers").

<sup>27</sup> 47 CFR § 54.202.

<sup>28</sup> *Id.* § 54.202(a)(1)(ii), (a)(3).

<sup>29</sup> *Id.* § 54.313(a)(1) (2015) (requiring the annual filing of a progress report); *id.* § 54.202(a)(5) (2015) (requiring the annual certification of compliance with applicable service quality standards and consumer protection rules).

<sup>30</sup> See, e.g., *Phase II Auction Order*, 31 FCC Rcd at 6010-12, paras. 172-177 (requiring recipients of Phase II competitive support to file location information and milestone certifications); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, Order and Order on Reconsideration, and Further Notice of Proposed Rulemaking, 31 FCC Rcd 3087, 3163-3169, paras. 209-217 (2016) (requiring rate-of-return carriers to file location information and milestone certifications) (*2016 Rate-of-Return Reform Order*); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15686-89, paras. 124-28 (2014) (requiring recipients of Phase II model-based support to file location information and milestone certifications); *Connect America Fund et al.*, WC Docket Nos. 10-90, 14-58, Order, 29 FCC Rcd 8769, 8795-97, paras. 76-85 (2014) (requiring rural broadband experiment participants to file location information and milestone certifications).

<sup>31</sup> *2016 Rate-of-Return Reform Order*, 31 FCC at 3166, 3168, paras. 216, 220 (eliminating five-year plan and related progress reports for rate-of-return and price-cap carriers); *Connect America Fund et al.*, Report and Order and Further Notice of Proposed Rulemaking, WC Docket Nos. 10-90, 14-58, 29 FCC Rcd 8769, 8801, 8095, para. 77 (2014) (eliminating five-year plan requirement for recipients of rural broadband experiment support); see also *Connect America Fund*, WC Docket No. 10-90, Order, 31 FCC Rcd 12086, 12101, para. 49 (2016) (eliminating five-year plan and related progress reports for Alaska Communications Systems, Inc.).

<sup>32</sup> See *Connect America Fund et al.*, *ETCs Annual Reports and Certifications*, WC Docket Nos. 10-90, 14-58, Report and Order, 32 FCC Rcd 5944, 5944-48, paras. 3-14 (2017) (*ETC Reporting Streamlining Order*) (eliminating requirements relating to the reporting of network outages, unfulfilled service requests, complaints, and pricing and the certification of compliance with applicable service quality standards).

protection and service quality standards.<sup>33</sup> We do so for the same reasons the Commission eliminated them from the annual reporting requirements.<sup>34</sup>

To obtain an FCC ETC designation, winning bidders must continue to meet the other requirements of section 54.202 of the Commission's rules, i.e., they must (1) certify their commitment to meeting the service and performance quality requirements applicable to their support type;<sup>35</sup> and (2) demonstrate their ability to remain functional in emergency situations.<sup>36</sup> They should also indicate, as part of their certification their commitment to satisfying additional requirements applicable to all high-cost ETCs, such as Lifeline obligations.<sup>37</sup>

To demonstrate compliance with ETC requirements, winning bidders may incorporate by reference the relevant information and certifications submitted as part of their Auction 903 applications. When making their section 214(e)(1) commitment to offering supported services, carriers may rely on the information and certifications submitted in their Auction 903 long-form applications to demonstrate their ability and commitment to meeting service and performance quality requirements.

#### **Demonstration that Designation Serves the Public Interest, Convenience, and Necessity**

Section 214(e)(6) of the Act and section 54.202(b) of the Commission's rules requires the Commission to find that an ETC designation serves the public interest.<sup>38</sup> While Congress did not identify specific criteria to be used in making such a determination, the public interest benefits of a particular ETC designation must be analyzed in a manner that is consistent with the purposes of the Act itself, including the principles for the preservation and advancement of universal service.<sup>39</sup> To this end, the Commission adopted a cost-benefit test designed to assess whether designation would further universal service policies, placing the burden of proof on the petitioning carriers to demonstrate that the advantages of

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<sup>33</sup> Generally, the Commission's rules may be waived if good cause is shown. 47 CFR § 1.3. The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest. *Ne. Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990). In addition, the Commission may consider issues of hardship, equity, or more effective implementation of overall policy on an individual basis. *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Ne. Cellular*, 897 F.2d at 1166. Waiver of the Commission's rules is appropriate only if both (i) special circumstances warrant a deviation from the general rule, and (ii) such deviation will serve the public interest. *NetworkIP, LLC v. FCC*, 548 F.3d 116, 125-128 (D.C. Cir. 2008); *Ne. Cellular*, 897 F.2d at 1166.

<sup>34</sup> *See, e.g., 2016 Rate-of-Return Reform Order*, 31 FCC at 3166, 3168, para. 216 (explaining that the detailed broadband buildout obligations of rate-of-return ETCs provide a "more defined yardstick by which to measure their progress towards the universal availability of voice and broadband service in their areas," and thus, obviate the need for a five-year plan and annual updates); *ETC Reporting Streamlining Order*, 32 FCC Rcd at 4944, para. 1 (eliminating several ETC rules as either duplicative of other reporting requirements or simply no longer necessary given other methods of overseeing use of USF support).

<sup>35</sup> 47 CFR § 54.202(a)(1)(i).

<sup>36</sup> *Id.* § 54.202(a)(2) (requiring a petitioner seeking an FCC ETC designation to "[d]emonstrate its ability to remain functional in emergency situations, including a demonstration that it has a reasonable amount of back-up power to ensure functionality without an external power source, is able to reroute traffic around damaged facilities, and is capable of managing traffic spikes resulting from emergency situations").

<sup>37</sup> *See id.* § 54.101(d); *Lifeline and Link Up Reform and Modernization et al.*, WC Docket No. 11-42 et al., Third Report and Order, Further Report and Order, and Order on Reconsideration, 31 FCC Rcd 3962, 3974, 4074-75, paras. 35, 311-12 (2016) (requiring all high-cost recipients to meet Lifeline obligations in all areas where they deploy a network pursuant to a broadband service obligation and are commercially offering qualifying service).

<sup>38</sup> 47 U.S.C. § 214(e)(6); 47 CFR § 54.202(b).

<sup>39</sup> 47 U.S.C. § 254(b).

service, such as increased consumer choice, would outweigh the disadvantages, such as poor coverage.<sup>40</sup> In the Phase II auction context, however, bidders demonstrate their ability to efficiently offer service through the competitive bidding process while in their short-form and long-form applications, bidders demonstrate their ability to meet their public interest obligations.<sup>41</sup> Through such processes, the Commission conducts the cost-benefit analysis for ETC designation.<sup>42</sup> Accordingly, carriers need not provide additional specific evidence of service to the public interest in their petitions for ETC designation.

#### **Certification of Eligibility for Benefits under the Anti-Drug Abuse Act**

Petitioners must certify that neither the petitioner nor any party to the application is subject to a denial of federal benefits pursuant to section 5301 of the Anti-Drug Abuse Act of 1988, as implemented in section 1.2002 of the Commission's rules.<sup>43</sup>

#### **Post-Designation Reporting Obligations**

Winning bidders that are designated as an ETC must file on a recurring basis:

- *Annual Section 54.313 Report.* On July 1<sup>st</sup> of the year following the year an ETC begins receiving support and on each subsequent July 1<sup>st</sup> thereafter, it must file an FCC Form 481.<sup>44</sup> Annual reports are filed with the Universal Service Administrative Company (USAC).<sup>45</sup> ETCs must complete the FCC Form 481 on USAC's website.<sup>46</sup> As part of this form, carriers must test and certify compliance with relevant performance requirements in section 54.309 of the Commission's rules.<sup>47</sup> The Wireline Competition Bureau (WCB), the Wireless Telecommunications Bureau (WTB), and the Office of Engineering and Technology (OET)

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<sup>40</sup> See *ETC Designation Report and Order*, 20 FCC Rcd at 6388-89, paras. 40-42. As part of this determination, the Commission also conducted a cream-skimming analysis to ensure that potential designees could not selectively choose to serve high-density portions of a rural telephone company's study area while receiving support, under legacy identical support rules, based on the average costs of the rural telephone company in providing service throughout the study area. *Id.* at 6393-95, paras. 48-53. In the *Phase II Auction Order*, however, the Commission explained that a cream-skimming analysis in the Phase II Auction context is irrelevant since winning bidders will be the only carrier receiving support to serve a bid area and must serve areas the marketplace would not otherwise serve absent subsidy. See *Phase II Auction Order*, 31 FCC Rcd at 6008, para. 165.

<sup>41</sup> See 47 CFR § 54.315 (requiring prospective bidders to include within their applications, among other things, certifications and evidence demonstrating that they are financial and technically qualified to meet public interest obligations).

<sup>42</sup> *Id.* § 54.315.

<sup>43</sup> *Id.* § 1.2002.

<sup>44</sup> 47 CFR § 54.313(h)(2)(i); *Id.* § 54.313(j).

<sup>45</sup> *ETC Reporting Obligations Elimination Order*, 32 FCC Rcd at 5948, para. 15 (determining that the Commission "will no longer require ETCs to file duplicate copies of Form 481 with the FCC and with states, U.S. Territories, and/or Tribal governments beginning in 2018"); 47 CFR § 54.313.

<sup>46</sup> See Universal Service Administrative Company High Cost Forms, Form 481, <http://www.usac.org/hc/tools/forms.aspx>; Instructions for Completing FCC Form 481, <http://www.usac.org/res/documents/hc/pdf/forms/FCC-Form-481-Instructions.pdf>.

<sup>47</sup> 47 CFR § 54.309.



have adopted a uniform framework to measure and report on the performance of ETCs' broadband service.<sup>48</sup>

- *Annual 54.314 Certification.* On October 1st, beginning in the year after the winning bidder begins receiving support and continuing throughout the entire support term, an ETC designated by the FCC must certify that the support received in the prior year was used, and the support that will be received in the upcoming year will be used, only for the provision, maintenance, and upgrading of facilities and services for which support is intended.<sup>49</sup> An ETC designated by the FCC must self-certify by filing a sworn affidavit executed by a corporate officer attesting to the relevant facts.<sup>50</sup> Certifications must be filed with both the FCC and USAC. ETCs may submit their certifications to USAC via its online filing system<sup>51</sup> or by sending the appropriate certification sample letter (provided on USAC's website) via email or U.S. mail.<sup>52</sup> Certifications must also be submitted to the FCC's Office of the Secretary on or before October 1<sup>st</sup>. The submission should clearly reference WC Docket No. 14-58, ETC Annual Reports and Certifications.
- *Annual Reporting of Location Information.* On or before the last business day of the second calendar month following the one-year anniversary of support authorization, and by the same day in subsequent years until all build-out requirements are satisfied, winning bidders must file with USAC through the High-Cost Universal Broadband (HUBB) portal location information, including geocoded data, for each qualifying location to which they are offering the requisite service and identify the kind of technology used to bring such service.<sup>53</sup> In the first year, bidders must submit all locations where the requisite service is being provided, and in subsequent years, all locations to which they are newly offering service.<sup>54</sup> The Commission has consistently encouraged carriers subject to defined deployment obligations and HUBB reporting obligations to report location data on a rolling basis and has adopted a best practice of filing this information within 30 days after the initial offering of service.<sup>55</sup>
- *Milestone Certifications.* By the last business day of the second calendar month following each relevant service milestone, an ETC must file a certification that they have met their

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<sup>48</sup> *Performance Measures for Connect America High-Cost Universal Service Support Recipients*, WC Docket No. 10-90, Order, DA 18-710 (WCB/WTB/OET rel. July 6, 2018); see also *Connect America Fund et al.*, Order on Reconsideration, 33 FCC Rcd 1380, 1387, para. 16 (2018) (*Phase II Auction Reconsideration Order*) (establishing general guidelines for the adoption of a performance methodology); *USF/ICC Transformation Order*, 26 FCC Rcd at 17708, para. 112; 47 CFR § 54.313(a)(6).

<sup>49</sup> 47 CFR § 54.314. The affidavit becomes part of the public record. See *id.*

<sup>50</sup> 47 CFR § 54.314(b), (c)(2). Relevant state authorities submit certifications on behalf of the ETCs they designate. *Id.* § 54.314(a).

<sup>51</sup> See Universal Service Administrative Company Online Filing User Guide for Section 54.314 Self-Use Certification, [http://www.usac.org/\\_res/documents/hc/pdf/forms/Self-Certifiers-User-Guide.pdf](http://www.usac.org/_res/documents/hc/pdf/forms/Self-Certifiers-User-Guide.pdf).

<sup>52</sup> See Universal Service Administrative Company Self-Use Certification Sample Letter, [http://www.usac.org/\\_res/documents/hc/pdf/samples/sample-self-use-cert-letter.pdf](http://www.usac.org/_res/documents/hc/pdf/samples/sample-self-use-cert-letter.pdf).

<sup>53</sup> 47 CFR § 54.316(a)(4).

<sup>54</sup> *Phase II Auction Order*, 31 FCC Rcd at 6010-11, para.173.

<sup>55</sup> See *id.* at 6011, para. 173; *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 31 FCC Rcd 3087, 3164, 3167, paras. 211, 218 (2016); see generally *Wireline Competition Bureau Provides Guidance to Carriers Receiving Connect America Fund Support Regarding Their Broadband Location Reporting Obligations*, WC Docket No. 10-90, Public Notice, 31 FCC Rcd 12900, 12910 (2016) (*HUBB Public Notice*); Universal Service Administrative Company, Filing Geolocated Broadband Deployment Data, <https://usac.org/hc/tools/hubb.aspx>.

interim service milestone and are meeting the requisite public interest obligations.<sup>56</sup> If an ETC is unable to meet an interim build-out milestone, it must notify the Commission, USAC, and the relevant state, U.S. Territory, or Tribal government as appropriate, no later than ten business days after the applicable deadline.<sup>57</sup> If the ETC is unable to meet the required deployment obligations due to circumstances beyond its control, it may also seek waiver of the service milestones.<sup>58</sup> The Commission has repeatedly warned Phase II support recipients, however, that it does not expect to routinely grant such waiver requests, emphasizing the difficulty of demonstrating good cause under circumstances where carriers fail to plan for some contingencies that would otherwise prevent compliance with defined deployment obligations.<sup>59</sup>

All post-designation ETC-related filings must be submitted in good faith and, include a certification that, to the best of the ETC's knowledge and belief, the information is complete and accurate.

<sup>60</sup> In addition, ETCs have an on-going duty to correct or amend information if they have reason to believe, either through their own investigation or upon notice from USAC, that the data is inaccurate, incomplete, or contains data errors or anomalies.<sup>61</sup> The failure to timely file information may result in penalties in the form of a reduction in support.<sup>62</sup>

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<sup>56</sup> 47 CFR § 54.314(b)(4) (requiring a "certification that by the end of the prior support year, it was offering broadband meeting the requisite public interest obligations specific in § 54.309 to the required percentage of its supported locations in each state as set forth in § 54.310(c)"); *id.* § 54.310(c) ("Recipients of Connect America Phase II awarded through a competitive bidding process must complete deployment to 40 percent of supported locations by the end of the third year, to 60 percent of supported locations by the end of the fourth year, to 80 percent of supported locations by the end of the fifth year, and to 100 percent of supported locations by the end of the sixth year.").

<sup>57</sup> 47 CFR § 54.320(d).

<sup>58</sup> *December 2014 CAF Order*, 29 FCC Rcd at 15700, para. 154.

<sup>59</sup> *See Phase II Auction Reconsideration Order*, 33 FCC Rcd at 1394, para. 33, n.88 (2018) (explaining that "it would be difficult for a recipient to meet its burden of demonstrating good cause to grant a waiver of the deployment obligations if it did not plan to build to 100 percent of funded locations at the outset of its support term"); *id.* (explaining that "the Commission has cautioned that it does not expect such waiver requests will be granted routinely, and a failure to plan for some contingencies would make it difficult to establish that there is good cause to warrant waiver") (citing *December 2014 CAF Order*, 29 FCC Rcd at 15660, para. 40, n.93).

<sup>60</sup> *See, e.g.*, FCC Form 481 Officer Certification (requiring an officer of a petitioning entity to certify that he/she is "an officer of the reporting carrier; my responsibilities include ensuring the accuracy of the annual reporting requirements for universal service support recipients; and, to the best of my knowledge, the information reported on this form and in any attachments is accurate"); *see also* 47 CFR § 1.17(a)(2) (stating that no person may provide, in any written statement of fact "material factual information that is incorrect or omit material information that is necessary to prevent any material factual statement that is made from being incorrect or misleading without a reasonable basis for believing that any such material factual statement is correct and not misleading").

<sup>61</sup> *See Wireline Competition Bureau Provides Guidance to Carriers Receiving Connect America Fund Support Regarding Their Broadband Location Reporting Obligations*, Public Notice, 31 FCC Rcd 12900, 12910 (2016) (*HUBB Public Notice*).

<sup>62</sup> 47 CFR § 54.313(j); *Id.* § 54.314.

*Document Retention and Compliance Audits.* Under section 54.320 of the Commission's rules, recipients of high-cost support must retain, for at least ten years, all records necessary to demonstrate to auditors that the support received was consistent with universal service high-cost program rules and to make these documents available upon request to the FCC (and any of its bureaus or offices) and to USAC, and to their respective auditors.<sup>63</sup> In addition, all ETCs that receive high-cost support are subject to random compliance audits and other investigations to ensure compliance with program rules and orders, including verification of actual deployment to reported locations.<sup>64</sup>

*Consequences for Non-Compliance.* A Phase II Auction support recipient authorized to receive Phase II support is subject to non-compliance measures once it becomes a support recipient if it fails or is unable to meet its minimum coverage requirement, other service requirements, or fails to fulfill any other term or condition of Phase II support.<sup>65</sup> These measures scale with the extent of non-compliance, and include additional reporting, withholding of support, and support recovery.<sup>66</sup> A defaulting support recipient may also be subject to sanctions, including, but not limited to, potential revocation of ETC designations and suspension or debarment.<sup>67</sup> Additionally, a support recipient will be subject to any non-compliance measures adopted in conjunction with the methodology for measuring and reporting speed and latency performance to fixed locations.<sup>68</sup>

*Discontinuance of Service and/or Relinquishment of Support.* It is a violation of FCC rules to receive USF support if that support is not used to provide, maintain, and upgrade voice and/or broadband facilities and services in eligible areas or if the recipient is no longer offering supported services. A carrier that cannot appropriately use USF support must relinquish its ETC designation pursuant to section 214(a) of the Act and section 54.205 of the Commission's rules.<sup>69</sup> The ETC must file a notice of relinquishment in WC Docket No. 09-197, Telecommunications Carriers Eligible for Universal Service Support, using the Commission's Electronic Comment Filing System (ECFS). WCB will release an order approving the relinquishment if the relinquishing ETC demonstrates that the affected area will continue to be served by at least one ETC.<sup>70</sup> The ETC must then send a copy of its relinquishment notice and a copy of the relinquishment order (within one week of its release) to USAC at [hcorders@usac.org](mailto:hcorders@usac.org). A carrier that intends to discontinue service must first seek authorization to discontinue service under section 63.71 of the Commission's rules.<sup>71</sup>

### **Section 1.21002 Applicable to ETC Designation Petitions**

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<sup>63</sup> 47 CFR § 54.320(b).

<sup>64</sup> *Id.* § 54.320(a); *USF/ICC Transformation Order*, 26 FCC Rcd at 17864, para. 621.

<sup>65</sup> 47 CFR §§ 54.315(c)(4), 54.320.

<sup>66</sup> *Id.* §§ 54.315(c)(4), 54.320; *Phase II Auction Order*, 31 FCC Rcd at 6016-18, paras. 189-94; *December 2014 CAF Order*, 29 FCC Rcd at 15694-701, paras. 142-57.

<sup>67</sup> 47 CFR § 54.320; *Phase II Auction Order*, 31 FCC Rcd at 6018, para. 194; *ETC Designation Report and Order*, 20 FCC Rcd at 6402, para. 72 ("If a review of the data submitted by an ETC indicates that the ETC is no longer in compliance with the Commission's criteria for ETC designation, the Commission may suspend support disbursements to that carrier or revoke the carrier's designation as an ETC. Likewise, as the Joint Board noted, state commissions possess the authority to rescind ETC designations for failure of an ETC to comply with the requirements of section 214(e) of the Act or any other conditions imposed by the state.").

<sup>68</sup> *Phase II Auction Order*, 31 FCC Rcd at 6018, para. 194.

<sup>69</sup> 47 U.S.C. § 214(a); 47 CFR § 54.205.

<sup>70</sup> 47 U.S.C. § 214(e)(4).

<sup>71</sup> 47 CFR § 63.71.

Upon receipt of a petition filed pursuant to section 214(e)(6), the Commission routinely issues a public notice establishing a pleading cycle.<sup>72</sup> Under section 1.21002 of the Commission's rules, after an application to participate in an auction for Universal Service Fund support is filed, applicants are prohibited from engaging in certain communications about their bids or bidding strategies, either directly or indirectly, with other applicants.<sup>73</sup> Such prohibition applies until the long-form application deadline, which will fall on the 10<sup>th</sup> day after the release of the public notice announcing the close of the auction (unless otherwise provided by public notice).<sup>74</sup> Petitions for ETC designation that contain information about bid areas could constitute a prohibited communication, if disclosed prior to the Commission announcing winning bids in the Auction Closing Public Notice. Consequently, to avoid violating the prohibited communications rule, petitioners seeking a designation in connection with an auction application should not submit their petitions for ETC designation to the Commission (or the relevant state commission(s), if applicable) until after the release of the Auction Closing Public Notice.

### **ETC Petition Filing Requirements**

*Petitions for ETC Designation and Related Pleadings.* All ETC petitions filed with the Commission must reference "Petition for Designation as an Eligible Telecommunications Carrier Pursuant to section 214(e)(6) of the Act, **WC Docket No. 09-197.**" Comments and reply comments must reference the same information as well as the DA number assigned to the public notice establishing a pleading cycle for the petition, as described below. If a petitioner is seeking designation to serve Tribal lands, it must provide copies of its petition to the appropriate state commission<sup>75</sup> and to the affected tribal government and tribal regulatory authority, as applicable,<sup>76</sup> when it files its petition for ETC designation with the Commission.

*Pleading Cycle.* Upon receipt of an ETC petition, the Commission will issue a public notice establishing a pleading cycle.<sup>77</sup> If the ETC designation petition involves Tribal lands, the Commission shall send copies of this public notice to the state commission by overnight mail and to the affected tribal government and tribal regulatory authority, as applicable, by the most expeditious means available.<sup>78</sup> The Commission encourages any statements and analyses from the appropriate tribal authority addressing the jurisdictional question or the merits of the designation request.<sup>79</sup>

*Requests for Confidential Treatment.* To the extent that a petitioner seeks confidential treatment of any information included in its petition, it must file a separate request for confidentiality pursuant to section 0.457 and 0.459 of the Commission's rules, along with redacted copies.<sup>80</sup>

*FCC Electronic Filings.* Petitions and related filings may be filed using ECFS at <http://fjallfoss.fcc.gov/ecfs2/>.<sup>81</sup> Filers must transmit one electronic copy of the comments for each docket number referenced in the caption. In completing the transmittal screen, filers should include their full name, U.S. Postal Service mailing address, and the applicable docket numbers.

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<sup>72</sup> Section 214(e)(6) Public Notice, 12 FCC Rcd at 22950.

<sup>73</sup> 47 CFR § 1.21002.

<sup>74</sup> See *Connect America Fund Phase II Auction Scheduled for July 24, 2018 Notice and Filing Requirements and Other Procedures for Auction 903*, Public Notice, 33 FCC Rcd 1428, 1477, para. 134 (2018).

<sup>75</sup> *2000 Tribal Order*, 15 FCC Rcd at 12266-67, para. 120.

<sup>76</sup> 47 CFR § 54.202(c).

<sup>77</sup> Section 214(e)(6) Public Notice, 12 FCC Rcd at 22948.

<sup>78</sup> See *2000 Tribal Order*, 15 FCC Rcd at 12267, para. 120; 47 CFR § 54.202(c).

<sup>79</sup> *2000 Tribal Order*, 15 FCC Rcd at 12267, para. 120.

<sup>80</sup> 47 CFR §§ 0.457, 0.459.

<sup>81</sup> See *Electronic Filing of Documents in Rulemaking Proceedings*, GC Docket No. 97-113, Report and Order, 13 FCC Rcd 11322 (1998).

*Paper Filings.* Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number. Filings can be sent by hand or messenger delivery, by commercial overnight courier, or by first-class or overnight U.S. Postal Service mail. All filings submitted to the FCC must be addressed to the Commission's Secretary, Marlene H. Dortch, Office of the Secretary, Federal Communications Commission.

- *Hand or Messenger Delivery.* All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th Street, S.W., Room TW-A325, Washington, D.C. 20554. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes must be disposed of before entering the building. The filing hours are 8:00 a.m. to 7:00 p.m.
- *Commercial Overnight Mail.* Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
- *U.S. Postal Service First-Class, Express, and Priority Mail.* U.S. Postal Service mail must be addressed to 445 12th Street, S.W., Washington D.C. 20554.
- *Additional Copies.* One copy of each paper filing must be sent to the Commission's duplicating contractor, Best Copy and Printing, Inc., 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, [www.bcpweb.com](http://www.bcpweb.com); phone: (202) 488-5300 fax: (202) 488-5563.

*Permit but Disclose Ex Parte Communications.* For the purposes of the Commission's *ex parte* rules, each petition submitted pursuant to section 214(e)(6) will be treated as initiating a permit-but-disclose proceeding under the Commission's rules.<sup>82</sup> Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies).<sup>83</sup> Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation.<sup>84</sup> If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter's written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum.<sup>85</sup> Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b).<sup>86</sup> In proceedings governed by rule 1.49(f) or for which the Commission has made available a method of electronic filing, written *ex parte* presentations and memoranda summarizing oral *ex parte* presentations, and all attachments thereto, must be filed through the electronic comment filing system available for that proceeding, and must be filed in their native format (e.g., .doc, .xml, .ppt, searchable.pdf).<sup>87</sup> Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

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<sup>82</sup> See 47 CFR § 1.1206.

<sup>83</sup> *Id.* § 1.2016(b)(2)(iii).

<sup>84</sup> *Id.* § 1.206(b)(1).

<sup>85</sup> *Id.*

<sup>86</sup> *Id.* § 1.1206(b)(2).

<sup>87</sup> *Id.* § 1.1206(b)(2)(i); see also *id.* § 1.49(f).

*Public Inspection.* Filings are available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, S.W., Room CY-A257, Washington, D.C. 20554. They may also be purchased from the Commission's duplicating contractor, Best Copy and Printing, Inc., Portals II, 445 12th Street, S.W., Room CY-B402, Washington, D.C. 20554, telephone: (202) 488-5300, fax: (202) 488-5563, or via e-mail [www.bcpweb.com](http://www.bcpweb.com). The documents may also be viewed in and downloaded from ECFS.

People with Disabilities: To request materials in accessible formats (Braille, large print, electronic files, audio format) for people with disabilities, send an e-mail to [fcc504@fcc.gov](mailto:fcc504@fcc.gov) or call the Consumer and Governmental Affairs Bureau at (202) 418-0530 or (202) 418-0432 (TTY).

For further information, please contact the Nissa Laughner at (202) 418-1358 or [Nissa.Laughner@fcc.gov](mailto:Nissa.Laughner@fcc.gov), or Alexander Minard at (202) 418-0428 or [Alexander.Minard@fcc.gov](mailto:Alexander.Minard@fcc.gov), both of the Wireline Competition Bureau, Telecommunications Access Policy Division.

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