



PUBLIC NOTICE

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**RURAL BROADBAND EXPERIMENT SUPPORT
AUTHORIZED FOR WINNING BIDS SUBMITTED BY BARC ELECTRIC COOPERATIVE,
DOUGLAS SERVICES, INC., AND NORTHEAST RURAL SERVICES, INC.**

**WC Docket No. 10-90
WC Docket No. 14-259**

By this Public Notice, the Wireline Competition Bureau (Bureau) authorizes rural broadband experiment support for BARC Electric Cooperative (BARC), Douglas Services, Inc. (Douglas), and Northeast Rural Services, Inc. (NRS) for the winning bids identified in the Attachment to this Public Notice. The \$5,196,652.85 in support that we authorize today will bring new broadband to 617 census blocks in three states.

On December 5, 2014, the Bureau announced the first round of provisionally selected bidders for the rural broadband experiments.¹ On March 4, 2015, the Bureau announced a second round of provisionally selected bidders.² By specified deadlines, the provisionally selected bidders were required to submit certain technical and financial information, a letter of credit (LOC) commitment letter from a bank meeting the Commission's requirements, and documentation of their eligible telecommunications carrier (ETC) designations in all of the areas for which they will receive support, and certify that the information submitted is accurate.³

After reviewing the winning bidder's submissions, the Bureau on September 15, 2015 announced that it was ready to authorize support for 13 specific provisionally selected bids, including a bid placed by Douglas, provided that the bidders submit, by September 29, 2015, at least one acceptable irrevocable stand-by LOC and Bankruptcy Code opinion letter from legal counsel.⁴ On September 29, 2015, the Bureau announced that it was ready to authorize support for three new provisionally selected bids,

¹ *Wireline Competition Bureau Announces Entities Provisionally Selected for Rural Broadband Experiments; Sets Deadlines for Submission of Additional Information*, WC Docket No. 10-90, Public Notice, 29 FCC Rcd 14684 (WCB 2014).

² *Wireline Competition Bureau Announces Additional Provisionally Selected Bidders for Rural Broadband Experiments and Sets Deadlines for Submission of Additional Information*, WC Docket Nos. 10-90 and 14-259, Public Notice, 30 FCC Rcd 2045 (WCB 2015).

³ *Connect America et al.*, WC Docket Nos. 10-90 and 14-58, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769, 8778-79, 8787-88, paras. 22-23, 52, 54 (2014) (*Rural Broadband Experiments Order*).

⁴ *Wireline Competition Bureau Announces Rural Broadband Experiments Support for 13 Provisionally Selected Bids is Ready to Be Authorized and Releases Updated Frequently Asked Questions*, WC Docket Nos. 10-90 and 14-259, Public Notice, 30 FCC Rcd 5038 (WCB 2015).

including a bid placed by BARC and two bids placed by NRS, similarly providing that bidders submit by October 14, 2015, the required LOC and Bankruptcy Code opinion letter.⁵

For each of the winning bids identified in the Attachment, the Bureau has reviewed the winning bidders' submissions, including the LOC and Bankruptcy Code opinion letter from the winning bidders' legal counsel. Based on the representations and certifications in the winning bidders' applications, the Bureau now authorizes support for the winning bids listed in the Attachment. A list of the relevant census blocks is available at <https://www.fcc.gov/encyclopedia/rural-broadband-experiments>.

Upon issuance of this Public Notice, the Universal Service Administrative Company (USAC) is directed and authorized to obligate and disburse from the Connect America reserve account the support amounts identified in the Attachment to the winning bidder associated with each study area specified in the Attachment. USAC shall disburse the support amounts to BARC and NRS in 120 equal monthly installments over the 10-year support term. To Douglas, which elected to receive 30 percent of the total support upfront in exchange for meeting accelerated deployment obligations, USAC shall disburse 30 percent of the total support amount with the first monthly payment, and disburse the remaining 70 percent of their support in 120 equal monthly installments over the 10-year term.⁶ USAC will make disbursement payments to the account on file for the 498 ID (formerly Service Provider Identification Number) associated with the rural broadband experiment study area code (SAC).

Because the interim status reporting requirement adopted in the *Rural Broadband Experiments Order* was a one-time obligation expiring on November 1, 2015,⁷ recipients authorized to receive support after November 1, 2015 will first report on the status of their project in July 2016 pursuant to annual reporting obligations.⁸ We note that we have concluded previously that there is good cause to waive on our own motion the general high-cost support program requirement that the relevant states file a section 54.314 certification on rural broadband experiment recipients' behalf by October 1, 2015 with respect to the use of rural broadband experiment support received in 2015.⁹

We remind recipients that a winning bidder that has been authorized to receive rural broadband experiment support will default if it fails to meet its build-out obligations to offer service delivering the requisite speed, latency, usage and pricing, fails to keep open and renew its LOC, or fails to fulfill any

⁵ *Wireline Competition Bureau Announces Rural Broadband Experiments Support for Three Provisionally Selected Bids is Ready to Be Authorized*, WC Docket Nos. 10-90, 14-259, DA 15-1092 (rel. Sept. 29, 2015); *see also* *Petition of BARConnects, LLC for FCC Designation as an Eligible Telecommunications Carrier in the Commonwealth of Virginia et al.*, WC Docket No. 14-259 et al., Order, 30 FCC Rcd 10233, 10240, para. 22 (WCB 2015) (designating BARC's wholly-owned subsidiary BARConnects, LLC (BARConnects) as an ETC and waiving the June 2, 2015 deadline for submitting proof of ETC designation for BARConnects).

⁶ *Rural Broadband Experiments Order*, 29 FCC Rcd at 8794, para. 75.

⁷ *Id.* at 8796, para. 81 (requiring report describing the status of the project (i.e., whether vendors have been hired, permits have been obtained, construction has begun) and including evidence regarding the locations (if any) that the recipients have built out to in their project areas by September 30, 2015); *see also* 80 FR 60677 (Oct. 7, 2015) (announcing attainment of OMB approval, effective September 21, 2015, as required by the Paperwork Reduction Act of 1995, Public Law 104-13, of information collections relating to rural broadband experiments, including the interim report).

⁸ 47 C.F.R. § 54.313(a), (j); *see also* *Rural Broadband Experiments Order*, 29 FCC Rcd at 8795, para. 77.

⁹ *See* *Rural Broadband Experiment Support Authorized for Ten Winning Bids for Skybeam, LLC, Consolidated Communications Networks, Inc., Delta Communications LLC, and Allamakee-Clayton Electric Cooperative, Inc.*, WC Docket Nos. 10-90 and 14-259, Public Notice, 30 FCC Rcd 8283, 8284 (WCB 2015); *see also* 47 C.F.R. § 54.314.

other term or condition of rural broadband experiment support.¹⁰ Under the terms of the LOC, the Commission will be entitled to draw upon the LOC after a recipient's default and opportunity to cure.¹¹ Recipients may also be subject to other sanctions for non-compliance with the terms and conditions of the rural broadband experiments or the Commission's rules.¹²

We note that price cap carriers that serve the census blocks where the rural broadband experiment winning bidders have been authorized to receive support no longer have a federal high-cost ETC obligation to continue to offer voice in those census blocks pursuant to the forbearance granted in the *December 2014 Connect America Order*.¹³

For further information, please contact Nissa Laughner, Telecommunications Access Policy Division, Wireline Competition Bureau at 202-418-7400 or at TTY (202) 418-0484.

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¹⁰ *Rural Broadband Experiments Order*, 29 FCC Rcd at 8799, para. 90.

¹¹ *Id.* at 8799, paras. 92–93.

¹² *Id.* at 8800, paras. 94, 96.

¹³ *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15663–71, paras. 50–70 (2014); *see also* 47 C.F.R. § 54.201(d)(3). We will remove these census blocks from the list of census blocks where price cap carriers continue to have the federal high-cost ETC obligation to provide voice service. The “List of Census Blocks Subject to Federal High-Cost Voice Obligations” is available at <https://www.fcc.gov/encyclopedia/price-cap-resources>.

Attachment
Authorized Winning Bidders and Bids

Category One¹⁴

Bidder Name	State	Selected Bid Project ID	Selected Bid Amount	Census Blocks Covered by Selected Bid	Number of Covered Locations	Study Area Code
BARC Electric Cooperative						
	VA	1	\$239,918.00	64	801	196141
Douglas Services, Inc.						
	OR	1	\$2,375,000.00	325	2495	536129
Northeast Rural Services, Inc. ¹⁵						
	OK	5	\$442,963.00	34	127	436142
	OK	11 ¹⁶	\$2,138,771.85	194	1653	436143

¹⁴ Recipients authorized to receive support for category one projects must deploy a network capable of delivering 100 Mbps downstream/25 Mbps upstream and offer at least one service plan that provides 25 Mbps downstream/5 Mbps upstream to all eligible locations. For that service plan, recipients must provide usage that is reasonably comparable to usage available for comparable wireline offerings in urban areas, at a price that meets the Commission’s reasonable comparability benchmarks, and latency no greater than 100 milliseconds.

¹⁵ NRS was previously authorized to begin receiving rural broadband experiment support for bid numbers 1, 4, 6, and 12. *See Rural Broadband Experiment Support Authorized for Five Winning Bids for First Step Internet, LLC and Northeast Rural Services, Inc.*, WC Docket Nos. 10-90 and 14-259, Public Notice, 30 FCC Rcd 9886 (Wireline Comp. Bur. 2015). NRS was also provisionally selected for additional bids in the first and second rounds. Those bids are still undergoing post-selection review.

¹⁶ The bid amount as well as the census block and location counts were adjusted to account for the one census block that was removed from this bid because it was deemed to be served by an unsubsidized competitor in the Phase II challenge process. *See Connect America Fund, Connect America Phase II Challenge Process*, WC Docket Nos. 10-90 and 14-93, Order, 30 FCC Rcd 2718 (Wireline Comp. Bur. 2015).