



PUBLIC NOTICE

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445 12th St., SW
Washington, DC 20554

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TTY: 1-888-835-5322

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WIRELINE COMPETITION BUREAU RELEASES UPDATED LIST OF CENSUS BLOCKS ELIGIBLE FOR CONNECT AMERICA PHASE II SUPPORT AND ANNOUNCES DEADLINES FOR CERTAIN ADDITIONAL UPDATES IN PRICE CAP AND RATE-OF-RETURN AREAS

WC Docket No. 10-90

Comment date: July 7, 2017

The Wireline Competition Bureau announces the release of an updated list of census blocks eligible for Connect America Phase II support in states where price cap carriers accepted the statewide offers of model-based Connect America Phase II support.¹

We also seek feedback on the following three categories of census blocks, with comments due on **July 7, 2017**.

- USTelecom has submitted a list of census blocks that were originally included in the Phase II offer list but which none of the price cap carriers claim are in any of their service territories.² These blocks may be available for inclusion in the Phase II auction unless they are identified as within a rate-of-return carrier study area boundary, reclaimed by a price cap carrier, or identified by a state commission as within a carrier's service territory according to that commission's records.
- The list we release today also includes the extremely high-cost blocks in states where price cap carriers accepted the offers of Phase II support. We require price cap carriers that intend to meet their obligation to serve a specific number of locations in a state by providing service to extremely high-cost locations in adjacent eligible census blocks to identify those specific blocks.
- Finally, we request that rate-of-return carriers identify those census blocks where they do not anticipate being able to extend broadband under the reasonable request standard, so these blocks can be included in the Phase II auction.

¹ Available at https://apps.fcc.gov/edocs_public/attachmatch/DOC-345242A1.xlsx. The high-cost blocks eligible for Phase II model support are identified on the list as HC; the extremely high-cost blocks are identified as EHC; and the unclaimed blocks are identified in column H with the number one. The updates to the Phase II census block list are detailed below.

² See Letter from Kevin G. Rupy, Vice President, Law & Policy, USTelecom, to Marlene H. Dortch, WC Docket No. 10-90 (filed May 24, 2017) (USTelecom May 24, 2017 *Ex Parte* Letter). Some of the blocks submitted on behalf of the price cap carriers are, in other filings, described as being part of an individual carrier's study area. The Bureau will determine whether to include such blocks in the final list of areas that will be in the Phase II auction.

Accepted Price-Cap Offer Updates and Corrections. We released a list of eligible census blocks when we announced the offers of model-based Phase II support to price cap carriers on April 29, 2015.³ That list has been updated as follows:

First, because we are releasing an updated list of census blocks eligible for Connect America Phase II support in states where price cap carriers accepted the statewide offers of model-based support, we have removed census blocks where the following carriers declined the statewide offers:

- Verizon declined the offers of statewide support in Connecticut, Delaware, the District of Columbia, Florida, Maryland, Massachusetts, New Jersey, New York, North Carolina, Pennsylvania, Rhode Island, and Virginia;
- AT&T declined the offers in Missouri, Nevada, and Oklahoma;
- CenturyLink declined the offers in California, Mississippi, Oklahoma, and Wyoming;
- Fairpoint declined the offers in Colorado and Kansas; and
- Windstream declined the offer in New Mexico.

The areas where the price cap carriers declined support, except those Verizon declined in New York,⁴ will be available for inclusion in the Phase II auction, subject to the eligibility conditions adopted by the Commission.⁵

Second, pursuant to the Phase II challenge process, we have removed from the list census blocks originally included in CenturyLink's offer that the Commission determined should be removed from CenturyLink's Phase II area in Missouri because they were served by Co-Mo Comm, Inc., and United Services, Inc.⁶

Third, we have removed from the list those census blocks previously identified by price cap carriers receiving Phase II model-based support as blocks they do not intend to serve, consistent with the Commission's requirement that price cap carriers that accepted model-based support must deploy to at

³ *Wireline Competition Bureau Announces Connect America Phase II Support Amounts Offered to Price Cap Carriers to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 30 FCC Rcd 3905 (2015). We subsequently authorized 10 price cap carriers to receive Phase II support in 45 states. *See State, County and Carrier Data on \$9 Billion, Six-Year Connect America Fund Phase II Support for Rural Broadband Expansion*, FCC News, (rel. Sept. 15, 2015). Verizon conditioned its acceptance of Phase II support in Texas and California on approval of Frontier's acquisition of Verizon's price cap carriers in those states. *See Verizon Communications Inc. Conditionally Accepts Over \$48.5 Million in Connect America Phase II Support in California and Texas*, Public Notice, 30 FCC Rcd 8594 (WCB 2015).

⁴ The Commission conditionally waived the Phase II auction program rules to allocate Connect America Phase II support in Connect America-eligible areas in New York in coordination with New York's New NY Broadband Program. *See Connect America Fund; ETC Annual Reports and Certifications*, WC Docket Nos. 10-90, 14-58, Order, 32 FCC Rcd 968 (2017) (*New York Auction Order*).

⁵ We released a preliminary list of census blocks eligible for the Phase II auction on August 16, 2016, and will publish a final list of eligible blocks no later than three months prior to the deadline for submission of short-form applications. *Wireline Competition Bureau Releases Preliminary List and Map of Eligible Census Blocks for the Connect America Phase II Auction*, 31 FCC Rcd 8870 (WCB 2016) (describing categories of census blocks eligible for support in the Phase II auction).

⁶ *Connect America Fund; Connect America Phase II Challenge Process*, WC Docket Nos. 10-90, 14-93. Memorandum Opinion and Order, 30 FCC Rcd 13039 (2015).

least 95 percent of funded locations.⁷ These blocks will be included in the auction inventory, subject to the Commission's eligibility conditions.

Fourth, we have corrected census blocks originally assigned to a carrier in the original list that have now been claimed by another price cap carrier.⁸ In addition, USTelecom has identified census blocks that none of the price cap carriers claim are in any of their service territories.⁹ We encourage interested parties, state commissions, and rate-of-return carriers to provide any information they may have about whether these blocks are included in any carrier's service territory. Based on our preliminary analysis of the list, almost 2,000 of the blocks appear to be in or partially in a rate-of-return carrier study area based on the most recent certified boundaries. In addition, more than 200 of the unclaimed blocks are not on the current list of eligible blocks.¹⁰ No census block in a rate-of-return study area will be eligible for the Phase II auction.

Fifth, we have updated the carriers' short names in the census block list to reflect Frontier's acquisition of the Verizon companies in California and Texas,¹¹ and the acquisition of Consolidated Communications' company in Iowa (Heartland Communications Company of Iowa) by two rate-of-return carriers.¹²

Extremely High-Cost Census Blocks. In the *April 2014 Connect America Order*, the Commission concluded that it would include both high-cost and extremely high-cost areas in the Phase II auction.¹³ Although extremely high-cost census blocks were not included in the Phase II offer of support, a price cap carrier is permitted to choose to serve locations in extremely high-cost census blocks in order to meet its obligation to serve a specific number of locations in a state.¹⁴ Price cap carriers that have specific plans to extend broadband service at any time during the term of support to certain extremely high-cost census blocks should submit a list of those census blocks including the state, carrier, and study area code to the Universal Service Administrative Company (USAC) via email to hcinfo@usac.org by **July 7, 2017**. We will include the identified blocks in the carrier's list of blocks eligible for Phase II model-based support and remove them from the final list of areas that will be in the Phase II auction.¹⁵ We will release a revised list of eligible census blocks once we receive and analyze any responses to this Public Notice.

⁷ In order for price cap carriers to take advantage of this flexibility, the Commission required them to identify by December 31, 2015, any specific census blocks where they do not intend to meet their deployment commitments so these blocks can be included in the Phase II auction. The returned blocks must cover at least two percent of their total eligible locations in a state. *Connect America et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15659-60, para. 39 (2014); *see also id.* at 15659 n. 88.

⁸ *See* Letter from Jonathan Banks, Senior Vice President, Law & Policy, USTelecom, to Marlene H. Dortch, WC Docket No. 10-90 (filed March 13, 2017). The reassigned blocks are identified in column G with the number one.

⁹ *See* USTelecom May 24, 2017 *Ex Parte* Letter.

¹⁰ These are identified in a separate tab with the list of eligible blocks we release today.

¹¹ *See Wireline Competition Bureau Authorizes Frontier to Receive over \$48.5 Million in Connect America Phase II Support in California and Texas*, WC Docket No. 10-90, Public Notice, 31 FCC Rcd 3506 (WCB 2016).

¹² *See Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 31 FCC Rcd 10683 (WCB 2016) (granting study area waiver to Mutual Telephone Company of Sioux Center Iowa d/b/a Premier Communications and Winnebago Cooperative Telecom Association).

¹³ *Connect America et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 7051, 7060-61, paras. 30-32 (2014) (*April 2014 Connect America Order*).

¹⁴ *Id.* at 7061, para. 32 & n. 49.

¹⁵ *See Preliminary List of Census Blocks for the Phase II Auction PN*, 31 FCC Rcd 8870.

The remaining unserved extremely high-cost census blocks will be included in the Phase II auction, subject to the Commission's eligibility conditions.

Rate-of-Return Area Blocks. In the *Rate-of-Return Reform Order*, the Commission encouraged carriers electing the voluntary path to the model to identify any census blocks subject to the reasonable request standard where they expect not to extend broadband, so that such census blocks may be included in the auction.¹⁶ Similarly, carriers remaining on the reformed legacy support mechanisms are invited to identify those census blocks where they do not anticipate being able to deploy service under the existing reasonable request standard for inclusion in the auction.¹⁷ Carriers should submit a list of census blocks including the state, carrier, and study area code to USAC via email to hcinfo@usac.org by the **July 7, 2017** deadline and those census blocks will not be subject to the reasonable request standard.

Interested parties may file comments on or before **July 7, 2017**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS), or by filing paper copies.

- Electronic Filers: Comments may be filed electronically using the Internet by accessing the ECFS: <https://www.fcc.gov/ecfs/>
- Paper Filers: Parties who choose to file by paper must file an original and one copy of each filing. 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 must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.
 - (1) All hand-delivered or messenger-delivered paper filings for the Commission's Secretary must be delivered to FCC Headquarters at 445 12th St., SW, Room TW-A325, Washington, DC 20554. The filing hours are 8:00 a.m. to 7:00 p.m. All hand deliveries must be held together with rubber bands or fasteners. Any envelopes and boxes must be disposed of before entering the building.
 - (2) Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9300 East Hampton Drive, Capitol Heights, MD 20743.
 - (3) U.S. Postal Service first-class, Express, and Priority mail must be addressed to 445 12th Street, SW, Washington DC 20554.

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

The proceeding this petition initiates shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules.¹⁸ 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). 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. If the presentation consisted in whole or in part of the presentation of data or arguments

¹⁶ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 31 FCC 3087, 3098-99, para. 26 (2016) (*Rate-of-Return Reform Order*). Carriers that provide the Commission notice by July 7, 2017 will not be required to provide service upon reasonable request in the identified areas.

¹⁷ *Id.* at 3154, para. 179.

¹⁸ 47 CFR §§ 1.1200 *et seq.*

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. 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). 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). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

For additional information on this proceeding, contact Katie King (Katie.King@fcc.gov) of the Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7400.

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