Before the Federal Communications Commission Washington, D.C. 20554

In the Matter of)	
Telecommunications Carriers Eligible for Universal Service Support)	WC Docket No. 09-197
Connect America Fund)	WC Docket No. 10-90
)	

ORDER

Adopted: October 14, 2021

Released: October 14, 2021

By the Chief, Wireline Competition Bureau:

I. INTRODUCTION

1. In this Order, the Wireline Competition Bureau (Bureau or WCB) designates five carriers across six states (as identified in Attachment A) as eligible telecommunications carriers (ETCs) in eligible high-cost areas within the specified states. Designation in these areas is conditioned upon, limited to, and effective upon petitioners' authorization to receive support under the Rural Digital Opportunity Fund (RDOF) program.¹ Any such ETC designation covering RDOF supported areas, however, should not be interpreted as an entitlement to support or an indication that the Bureau will ultimately authorize the petitioner for support. One additional petitioner, Carolina West Wireless, Inc. (Carolina West) (identified in Attachment B), requests designation as an ETC in an area not eligible for RDOF funding authorization. For such area, the Bureau limits the ETC designation to eligibility for Lifeline support. In making these designations, the Bureau finds that each of these petitioners meets the eligibility requirements to receive universal service support, as set forth in section 214(e)(6) of the Communications Act of 1934, as amended (Act), and related Commission rules.² If the Bureau decides the petitioners should be authorized to receive support, it will release separate public notices announcing funding authorizations.

II. BACKGROUND

A. Rural Digital Opportunity Fund Auction (Auction 904)

2. On January 30, 2020, the Commission adopted the framework for the Rural Digital Opportunity Fund (program), to award support through a reverse descending clock auction.³ At the conclusion of Auction 904, there were 180 winning bidders.⁴ The Commission created a two-phase application process for this auction, requiring interested parties to successfully complete a short-form

¹ See Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced; FCC Form 683 Due January 29, 2021, WC Docket No. 19-126 et al., Public Notice, 35 FCC Rcd 13888 (RBATF, OEA, WCB 2020) (Auction 904 Closing Public Notice); Rural Digital Opportunity Fund et al., WC Docket No. 19-126 et al., Report and Order, 35 FCC Rcd 686 (2020) (Auction 904 Report and Order).

² 47 U.S.C. § 214(e)(6); 47 CFR § 54.202.

³ Auction 904 Report and Order, 35 FCC Rcd at 689-90, para. 8; see also Rural Digital Opportunity Fund, WC Docket No. 19-126, Order on Reconsideration, 35 FCC Rcd 10820 (2020).

⁴ Auction 904 Closing Public Notice, 35 FCC Rcd at 13888.

application (FCC Form 183) as a condition of participating in the auction; this application collected from applicants information and certifications that would enable the Commission to make an initial determination that the applicant had the legal, technical, and financial qualifications necessary to meet program requirements should it become a winning bidder.⁵ In order to become authorized to receive support, winning bidders, or entities assigned support through the division of winning bids, would then have to complete a more comprehensive long form application (FCC Form 683) designed to ensure that support recipients are qualified to receive support and have met all regulatory prerequisites and conditions for receiving Universal Service Fund (USF) support.⁶ Four-hundred seventeen (417) entities submitted long form applications by the January 29, 2021 deadline.⁷ The Commission required that applicants submit as part of this application and no later than June 7, 2021, documentation of ETC designation(s) and a letter certifying that the designations cover all relevant census blocks in a state.⁸

3. The Lifeline—or low-income—program provides support to reimburse providers for offering supported services at discounted prices to qualifying low-income households, with more support directed at such households on Tribal lands.⁹ Eligible services include voice and broadband Internet access service meeting certain requirements.¹⁰ In a given geographic area, a carrier may be designated as an ETC and become eligible to receive funding from both the high-cost and low-income components of the USF, or it may be designated as a Lifeline-only ETC that is only eligible to receive USF support from the Lifeline program (Lifeline-only ETC designation).¹¹ Where, as with the petitioner identified in Attachment B, a petitioner indicates that it is seeking an ETC designation in areas not eligible for high-cost support, the Commission considers such areas for a Lifeline-only ETC designation.¹² ETCs are generally obligated to offer the Lifeline-supported service throughout their designated service areas.¹³

⁷ See Long form Applicants Spreadsheet, Long Form Applicants tab, <u>www.fcc.gov/auction/904/</u>.

⁸ 47 CFR § 54.804(b)(5); Auction 904 Closing Public Notice, 35 FCC Rcd at 13894, 13900-01.

⁹ See Lifeline and Link Up Reform and Modernization et al., WC Docket Nos. 11-42 et al., Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656, 6663, para. 14 (2012).

¹⁰ 47 CFR § 54.101; see also 47 CFR § 54.401(a).

¹² Auction 904 Closing Public Notice, 35 FCC Rcd at 13901 n.72 (explaining that petitioners may, in addition to seeking a high-cost designation in winning bid areas, seek a Lifeline-only ETC designation in areas not eligible for high-cost support for the limited purpose of becoming eligible to receive only Lifeline support in such areas and requiring these petitioners to submit with their ETC application a map or other information delineating these Lifeline-only areas, and other information specifically required by the Commission's Lifeline rules).

⁵ 47 CFR §§ 1.21001, 54.804; *Rural Digital Opportunity Fund Phase I Auction Scheduled for October 29, 2020; Notice and Filing Requirements and Other Procedures for Auction 904,* AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 6077, 6088-89, para. 27-28 (2020) (*Auction 904 Procedures Public Notice*).

⁶ 47 CFR § 1.21004; *Auction 904 Report and Order*, 35 FCC Rcd at 696, para. 22. Winning bidders had the opportunity to assign some or all their winning bids to one or more related entities. *Auction 904 Procedures Public Notice*, 35 FCC Rcd at 6164-65, paras. 288-93.

¹¹ 47 U.S.C. § 54.201(a)(1) ("Only eligible telecommunications carriers designated under this subpart shall receive universal service support distributed pursuant to subparts D [universal service fund support for high-cost areas] and E [universal service support for low-end consumers] of this part. Eligible telecommunications carriers designated under this subpart for purposes of receiving support only under subpart E of this part must provide Lifeline service directly to qualifying low-income consumers"); *id.* § 54.101(d) (providing that any ETC designated in high-cost areas must comply with requirements in the Lifeline support rules).

¹³ See 47 U.S.C. § 214(e)(1)(A); 47 CFR § 54.101(a) (providing that voice service is the supported service); 47 CFR § 54.403(a) (setting forth Lifeline support eligibility requirements).

B. Requirements for FCC ETC Designation

4. Section 254(e) of the Communications Act of 1934, as amended (the Communications Act), provides that "only an eligible telecommunications carrier designated under section 214(e) shall be eligible to receive specific federal universal service support."¹⁴ Under section 214(e), an ETC is a "common carrier" that "offer[s] the services that are supported by the Federal universal service support mechanisms under section 254(c),"¹⁵ and under that section, the Commission must "establish periodically," the services supported by universal service, "taking into account advances in telecommunications and information technologies and services."¹⁶ The Commission has defined voice as the only supported service.¹⁷ This definition is "technologically neutral," allowing "ETCs to provision voice service over many platforms."¹⁸ The Commission has also stated that a petitioner offering voice service may be treated as a "telecommunications carrier" under Title II of the Communications Act (and so become eligible to receive an ETC designation) if it "voluntarily 'holds itself out as a telecommunications carrier and complies with appropriate federal and state requirements."¹⁹

5. Section 214 of the Communications Act gives primary authority for ETC designations to state commissions.²⁰ The Commission has authority to so designate only when "a common carrier [is] providing telephone exchange service and exchange access that is not subject to the jurisdiction of a State commission."²¹ The petitioning carrier must demonstrate that the Commission has jurisdiction and may do so by submitting 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."²² The Bureau has also stated, for the limited purpose of determining whether it has secondary authority to make an ETC determination, that "[i]f 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

¹⁶ *Id.* § 254(c).

¹⁷ 47 CFR § 54.101(a).

¹⁸ 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, 17692, paras. 77-78 (2011) (*USF/ICC Transformation Order*).

¹⁹ *IP-Enabled Services; E9-1-1 requirements for IP-Enabled Service Providers,* WC Docket No. 04-36, WC Docket No. 05-196, First Report and Order and Notice of Proposed Rulemaking, 20 FCC Rcd 10245, 10268, para. 38 n.128 (2005), *aff'd sub nom. Nuvio Corp. v. FCC*, 473 F.3d 302 (D.C. Cir. 2006).

 20 *Id.* § 214(e)(2) (providing, in relevant part, that a state commission "shall upon its own motion or upon request designate a common carrier that meets the requirements of paragraph (1) as an eligible telecommunications carrier for a service area designated by the State commission"); *Id.* § 214(e) (providing that a common carrier designated under section 214(e)(2), (3), or (6)"offer the services that are supported by Federal universal service support mechanisms under section 254(c) of this title . . .).

²¹ *Id.* § 214(e)(6).

¹⁴ 47 U.S.C. § 254(e).

¹⁵ *Id.* at § 214(e); *Id.* § 153(11) (defining "common carrier" or "carrier" in relevant part, as "any person engaged as a common carrier for hire, in interstate or foreign communication by wire or radio or interstate or foreign radio transmission of energy").

²² 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); 47 U.S.C. § 214(e)(6).

Commission jurisdiction."²³ The Commission has delegated authority to the Bureau to consider appropriate ETC designation requests.²⁴

6. A petition for ETC designation by the Commission must include: (1) a certification that the petitioner offers or intends to offer all services designated for support by the Commission pursuant to section 254(c) of the Act (which service must be offered on a common carriage basis); (2) a certification that the petitioner offers or intends to offer the supported services either using its own facilities or a combination of its own facilities and resale of another carrier's services;²⁵ (3) a description of how the petitioner advertises the availability of the supported services and the charges therefor using media of general distribution;²⁶ (4) a detailed description of the geographic service area for which the petitioner requests to be designated as an ETC;²⁷ and (5) a certification that neither the petitioner, nor any party to the application, is subject to a denial of federal benefits pursuant to the Anti-Drug Abuse Act of 1988.²⁸

7. In addition, a petitioner must demonstrate its ability to meet certain service standards. A petitioner seeking an ETC designation for purposes of becoming eligible to receive RDOF support must: (1) certify that it will comply with the service requirements applicable to the support that it receives; (2) demonstrate its ability to remain functional in emergency situations; and (3) demonstrate its ability to satisfy applicable consumer protection and service quality standards.²⁹ An ETC seeking Lifeline-only designation must also: (1) demonstrate its financial and technical capability to provide Lifeline-supported services in accordance with applicable Commission rules and (2) submit information describing the terms and conditions of any voice telephony plans offered to Lifeline subscribers.³⁰

8. We note that for petitioners seeking ETC designation for the purpose of becoming authorized to receive program support, the Commission has waived the same section 54.202 requirements that it previously waived for CAF Phase II auction support recipients, specifically, the requirement that the petitioner submit a five-year service plan and proof of compliance with consumer protection and service quality standards.³¹ These waivers are predicated upon the finding that the need for such requirements is obviated by the specific service quality standards applicable to support recipients and specific reporting obligations relating to such standards.³² Accordingly, petitioners subject to this Order

²⁵ 47 U.S.C. § 214(e)(1); 47 CFR § 54.201(d)(1).

²⁶ 47 U.S.C. § 214(e)(1); 47 CFR § 54.201(d)(2).

²⁹ 47 CFR § 54.202(a).

³⁰ *Id.* § 54.202(a)(4)-(6).

³² Auction 903 ETC Guidance Public Notice, 33 FCC Rcd at 6699-6700; 47 CFR § 54.804; *id.* at § 54.806.

²³ 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 and 10-90, Public Notice, 33 FCC Rcd 6696, 6697 (WCB 2018) (Auction 903 ETC Guidance Public Notice).

²⁴ 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).

²⁷ An ETC's "service area" is set by the designating authority and is the geographic area within which an ETC has universal service obligations and may receive universal service support. 47 U.S.C. § 214(e)(5); 47 CFR § 54.207(a). Although section 214(e)(5) of the Act, 47 U.S.C. § 214(e)(5), requires conformance of a competitive ETC's service area and an incumbent rural telephone company's service area, the Commission has separately forborne from imposing such requirements on RDOF support recipients. *See Auction 904 Report and Order*, 35 FCC Rcd at 728, paras. 93-94.

²⁸ 21 U.S.C. § 862; 47 CFR § 1.2002(a)–(b).

³¹ Auction 904 Closing Public Notice, 35 FCC Rcd at 13901 n.71 (extending to Auction 904 long form applicants the same waivers of 54.202 requirements as provided to Auction 903 long form applicants under the same rationales); Auction 903 ETC Guidance Public Notice, 33 FCC Rcd at 6699-6700.

only need demonstrate their ability to meet applicable consumer protection and service quality standards for Lifeline-supported services in Lifeline-only eligible areas.³³

9. Prior to designating a carrier as an ETC pursuant to section 214(e)(6) of the Act, the Commission must determine whether such designation is in the public interest.³⁴ When making a public interest determination, the Commission historically has considered the benefits of increased consumer choice and the unique advantages and disadvantages of the applicant's service offering.³⁵ Because, however, ETC designation of long form applicants is conditioned upon, limited to, and effective upon petitioners' authorization to receive support under the program, designation in these areas is presumed to serve the public interest.³⁶ To be ultimately authorized, petitioners must complete a competitive bidding process that demonstrates their ability to provide service efficiently in unserved high-cost areas and an application process that demonstrate their ability to meet their public interest obligations.³⁷

C. Petitions for ETC Designation and Related Filings

10. With the exception of Carolina West, each petitioner that is the subject of this Order seeks an ETC designation to become eligible to receive RDOF support.³⁸ We specify with respect to every such petitioner that the designation will cover all eligible census blocks covered by the award (as published by the Commission on its website) for the state indicated and for which the petitioner is authorized to receive support, regardless of any discrepancies in the description of such areas in individual petitions.³⁹ One petitioner, Carolina West, which already has been designated as an ETC in areas eligible for program support, seeks designation in additional areas not eligible for program support.⁴⁰ In these adjacent areas, Carolina West can only receive a Lifeline-only designation.

11. The Bureau has released public notices soliciting comments on each of the petitions addressed in Attachment A of this Order.⁴¹ The Ensuring Rural Digital Opportunity Fund Integrity

³⁶ Auction 904 Closing Public Notice, 35 FCC Rcd at 13901 n.71 (extending to Auction 904 long form applicants the same presumption that designation will serve the public interest under the same rationales justifying the application of such presumption to Auction 903 support recipients); *Auction 903 ETC Guidance Public Notice*, 33 FCC Rcd at 6699-6700 (explaining the basis for this presumption). Accordingly, only those petitioners that seek designation for areas for which they are not eligible for high-cost support need demonstrate that Lifeline-only ETC designations in those areas would serve the public interest.

³⁷ See Auction 904 Procedures Public Notice, 35 FCC Rcd at 6112, para. 97 ("One of our main objectives is to maximize the impact of finite universal service resources by awarding support to those providers that will make the most efficient use of budgeted funds."); Auction 904 Report and Order, 35 FCC Rcd at 694-95, para. 18; Auction 904 Procedures Public Notice, 35 FCC Rcd at 6166, para. 301.

³⁸ The Commission previously designated Carolina West as an ETC for its winning bid areas subject to and limited by its subsequent authorization. *See* Telecommunications Carriers Eligible for Universal Service Support, WC Docket Nos. 09-197, 10-90, DA 21-663 (WCB rel. June 8, 2021).

³⁹ See Results, Long Form Applicants Spreadsheet at <u>https://www.fcc.gov/auction/904/round-results</u>.

⁴⁰ See Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund; WC Docket Nos. 09-197, 10-90, Order, DA 21-663 (WCB June 8, 2021).

⁴¹ Wireline Competition Bureau Seeks Comment on Rural Digital Opportunity Fund Petitions for Designation as an Eligible Telecommunications Carrier, Docket No. 09-197, Public Notice, DA 21-418, 36 FCC Rcd 7241 (WCB rel.

(continued....)

³³ 47 U.S.C. § 214(e)(6); 47 CFR § 54.202; *Auction 904 Closing Public Notice*, 35 FCC Rcd at 13901 n.71. The requirement that a carrier submit a five-year plan is not applicable to petitioners seeking designation solely for the purpose of receiving Lifeline support. 47 CFR § 54.202(a)(1)(ii).

³⁴ 47 U.S.C. § 214(e)(6); 47 CFR § 54.202(b).

³⁵ See, e.g., Virgin Mobile ETC Designation Order in the States of Alabama, Connecticut, Delaware, New Hampshire and the District of Columbia, WC Docket 09-197, Order, 25 FCC Rcd 17797, 17799, para. 6 (WCB 2010).

Coalition (ERIC), a self-described coalition of "rural broadband providers, rural Americans, and local government officials," challenges the petitions submitted by Charter Communications, Inc. (Charter)⁴² on behalf of its affiliated RDOF applicants.⁴³ ERIC asserts that Charter has failed to demonstrate that the petitioners can meet speed and latency requirements associated with its winning bids and accordingly, that the ETC designation would not serve the public interest.⁴⁴ ERIC also asserts that the Commission, in adopting the presumption that a conditional ETC designation serves the public interest based on information in the long-form application, undermines public comment inappropriately.⁴⁵ For this reason, ERIC seeks access to non-public long form application information to independently assess eligibility and qualifications to receive support.⁴⁶ ERIC asserts that Charter cannot profitably meet build-out requirements because it grossly underbid, and ERIC postulates that Charter placed these bids with the intention of defaulting to limit competition in areas near Charter's existing network.⁴⁷

12. In its reply, Charter asserts that ERIC raises concerns that are more appropriately addressed in other proceedings, such as default and enforcement proceedings.⁴⁸ Charter adds that requests for access to long form non-public information are inapposite, given the limited purpose of the ETC designation, i.e., to determine whether applicants are eligible to receive support.⁴⁹

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Apr. 13, 2021); Wireline Competition Bureau Seeks Comment on Rural Digital Opportunity Fund Petitions for Designation as an Eligible Telecommunications Carrier, Docket No. 09-197, Public Notice, DA 21-279, 36 FCC Rcd 4840 (WCB rel. Mar. 8, 2021).

⁴² Charter Communications, Inc. filed the ETC petition on behalf of its wholly controlled and majority owned subsidiaries, i.e., Bright House Networks Information Services (Alabama), LLC; Charter Fiberlink – Alabama, LLC; Charter Fiberlink Tennessee, LLC; Time Warner Cable Information Services (Alabama), LLC; Time Warner Cable Information Services (New Hampshire), LLC; and Time Warner Cable Information Services (Tennessee), LLC. Petition for ETC Designation, Bright House Networks Information Services (Alabama), LLC et al., WC Docket No. 09-197 (filed Jan. 6, 2021) (Charter ETC Petition). A Charter Communications, Inc. subsidiary, CCO Holdings, Inc., was the RDOF winning bidder.

⁴³ Ensuring Digital Opportunity Fund Integrity Coalition, Comments on Petition for ETC Designation of Bright House Networks Information Services, Inc. et al., WC Docket No. 09-197 at 1 n.1 (filed Apr. 7, 2021) (ERIC Comments on Charter Petition). ERIC does not disclose specific membership of the Coalition.

⁴⁴ See ERIC Comments on Charter Petition at 2.

⁴⁵ See *id.* at 5 n.8 (arguing that the Commission, in shifting the burden of proof from the ETC petitioner to the Commission via long form application to demonstrate that the designation serves the public interest, undermined access to the public record and limited public comment).

⁴⁶ See id. at 4 (explaining that ERIC has submitted an Informal Request for Commission Action to allow for public review of the Charter affiliates' long-form applications) (citing Ensuring RDOF Integrity Coalition Informal Request for Commission Action, WC Docket No. 19-126, WC Docket No. 10-90, AU Docket No. 20-34 (Feb. 25, 2021)).

⁴⁷ ERIC Comments on Charter Petition at 2-4.

⁴⁸ Charter Reply to ERIC at 7 (asserting that a "[w]inning bidders' ability to satisfy the RDOF performance obligations, including the specifics of their deployment plans and financing, are already being separately evaluated by the Commission through the long form application process"); *id.* at 8 (ERIC's objections based on the possibility of default are untimely because such occurrence will be handled through default and enforcement procedures after authorization); *see also id.* at 8 (stating that ERIC's objection to Charter's commitment to build-out to eligible areas for less support than what ERIC believes is necessary is "irrelevant" since Charter has access to additional support and has already invested millions).

⁴⁹ *Id.* at 9 (request to review records is inapposite to ETC designation process because the Commission has deemed this information confidential by default) (citing *Auction 904 Report and Order*, 35 FCC Rcd at 725, para. 86 n.248).

III. DISCUSSION

13. We find that each of the petitioners listed in the Attachments to this order satisfies the statutory requirements of sections 254 and 214(e) of the Act for designation as an ETC, and the Commission's requirements for ETC designation.⁵⁰ We therefore designate each petitioner listed in Attachment A as a high-cost ETC in the specified state(s), conditioned upon and limited to the high-cost areas where the Commission authorizes the petitioner to receive RDOF support and effective only upon such authorization. In these areas, petitioners must meet Auction 904 requirements, Lifeline requirements, and other service obligations attendant to their high-cost designations, as specified in the Act and the Commission's rules.⁵¹ In the area not eligible for RDOF support for which Carolina West has demonstrated its ability to meet Lifeline requirements, we designate the petitioner as a Lifeline-only ETC. In these areas, Carolina West must offer Lifeline-supported services to low-income consumers consistent with the requirements of the Act and the Commission's rules and in accordance with all representations and commitments made in its ETC petitions.

A. Commission Authority

14. Each petitioner demonstrates that the Commission has the requisite authority to designate it as an ETC pursuant to section 214(e)(6) of the Act. Each petitioner has submitted an affirmative statement of the relevant state authority declining to assert jurisdiction⁵² and/or relevant state regulations specifically excluding from state regulatory authority the services offered by the petitioners.⁵³ As indicated below, each petitioner demonstrates that it meets all statutory requirements for ETC designation. Accordingly, we find that the Bureau, acting under the Commission's delegation of authority, may designate the petitioners listed in Attachment A as ETCs for purposes of eligibility for RDOF support.

B. Eligibility Requirements

15. Offering the Service Supported by the Universal Service Support Mechanisms. We find that each of the petitioners establishes through the required certifications and related filings that it qualifies as a telecommunications provider for purposes of receiving universal service support for which it will become eligible pursuant to the requested designation and that it will offer the service supported by the federal universal service support mechanisms.⁵⁴ Specifically, each petitioner has committed to offering voice service on a common carrier basis and has specified that its voice service meets the

⁵⁰ We note that there remains pending before the Commission petitions for ETC designation for the purpose of receiving RDOF support.

⁵¹ 47 U.S.C. § 54.202(a)(1)(i); *id.* § 54.101.

⁵² See, e.g., Charter ETC Petition at Exh. D (Letter from Kelly Cashman Grams, General Counsel, Tennessee Public Utility Commission, to Henry Walker, Bradley Arant Boult Cummings, LLP (dated Dec. 29, 2020) (confirming that Tennessee Public Utility Commission does not regulate broadband internet or Voice over Internet Protocol (VoIP) providers)).

⁵³ See, e.g., Petition of Conexon Connect, LLC for Eligible Telecommunications Carrier Designation in Florida and Tennessee, WC Docket No. 09-197, at 3 (filed Jan. 4, 2021) (citing section 364.011 of the Florida Statutes, Fla. Stat. § 364.011 (2021), exempting from the Florida Public Service Commission's jurisdiction, with limited exception not relevant here, broadband and VoIP services).

⁵⁴ 47 U.S.C. § 214(e)(1)(A); 47 CFR § 54.201(d)(1); see also Attachment A.

requirements of section 54.101(a) of the Commission's rules.⁵⁵ The petitioner must offer this service as of the first day of the month following the authorization.⁵⁶

16. *Compliance with the Service Requirements Applicable to RDOF Support Recipients.* We find that each of the petitioners establishes its ability to comply with service requirements applicable to the support that it receives.⁵⁷ This determination takes into account that, prior to being authorized to receive RDOF support, the petitioners must certify and demonstrate, as part of their short form and long form applications, the technical and financial ability to provide voice and broadband services meeting or exceeding RDOF standards,⁵⁸ certify their commitment to meeting relevant public interest obligations,⁵⁹ and certify their compliance with all statutory and regulatory requirements for receiving the universal service support or, alternatively, certify their acknowledgement that they must be in compliance with these requirements prior to being authorized to receive support.⁶⁰ Moreover, once authorized, the petitioners must satisfy certain reporting obligations to ensure that the support received is being used efficiently and appropriately and that service requirements are being met.⁶¹

17. In reaching these decisions, we reject ERIC's arguments and assertions challenging Charter's ETC petition based on information to be filed and evaluated as part of the long-form application process. Indeed, as the Bureau has already explained in the context of the Connect America Fund (CAF) Phase II auction (Auction 903), the ETC designation process and authorization processes serve different purposes.⁶² Specifically, "the ETC designation process establishes a petitioner's general eligibility for receiving USF support and imposes certain statutory and regulatory obligations but does not duplicate the Bureau's multifaceted, objective, and consistent process for evaluating ... long form applications or future performance."⁶³ To receive RDOF support, ETC petitioners must make binding commitments to build out a future network but are not required, as part of the ETC process, to submit evidence supporting such commitments or refute allegations that they cannot fulfill them.⁶⁴ As the Commission stated in the *Auction 904 Procedures Public Notice*, there are clear distinctions between the Commission's determinations on whether an applicant has successfully demonstrated its qualifications to place a bid,

⁶⁰ 47 CFR § 1.21001(b)(6).

⁶³ Id.

⁵⁵ 47 U.S.C. § 214(e)(1), (6); 47 CFR § 54.101(a) (eligible voice telephony service must provide voice grade access to the public switched network or its functional equivalent).

⁵⁶ See Auction 904 Report and Order, 35 FCC Rcd at 745, para. 139 (a new ETC receiving RDOF support should be prepared to provide voice service throughout its service areas, either through its own facilities or a combination of its own and other ETC's facilities, on the first day of the month after receiving its ETC designation).

⁵⁷ 47 CFR §§54.101(d), 54.202(a)(1)(i).

⁵⁸ *Id.* § 54.804(a),(b); *Auction 904 Report and Order*, 35 FCC Rcd at 726, para. 88, 90.

⁵⁹ 47 CFR § 54.804(b)(2)(iii); Auction 904 Report and Order, 35 FCC Rcd at 726, para. 89.

⁶¹ *Id.* § 54.806 (providing that RDOF support recipients are subject to 54.313, 54.314, 54.316); *id.* § 54.313 (requiring annual report including certifications as to rates, functionality, and deployment, among other things); *id.* § 54.314 (requiring annual certification stating that all federal high-cost support provided was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended); *id.* § 54.316 (requiring build-out milestone reporting).

⁶² Telecommunication Carriers Eligible for Universal Service Support, Order, 34 FCC Rcd 8137, 8142, para. 17 (WCB 2019).

⁶⁴ Id. (citing Federal-State Joint Board on Universal Service; Western Wireless Corporation Petition for Preemption of an Order of The South Dakota Public Utilities Commission, Declaratory Ruling, 15 FCC Rcd 15168, 15169, 16173-74, paras. 2, 14 (2000)).

whether a telecommunications carrier is generally eligible to receive USF support under the RDOF program, and whether the applicant may be deemed authorized to receive support.⁶⁵

18. *Compliance with Service Requirements Applicable to Lifeline Services.* Each petitioner commits to offering Lifeline discounts to qualifying low-income consumers, consistent with the Commission's rules, in all high-cost areas where it is authorized to receive support.⁶⁶ In addition, each petitioner seeking a Lifeline-only designation in Lifeline-only eligible areas specifically commits to meeting Lifeline consumer enforcement and certification standards and describes how it intends to meet such standards.⁶⁷ We emphasize that all ETCs receiving Lifeline support must report certain information to the Commission, USAC, and the local regulatory authority, pursuant to section 54.422 of the Commission's rules.⁶⁸

19. Offering the Supported Services Using a Carrier's Own Facilities. Each petitioner certifies that it will offer supported services using its own facilities or a combination of its own facilities and resale of another carrier's services.⁶⁹ Facilities are the ETC's "own" if the ETC has an exclusive right to use the facilities to provide the supported services or when service is provided by any affiliate within the holding company structure.⁷⁰ An ETC may satisfy its obligation to "offer" supported voice service (or its functional equivalent, including VoIP) through a third-party vendor but cannot simply rely on the availability of over-the-top voice options.⁷¹ Instead, the ETC must remain legally responsible, through a managed service solution, that ensures that the service meets consumer protection and service quality standards.⁷²

20. *Advertising Supported Services*. Each petitioner commits to advertising the availability of the supported services and related charges using media of general distribution.⁷³ We emphasize that, as

68 47 CFR § 54.422; see also id. § 54.410.

69 47 U.S.C. § 214(e)(1)(A); 47 CFR § 54.201(d)(1).

⁷⁰ Auction 903 ETC Public Notice, 33 FCC Rcd at 6698; 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").

⁶⁵ Auction 904 Procedures Public Notice, 35 FCC Rcd at 6088-89, para. 27. Based upon these distinctions and consistent with the Commission's adopted framework for long form review, the Bureau cannot allow competitors to access confidential long form information, even under protective order, in this proceeding. Auction 904 Report and Order, 35 FCC Rcd at para. 86 n.248 ("We are not persuaded that we should allow outside parties to review confidential information in the winning bidders' applications.").

^{66 47} CFR §§ 54.400 et seq.

⁶⁷ Id. § 54.410 (setting forth the Commission's rules on subscriber eligibility determination and certification).

⁷¹ Auction 903 ETC Public Notice, 33 FCC Rcd at 6699 (citing 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. Connect America Fund*, WC Docket No. 10-90, Report and Order, 28 FCC Rcd 7211, 7224 n.21 (WCB 2013) (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")).

⁷² Auction 903 ETC Public Notice, 33 FCC Rcd at 6699.

⁷³ 47 U.S.C. § 214(e)(1)(B); 47 CFR § 54.201(d)(2); see also Attachment A.

part of this commitment, an ETC must advertise the availability of its services and charges in a manner reasonably designed to reach Lifeline-eligible consumers.⁷⁴

21. *Ability to Remain Functional in Emergency Situations*. Each petitioner states that it can remain functional in emergency situations.⁷⁵ Each petitioner states that it has sufficient back-up power to ensure functionality in the designated service area without an external power source, can re-route traffic around damaged facilities, and can manage traffic spikes resulting from emergency situations.⁷⁶

22. Anti-Drug Abuse Act Certification. Each petitioner submits a certification that satisfies the requirements of the Anti-Drug Abuse Act of 1988, as codified in sections 1.2001-1.2003 of the Commission's rules.⁷⁷

23. Consumer Protection and Service Quality Standards in Lifeline-Only Eligible Areas. Each petitioner seeking a Lifeline-only designation in Lifeline-only eligible areas commits to abiding by all applicable state and federal consumer protection and service quality standards, including specific obligations under the Act and its implementing rules, in Lifeline-only eligible areas.⁷⁸

24. Technical and Financial Ability to Offer Lifeline Services in Lifeline-Only Eligible Areas. The petitioner seeking a Lifeline-only designation in Lifeline-only eligible areas demonstrates the technical and financial ability to offer Lifeline-supported voice and broadband Internet access services in Lifeline-only eligible areas.⁷⁹ This determination is informed by the technical and financial information filed by the petitioner in its Auction 904 application for the high-cost eligible areas generally contiguous with the Lifeline-only eligible area.⁸⁰

25. *Terms and Conditions of Service Plans in Lifeline-only Eligible Areas.* The petitioner seeking a Lifeline-only designation in Lifeline-only eligible areas sufficiently describes the terms and conditions of service plans that it will make available to the public in Lifeline-only eligible areas.⁸¹

C. Public Interest Analysis

26. We conclude that the petitioners' participation in universal service programs would be in the public interest and would provide numerous benefits to consumers. As noted above, these designations are conditioned upon, limited to, and effective upon petitioners' authorization to receive support under the RDOF program, and if they are ultimately authorized, we presume that the designation will serve the public interest. Long-standing Commission precedent has explained that the public interest inquiry is a cost-benefit analysis focusing on a petitioner's efficiencies, the benefits of competition, the public benefits of service, and the fundamental principles of USF, all of which are fully demonstrated through the competitive auction and successful completion of the authorization processes.⁸² To further

⁷⁷ Id. § 1.2002; see also Attachment A.

⁷⁸ *Id.* § 54.202(a)(3).

⁷⁹ *Id.* § 54.202(a)(4); *see also* Attachment B.

 80 *Id.* § 54.804(a) (requiring applicants seeking to participate in Auction 904 to submit certifications and supporting information regarding their technical and financial ability to provide service); *id.* § 54.804(b)(2)(ii) (requiring further certifications and information in the long form application regarding the winning bidders' technical and financial ability to provide service).

⁸¹ *Id.* § 54.202(a)(5), (6); *see also* Attachment B.

⁸² See Federal-State Joint Board on Universal Service, CC Docket No. 95-45, Report and Order, 20 FCC Rcd 6371, 6388-89, para. 40 (2005) ("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 fundamental goals of preserving and

(continued....)

⁷⁴ 47 CFR § 54.405.

⁷⁵ See Attachment A.

⁷⁶ 47 CFR § 54.202(a)(2).

elaborate, the competitive auction ensures that the most efficient (or at least one of the most efficient providers) will serve an area that the Commission has already identified as underserved or unserved using preapproved technologies. The Commission has determined that service to these areas will bring social and economic benefits in terms of access to advanced service meeting specific performance requirements. In addition, the Commission's application process scrutinizes how the participant will provide service and meet program requirements, subject to close oversight and default penalties; this helps ensure that the petitioners will meet their obligation to provide ubiquitous service throughout the study area at comparable costs. While we take into consideration these presumptions, we also address specific costs raised by petitioners so long as those "costs" are not a challenge to a process that the Commission has already established to assess technological capabilities. In asserting questions about the capabilities of petitioners to meet long form application requirements, ERIC tries to make an end run around our analysis of the relevancy of evidentiary claims by characterizing such arguments as part of the public interest analysis.⁸³

27. In addition, ERIC's speculations about the purposes of Charter's bidding strategies do not alter our determination that Charter's designation serves the public interest. .⁸⁴ ERIC has not presented any persuasive evidence that Charter acted in bad faith by placing bids that some non-winning bidders suggest might not result in short-term profit in the supported area.⁸⁵ The Commission evaluates long-form applicants' financial capabilities as part of the authorization process,⁸⁶ and support recipients will be held accountable should they fail to meet program requirements.⁸⁷

28. We further find that granting Carolina West's petition to provide Lifeline service in additional areas not eligible for RDOF support serves the public interest. Carolina West will offer advanced services to underserved areas at competitive prices.⁸⁸ Pursuant to the grant of its Lifeline-only designation, Carolina West commits to offering Lifeline-supported services and to meeting or exceeding

⁸³ *Id.* at 6391, para. 45 (2005) (stating that the "requirements we have established in this Report and Order for becoming an ETC will help ensure that each ETC designation will serve the public interest"). We note that the Commission expressly declined to impose additional ETC requirements relating to financial considerations. *See id.* at 6387-88, paras. 37-39.

⁸⁴ ERIC Comments on Charter Petition at 2-4.

⁸⁵ Auction 904 Procedures Public Notice, 35 FCC Rcd at 6126, para. 131 ("Each potential bidder is responsible for undertaking research to ensure that any support won in this auction will be suitable for its business plans and needs."); 47 CFR § 54.804(a)(8).

⁸⁶ 47 CFR § 54.804(b)(2), (c); *Auction 904 Report and Order*, 35 FCC Rcd at 722-23, para. 80 (requiring Auction 904 applicants to submit audited financial information); *id.* at 727, 729-35, paras. 91, 96-113 (requiring each Auction 904 long-form applicant to certify that it will have available funds for all project costs that exceed the amount of RDOF support for the first two years, submit a description of how the required construction will be funded, and obtain a letter of credit).

⁸⁷ 47 CFR §§ 54.320, 54.804(c), 54.806(c); *Auction 904 Report and Order*, 35 FCC Rcd at 713-16, paras. 58-64 (describing noncompliance measures that include reporting, withholding of support, and support recovery); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15700, 15694-701, paras. 142-57 (2014); *Performance Measures for Connect America High-Cost Universal Service Support Recipients*, WC Docket No. 10-90, Order, 33 FCC Rcd 6509, 6531-33, paras. 60-67 (WCB/WTB/OET 2018).

⁸⁸ *Id.*; see also Attachment B.

⁽Continued from previous page) -

advancing universal service; ensuring the availability of quality telecommunications services at just, reasonable, and affordable rates; and promoting the deployment of advanced telecommunications and information services to all regions of the nation, including rural and high-cost areas."); *id.* at 6389, para. 41 (where the Commission has jurisdiction, it will conduct a cost-benefit analysis that includes consideration of a variety of factors, including "the benefits of increased consumer choice, and the unique advantages and disadvantages of the competitor's service offering").

Lifeline requirements. Given its commitments and all associated representations, granting Carolina West a Lifeline-only ETC designation will help ensure increased consumer choice, affordability, and improved quality of service in these areas.

29. Accordingly, based on the information, representations, and certifications in their petitions, we find that the petitioners have met all applicable conditions and prerequisites for ETC designation and that conditionally granting these petitions serves the public interest.

D. Regulatory Oversight

30. Under section 254(e) of the Act, each petitioner must use universal service support "only for the provision, maintenance, and upgrading of facilities and services for which the support is intended."⁸⁹ Under section 214(e) of the Act, each petitioner must provide supported services throughout the service area for which it receives an ETC designation.⁹⁰ When authorized to receive high-cost support, each petitioner must file an annual certification that all federal high-cost support received was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.⁹¹ The Commission conditions future support awarded through the high-cost program on the filing of such certification.⁹²

31. An ETC receiving Lifeline support uses that support as intended when it reduces the price of its telecommunications services by the amount of the support for the eligible consumer.⁹³ In addition, the ETC must file annual reports that include, among other things, a certification of compliance with applicable minimum service standards, service quality standards, and consumer protection rules.⁹⁴

32. We find that reliance on petitioners' commitments to meet these and other regulatory requirements in their applications, as well as representations and commitments made in their petitions, is reasonable and consistent with the public interest and the Act. We conclude that fulfillment of these additional reporting requirements will further the Commission's goal of ensuring that petitioners satisfy their obligation under section 214(e) of the Act to provide supported services throughout their respective designated service areas.

33. The Commission may initiate an inquiry on its own motion to examine any ETC's records and documentation to ensure that the universal service support the ETC receives is being used "only for the provision, maintenance, and upgrading of facilities and services" in the areas in which it is designated as an ETC.⁹⁵ Petitioners must provide such records and documentation to the Commission and USAC upon request.⁹⁶ If a petitioner fails to fulfill the requirements of the Act, the Commission's rules, and the terms of this Order after it begins receiving universal service support, the Commission has

⁹² Id.

95 47 U.S.C. §§ 220, 403.

⁹⁶ 47 CFR § 54.417.

⁸⁹ 47 U.S.C. § 254(e).

⁹⁰ *Id.* § 214(e).

^{91 47} CFR § 54.314(b).

⁹³ See Petition of TracFone Wireless, Inc. for Forbearance from 47 U.S.C. § 214(e)(1)(A) and 47 C.F.R. § 54.201(i), CC Docket No. 96-45, Order, 20 FCC Rcd 15095, 15105-06, para. 26 (2005).

⁹⁴ 47 CFR § 54.422(b)(3); *see also id.* §§ 54.416, 54.422 (requiring an officer of the company to certify that the ETC has policies and procedures in place to ensure that its Lifeline subscribers are eligible to receive Lifeline services and that will comply with all federal Lifeline certification procedures).

authority to revoke the petitioner's ETC designation.⁹⁷ The Commission also may assess forfeitures for violations of Commission rules and orders.⁹⁸

34. As the Bureau has previously explained, a carrier that cannot appropriately use universal service support must relinquish its ETC designation pursuant to section 214(e)(4) of the Act and section 54.205 of the Commission's rules.⁹⁹ For ETCs designated by the Commission, 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). The Bureau 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.¹⁰⁰ 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. A carrier that intends to discontinue service must first seek authorization to discontinue service under section 63.71 of the Commission's rules.¹⁰¹ In addition, ETCs seeking to transfer control of their domestic authorizations to operate pursuant to section 214 of the Act or to engage in the sale of assets under section 214 (including any authorization to receive RDOF support) must first receive approval from the Commission in accordance with sections 63.03 and 63.04 of the Commission's rules governing the procedures for domestic transfer of control/asset applications.¹⁰² Transfers of control and assignments of international section 214 authorizations are separately subject to section 63.24 of the Commission's rules.¹⁰³ Except where the Commission has forborne from the application of section 214, this requirement applies to all transfers of control or asset acquisitions involving ETCs.

IV. ORDERING CLAUSES

35. Accordingly, IT IS ORDERED, pursuant to the authority contained in section 214(e)(6) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(e)(6), and the authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 CFR §§ 0.91, 0.291, that EACH OF THE PETITIONERS SPECIFIED IN ATTACHMENT A TO THIS ORDER IS CONDITIONALLY DESIGNATED AN ELIGIBLE TELECOMMUNICATIONS CARRIER IN ALL CENSUS BLOCKS IN

98 See 47 U.S.C. § 503(b).

⁹⁹ *Id.* § 214(a); 47 CFR § 54.205. *See, e.g., Connect America Phase II Support Authorized for Six Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 35 FCC Rcd 12869, 12874 (RBAFT, OEA, WCB 2020) (summarizing ETC obligations relating to relinquishment); *Connect America Phase II Support Authorized for 856 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 4725, 4720-30 (RBAFT, OEA, WCB 2019).

¹⁰⁰ 47 U.S.C. § 214(e)(4).

¹⁰¹ 47 CFR § 63.71.

¹⁰³ 47 CFR § 63.24.

⁹⁷ *Id.* § 54.806(b) (providing that RDOF support recipients are subject to the compliance measures, recordkeeping requirements and audit requirements set forth in section 54.320(a)-(c) of the Commission's rules); *id.* § 54.320(c); *Federal-State Joint Board on Universal Service; Western Wireless Corp. Petition for Preemption of an Order of the South Dakota Public Utilities Commission*, CC Docket No. 96-45, Declaratory Ruling, 15 FCC Rcd 15168, 15174, para. 15 (2000).

¹⁰² 47 U.S.C. § 214; 47 CFR §§ 63.03; 63.04; *Connect America Phase II Support Authorized for Six Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 35 FCC Rcd 12869, 12874-75 (RBAFT, OEA, WCB 2020) (summarizing ETC obligations relating to transfers of control); *Connect America Phase II Support Authorized for 856 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 4725, 4730 (RBAFT, OEA, WCB 2020). Regardless of whether an applicant for RDOF support has received ETC designation during the resubmission period, transfers of control constitute major modifications requiring waiver. Absent such waiver, the application may be dismissed. 47 CFR § 1.21001(d)(5) (prohibiting major modifications to an application during a resubmission period, including any changes in the ownership of the applicant that constitute an assignment or transfer of control); *Auction 904 Procedures Public Notice*, 35 FCC Rcd at 6140-41, para. 182 n.407.

THE SPECIFIED STATES FOR WHICH IT IS ELIGIBLE TO RECEIVE SUPPORT AWARDED THROUGH THE RURAL DIGITAL OPPORTUNITY FUND PHASE I AUCTION (AUCTION 904). These designations are contingent upon the petitioners becoming authorized to receive such support, are limited to those areas where support is authorized, and are effective only upon authorization.

36. IT IS FURTHER ORDERED that, pursuant to the authority contained in section 214(e)(6) of the Communications Act of 1934, as amended, 47 U.S.C. § 214(e)(6), and the authority delegated in sections 0.91 and 0.291 of the Commission's rules, 47 CFR §§ 0.91, 0.291, that CAROLINA WEST WIRELESS, INC. IS DESIGNATED AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER ELIGIBLE ONLY FOR LIFELINE SUPPORT IN AREAS SPECIFIED IN ITS PETITION THAT ARE NOT ELIGIBLE FOR HIGH COST SUPPORT, to the extent described in this Order.

37. IT IS FURTHER ORDERED that a copy of this Order SHALL BE TRANSMITTED to the relevant state commissions, the relevant tribal authorities, and to the Universal Service Administrative Company.

38. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1), this order SHALL BE effective upon release.

FEDERAL COMMUNICATIONS COMMISSION

Kris Anne Monteith Chief Wireline Competition Bureau

ATTACHMENT A

ETC PETITIONS GRANTED FOR AUCTION 904 ELIGIBLE AREAS

Petitioner Name(s)	Date Filed	State
Bright House Networks Information Services (Alabama), LLC; Charter Fiberlink – Alabama, LLC; Time Warner Cable Information Services (Alabama)	1/6/2021	AL
Talkie Communications, Inc.	1/6/2021	DE
Conexon Connect, LLC	1/4/2021	FL
Talkie Communications, Inc.	1/20/2021	MD
Time Warner Cable Information Services (New Hampshire), LLC	1/6/2021	NH
Charter Fiberlink – Tennessee, LLC, Time Warner Cable Information Services (Tennessee)	1/6/2021	TN
Conexon Connect, LLC	1/4/2021	TN

ATTACHMENT B

ETC PETITION GRANTED FOR LIFELINE SUPPORT IN AREAS NOT ELIGIBLE FOR HIGH-COST SUPPORT

Petitioner Name(s)	Date Filed	State
Carolina West Wireless, Inc.	2/17/2021	NC