



PUBLIC NOTICE

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TRANSFER OF CONNECT AMERICA FUND PHASE II AUCTION SUPPORT TO POINT BROADBAND FIBER HOLDINGS, LLC

WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau (Bureau), in coordination with the Rural Broadband Auctions Task Force, recognizes Point Broadband Fiber Holdings, LLC's (Point Broadband) authority to receive all Connect America Fund Phase II (Auction 903) support awarded to Crystal Automation Systems, Inc d/b/a Casair (Casair) not already disbursed to Casair as of September 2020.¹ In exchange for such support, Point Broadband assumes Casair's defined deployment obligations and voice and broadband service obligations for the State of Michigan. Specifically, Point Broadband must offer qualifying voice and broadband service to 17,610 qualifying locations as of December 31, 2025. In addition, Point Broadband assumes responsibility for complying with all other obligations of Auction 903 support recipients.² It is a violation of Commission rules to receive universal service 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.³

On July 15, 2019, the Bureau authorized Casair to receive a total \$27,299,086.90 over ten years for its winning bids in Michigan.⁴ Attendant to such award, Casair committed to deploying broadband service meeting the performance tier and latency requirements associated with its bids to 17,610 eligible locations in Michigan.⁵ On August 11, 2020, Casair and Point Broadband filed an application, pursuant to section 214 of the Communications Act of 1934, as amended, (the Act) and sections 63.03-04 of the Commission's rules, requesting consent to transfer certain assets of Casair to Point Broadband.⁶ Pursuant to the terms of the proposed transaction, Point Broadband would acquire from Casair, fiber infrastructure and customer service agreements, to provide broadband service in west central Michigan.⁷ On September

¹ Connect America Fund Phase II Auction Support Authorized for 2,413 Winning Bids, Public Notice, 34 FCC Rcd 5966 (2019) (*Authorization Public Notice*).

² In the *Authorization Public Notice*, we provided a summary of the various obligations of authorized Auction 903 support recipients that Point Broadband now assumes. The list is not a comprehensive list and Point Broadband is still responsible for conducting the due diligence required to comply with universal service fund requirements and the Commission's rules.

³ 47 U.S.C. § 254(e); 47 CFR §§ 54.7, 54.314.

⁴ *Authorization Public Notice*, Exhibit A.

⁵ *Id.*

⁶ 47 U.S.C. § 214; 47 CFR § 63.24(b); Domestic Section 214 Application Filed for the Acquisition of Certain Assets of Crystal Automation Systems, Inc. d/b/a Casair by Point Broadband Fiber Holding, LLC, WC Docket No. 20-261 (filed Aug. 11, 2020) (Assignment Application).

⁷ Assignment Application at 8.

26, 2020, the Bureau granted this request.⁸ This transaction was consummated as of the end of September.

On February 4, 2020, Point Broadband petitioned the Michigan Public Services Commission (MPSC) for designation as an Eligible Telecommunications Carrier (ETC) in all census blocks where Casair was authorized to receive Auction 903 support.⁹ On April 15, 2020, the MPSC granted this request.¹⁰ On December 17, 2020, Casair submitted to the MPSC a request to relinquish its ETC designation, which remains pending.¹¹

USAC has reviewed Point Broadband's letter(s) of credit and Bankruptcy Code opinion letter(s) from legal counsel and both meet the Auction 903 requirements. Based upon our review of Point Broadband's financial and technical qualifications, including that it is an established broadband service provider in 5 states, we find that Point Broadband satisfies the criteria to be authorized to receive Connect America Phase II auction support in return for its commitment to provide service meeting the Auction 903 requirements.¹² Accordingly, the Universal Service Administrative Company (USAC) is authorized, as of the consummation of the transaction, to obligate and disburse from the Universal Service Fund all remaining Auction 903 support initially awarded to Casair. Such support will continue to be paid in monthly installments. USAC will make disbursement payments to the account on file for the 498 ID associated with the study area code (SAC) 319050.

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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⁸ Notice of Domestic Section 214 Authorization Granted, WC Docket No. 20-261, Public Notice, 35 FCC Rcd 10494 (WCB 2020).

⁹ Application of Point Broadband Fiber Holding, LLC for designation as a high-cost eligible telecommunications carrier pursuant to Section 214(e)(2) of the Communications Act of 1934, as amended, Amended Application of Point Broadband Fiber Holding, LLC to Add Census Blocks, Case No. U-20720 (filed Feb. 4, 2020, as amended, Feb. 27, 2020, Mar. 4, 2020).

¹⁰ Application of Point Broadband Fiber Holding, LLC for designation as a High Cost eligible telecommunications carrier pursuant to Section 214(3)(2) of the Communications Act of 1934, as amended, Order, Case No. U-20720 (rel. Apr. 15, 2020).

¹¹ Request for Relinquishment of Eligible Telecommunications Carrier Designation of Crystal Automation Systems, Inc. d/b/a Casair, Case No. U-20329 (filed Dec. 17, 2020).

¹² While Point Broadband did not participate in Auction 903, its wholly owned subsidiary, Sunset Digital Communications LLC, successfully completed an Auction 903 long-form application and on October 10, 2019, was authorized to receive CAF Phase II support for its winning bids in Tennessee and Virginia. *Connect America Fund Phase II Auction Support Authorized for 387 Winning Bids*, Public Notice, 34 FCC Rcd 9406 (WCB, RBATF, OEA 2019); Assignment Application at 6 (disclosing that Point Broadband owns 100% of Sunset Digital Communications, LLC).