**DA 22-1066**

**Released: October 6, 2022**

**DOMESTIC SECTION 214 APPLICATION GRANTED SUBJECT TO CONDITION**

**WC Docket No. 22-292**

By this Public Notice, the Wireline Competition Bureau (Bureau) grants, as conditioned, an application filed by Sacred Wind Enterprises, Inc. (Sacred Wind) and Alloy, Inc. (Alloy) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission’s rules, requesting consent to transfer control of Sacred Wind’s wholly-owned operating subsidiaries (Section 214 Holders) to Alloy.[[1]](#footnote-3)

On August 25, 2022, the Bureau released a public notice seeking comment on the Application.[[2]](#footnote-4) We received five letters from Tribal entities supporting the proposed transaction and requesting that the Bureau approve the Application.[[3]](#footnote-5) We did not receive comments or petitions in opposition to the Application.

**Applicants and Description of Transaction**

Sacred Wind, a holding company, provides telecommunications and broadband service through the Section 214 Holders to residential and business customers on the Navajo Reservation and near-Reservation lands in New Mexico.[[4]](#footnote-6) Specifically, Sacred Wind Enterprises, Inc. (SWC) is a rural incumbent local exchange carrier (LEC) and Eligible Telecommunications Carrier (ETC) serving a population of approximately 23,300 customers, 98% of whom are Navajo citizens, in an area comprising approximately 3,200 square miles.[[5]](#footnote-7) SWC did not elect to receive model-based universal service support and receives cost-based support.[[6]](#footnote-8) SW DinehNet, LLC (SW DinehNet) is an ETC and subsidiary of SWC, and provides competitive telecommunications and broadband services outside of SWC’s incumbent LEC territory.[[7]](#footnote-9) SW DinehNet receives Connect America Fund (CAF) Phase II Auction 903 support in New Mexico.[[8]](#footnote-10) On April 15, 2022, the Bureau authorized SW DinehNet to receive $2,598,030.00 of Rural Digital Opportunity Fund (RDOF) Auction 904 support to provide service to 635 estimated locations in New Mexico.[[9]](#footnote-11) SWC Telesolutions, Inc. (SWC Telesolutions) provides interexchange services to SWC and SWC DinehNet customers and also provides broadband services in areas adjacent to SWC’s service territory.[[10]](#footnote-12)

Alloy, a Delaware corporation, is a newly formed holding company created for the purpose of acquiring Sacred Wind and the Section 214 Holders.[[11]](#footnote-13) It is a wholly-owned subsidiary of ATN International, Inc. (ATN), a publicly-traded Delaware corporation.[[12]](#footnote-14) Applicants state that Cornelius B. Prior, Jr., a U.S. citizen, holds 26.59% of ATN’s stock, and Blackrock Fund Advisors (BlackRock), a U.S. investment entity, holds 11.84% of ATN’s stock.[[13]](#footnote-15) ATN’s affiliates provide incumbent LEC services in the U.S. Virgin Islands and Alaska and competitive LEC, wireless, and broadband services in several states, including New Mexico.[[14]](#footnote-16) Applicants state that ATN’s wholly-owned affiliates, Commnet Wireless, LLC and Commnet Broadband, LLC (together, Commnet), provide fixed and mobile broadband and commercial mobile radio services (CMRS) in the southwestern U.S., including in some areas served by SWC.[[15]](#footnote-17) Applicants further state that Alloy’s affiliates receive fixed amounts of universal service support through various programs.[[16]](#footnote-18)

Pursuant to the terms of the proposed transaction, ATN will contribute, in a *pro forma* transaction and via a contribution agreement, all of the issued and outstanding equity interests held by ATN in Commnet to Alloy.[[17]](#footnote-19) Applicants then state that “the Company Stockholders will transfer a portion of their shares of Sacred Wind’s common stock to Alloy and the remaining portion of their shares of Sacred Wind’s common stock to SW Holdings. In consideration, SW Holdings will issue its membership interests to Sacred Wind stockholders and will sell to Alloy all the Sacred Wind shares of common stock that it owns in connection with the transaction. In exchange, SW Holdings will receive shares of Alloy’s preferred stock, whereas other Company Stockholders that sell their Sacred Wind common stock directly to Alloy will receive cash. As a result, Sacred Wind and the Section 214 Holders will become wholly owned subsidiaries of Alloy, which also will be the sole owner of Commnet. ATN will hold an ownership interest in Alloy of approximately 94.4 percent, and SW Holdings will hold an ownership interest in Alloy of approximately 5.6 percent. In addition, the direct ownership structures of SWC, SW DinehNet, and SWC Telesolutions will remain unchanged.”[[18]](#footnote-20)

**Discussion**

We find, upon consideration of the record, that a grant of the Application will serve the public interest, convenience, and necessity. To make this determination under Commission precedent, we consider whether the proposed transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.[[19]](#footnote-21) We then employ a balancing test weighing any potential public interest harms of the proposed transaction against any potential public interest benefits.[[20]](#footnote-22) The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.[[21]](#footnote-23)

At the outset, we address one potential harm arising from Applicants’ request for approval to consummate a transaction involving companies that receive high-cost universal service support under the different support mechanisms of fixed model-based support and cost-based support (a mixed support transaction). Specifically, Alloy, which is affiliated with entities that receive fixed forms of support through the RDOF, CAF Phase II programs, and frozen high cost support, is acquiring SWC, which receives cost-based support.[[22]](#footnote-24) The Commission has found that this type of transaction could result in potential harm to its goal of ensuring that limited universal service funding is distributed efficiently and effectively. [[23]](#footnote-25) When a company receiving a fixed level of support acquires or is acquired by a company receiving support based on its costs, the combined companies could, and in some instances might have an economic incentive to, shift certain shared or common costs from the model-based support company to the cost-based support company.[[24]](#footnote-26) If cost shifting were to occur, the combined company, post-transaction, could obtain more high cost universal service support than the two companies did as separate entities, not because of any new investment, expense, or buildout, but rather solely because of the application of accounting procedures.[[25]](#footnote-27) Such an outcome is inconsistent with the Commission’s general expectation that transactions generate efficiencies that reduce the combined company’s costs.[[26]](#footnote-28) Moreover, providing additional universal service support to a company as a result of cost shifting solely because it acquired or merged with another company is not an efficient use of limited universal service resources.[[27]](#footnote-29)

In the *Hargray/ComSouth Order*, in which the Commission approved a mixed support transaction, it sought to prevent cost shifting and to protect the finite resources of the high-cost universal service fund by imposing a limited condition that capped high-cost universal service support based on the operating expenses of the entity receiving cost-based support.[[28]](#footnote-30) The Commission has directed the Bureau to apply the *Hargray/ComSouth* condition where necessary to remedy a potential public interest harm caused by a mixed support transaction.[[29]](#footnote-31)

Accordingly, to mitigate the potential for cost shifting, we grant the Application subject to the condition adopted in the *Hargray/ComSouth Order*.[[30]](#footnote-32) The combined operating expenses of the post-consummation company’s rate-of-return affiliates[[31]](#footnote-33) shall be capped at the averaged combined operating expenses of the three calendar years preceding the transaction’s closing date for which the operating expense data are available.[[32]](#footnote-34) This cap shall remain in effect for seven years from the consummation of the transaction.[[33]](#footnote-35) The condition will sunset if all of a post-consummation company’s rate-of-return affiliates become fixed model-based support companies at any point during the seven-year period.[[34]](#footnote-36)

We find that there are no other potential public interest harms identified in the record. The proposed transaction is unlikely to result in a significant reduction of competition. Alloy’s affiliate, Commnet, provides competitive wireless services in certain Sacred Wind service areas, but Commnet and SWC do not currently compete to provide local exchange service or other facilities-based services.[[35]](#footnote-37) We agree with Applicants that rather than harming competition, the post-transaction company will be better able to expand fiber facilities to provide voice and broadband service throughout the large rural territory served by SWC, and ultimately be a stronger competitor for the benefit of its customer base.[[36]](#footnote-38)

In addition, the Section 214 Holders, including SW DinehNet, which receives CAF Phase II and RDOF funding, remain financially, technically, and managerially obligated to meet all public interest and performance obligations associated with the receipt of universal service funding, and we expect that the proposed transaction will not negatively impact these obligations. Indeed, Applicants assert that combining ATN’s financial resources and Sacred Wind’s experience serving Tribal lands will “further enhance Sacred Wind’s expansion of broadband to many unserved and underserved areas of the Navajo Nation, as well as those of neighboring Tribes, including through implementation of the company’s CAF-II and RDOF deployments.”[[37]](#footnote-39) Applicants have stated that the transaction will not result in an increase to the debt load of SW DinehNet or otherwise compromise its ability to meet its service obligations.[[38]](#footnote-40) Applicants have confirmed that the proposed transaction will not affect SW DinehNet’s CAF Phase II and RDOF technical and operational deployment plans, and that the Applicants are “currently exploring whether to accelerate SW Dinehnet’s RDOF buildout timeline, which would allow the buildout to be completed ahead of schedule.”[[39]](#footnote-41) Managerially, Applicants have also confirmed that there will be no changes to management that would compromise SW DinehNet’s ability to meet its obligations[[40]](#footnote-42) and that ATN’s experience serving communities in remote areas in Alaska, the U.S. Virgin Islands, and several other areas will enhance the post-consummation company’s operations.[[41]](#footnote-43) Overall, we conclude that the record in this proceeding does not support a finding of a public interest harm.

We next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.[[42]](#footnote-44) Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.[[43]](#footnote-45) Where potential harms appear unlikely, as is the case with the Application before us here, the Commission accepts a lesser degree of magnitude and likelihood than when harms are present.[[44]](#footnote-46)

Applicants assert that Sacred Wind is currently installing fiber-to-the premises to serve low income customers living in the “extremely rural, remote areas”[[45]](#footnote-47) in the Tribal areas of New Mexico and that ATN’s resources will enable Sacred Wind to expand broadband service to these areas.”[[46]](#footnote-48) Applicants claim that, following the proposed transaction, the Section 214 Holders will continue to serve customers on the Tribal lands through their existing experience and also benefit from being able to “leverage ATN’s size, scale, and experience in serving diverse communities under challenging conditions.”[[47]](#footnote-49) The Tribal entities have also explained that Sacred Wind is currently building fiber to underserved areas, such as the Navajo Housing Authority developments, and that they believe that Applicants’ plans to accelerate broadband deployment will benefit Navajo communities.[[48]](#footnote-50)

The Commission has specified that ensuring consumers receive new or additional services is an important public interest factor,[[49]](#footnote-51) and accelerating private sector deployment of advanced services is one of the aims of the Communications Act.[[50]](#footnote-52) In light of the Applicants’ commitments to meet all of the Section 214 Holders’ federal high cost funding obligations[[51]](#footnote-53) and the fact that Applicants are prepared to devote ATN’s additional resources to enhance facilities-based service offerings,[[52]](#footnote-54) we find it likely that the proposed transaction would result in some public interest benefits. Absent any potential harms, and considering that the proposed transaction is likely to yield some benefits, we find, on balance, that the proposed transaction serves the public interest.

**Grant of Application, Subject to Condition**

We find that grant of the Application, subject to compliance with the condition, will serve the public interest, convenience, and necessity.[[53]](#footnote-55) Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, 0.291, 63.03, and 63.04 of the Commission’s rules, 47 CFR §§ 0.91, 0.291, 63.03, and 63.04, the Bureau hereby grants the Application discussed in this Public Notice subject to compliance with the condition described above.[[54]](#footnote-56)

Pursuant to section 1.103 of the Commission’s rules, 47 CFR § 1.103, the grant is effective upon release of this Public Notice. Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30 days of the date of this Public Notice.

For further information, please contact Jodie May, Wireline Competition Bureau, Competition Policy Division, (202) 418-0913.

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1. *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Joint Application of Sacred Wind Enterprises, Inc. and Alloy, Inc. for Consent to Transfer Control of Domestic and International Section 214 Authorizations, WC Docket No. 22-292 (filed Aug. 3, 2022) (Application). Applicants filed a supplement to the Application. Letter from Bennett L. Ross, Daniel P. Brooks, Counsel for Alloy, and Martin L. Stern, Robert A. Silverman, Jeffrey S. Lanning, Counsel for Sacred Wind, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-292 (filed Aug. 18, 2022) (Supplement). Applicants are also filing applications for the transfer of authorizations associated with international and wireless services. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications. [↑](#footnote-ref-3)
2. *Domestic Section 214 Application Filed for the Transfer of Control of Subsidiaries of Sacred Wind Enterprises, Inc. to Alloy, Inc.*, WC Docket No. 22-292, Public Notice, DA 22-890 (WCB 2022) (*Public Notice*). [↑](#footnote-ref-4)
3. Letter from Jonathan Nez, President, The Navajo Nation, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-292 (filed Aug. 26, 2022) (Navajo Nation *Ex Parte* Letter); Letter from Johnny Johnson, President, Navajo Nation, Eastern Navajo Agency Council, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-292 (filed Aug. 26, 2022) (Eastern Agency Council *Ex Parte* Letter); Letter from Ervin Chavez, Nageezi Chapter President, Navajo Nation, Eastern Navajo Agency District 19, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-292 (filed Aug. 26, 2022) (Nageezi Chapter *Ex Parte* Letter); Letter from Dr. Elmer Guy, President, Navajo Technical University, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-292 (filed Aug. 26, 2022) (NTU *Ex Parte* Letter); Letter from Arthur Bavaro, Community Services Coordinator, Navajo Nation, Nenahnezad Chapter, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-292 (filed Aug. 26, 2022) (Nenahnezad Chapter *Ex Parte* Letter). [↑](#footnote-ref-5)
4. Application at 2-4, 13. All entities are based in New Mexico. *Id*. at 7. Sacred Wind’s common stock is currently held by the Sacred Wind Employee Stock Ownership Trust (13%), Sacred Wind Holdings, LLC (SW Holdings) (35%), and other individual stockholders (Company Stockholders) (52%). *Id*. at 6 and Exh. A (Pre-Closing Ownership Structure of Sacred Wind and the Section 214 Holders). [↑](#footnote-ref-6)
5. *Id*. at 2-3. SWC is not a Tribally-owned incumbent LEC. *Id*. at 3. [↑](#footnote-ref-7)
6. Application at Exh. B (High-Cost USF Information) (stating that SWC receives High-Cost Loop Support (HCLS) and Connect America Broadband Loop Support (CAF-BLS). See Universal Service Administrative Co., Tools, “ACAM, ACAM II and CAF BLS Buildout Requirements,” https://www.usac.org/high-cost/resources/tools/. [↑](#footnote-ref-8)
7. Application at 3-4. [↑](#footnote-ref-9)
8. *Id*. *See Connect America Fund Phase II Auction Support Authorized for 856 Winning Bids*, WC Docket No. 10-90, AU Docket No. 17-182, Public Notice, 34 FCC Rcd 4725, Attach. A (Authorized Long-Form Applicants and Winning Bids) (WCB 2019). [↑](#footnote-ref-10)
9. Application at 3-4; *see Rural Digital Opportunity Fund Support Authorized For 1,345 Winning Bids*, AU Docket No. 20-34, WC Docket Nos. 19-126, 10-90, Public Notice, DA 22-402, at 6 and Attach. A (WCB 2022) (stating that 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 “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. Transfers of control and assignments of international section 214 authorizations are separately subject to section 63.24 of the Commission’s rules. 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.”). [↑](#footnote-ref-11)
10. Application at 4. [↑](#footnote-ref-12)
11. *Id*. [↑](#footnote-ref-13)
12. *Id*. [↑](#footnote-ref-14)
13. *Id*. at 5, 9, Exh. A (Post-Closing Ownership Structure of Sacred Wind and the Section 214 Holders); Supplement at 2-3. According to Applicants, aside from voting rights as common stock shareholders, neither BlackRock nor its subsidiaries hold any additional rights to participate in the management or operations of ATN. Supplement at 3. [↑](#footnote-ref-15)
14. Application at 4-5, 13-14, and Exh. B. [↑](#footnote-ref-16)
15. *Id*. at 5, 14. [↑](#footnote-ref-17)
16. Application at Exh. B (listing each affiliate and the support received through CAF Phase II, RDOF, and frozen high cost support). [↑](#footnote-ref-18)
17. Application at 5-6; Supplement at 3. [↑](#footnote-ref-19)
18. Application at 5-7 and Exh. A. [↑](#footnote-ref-20)
19. *See, e.g.,* *Application of Verizon Communications Inc. and América Móvil S.A.B. de C.V for Consent to Transfer Control of International Section 214 Authorization*, GN Docket No. 21-112, IBFS File No. ITC-T/C-20200930-00173, Memorandum Opinion and Order, FCC 21-121, at 8, para. 21 (Nov. 22, 2021) (*Verizon-TracFone Order*) (citing *China Mobile International (USA) Inc., Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, ITC-214-20110901-00289, Memorandum Opinion and Order, 34 FCC Rcd 3361, 3366, para. 9 (2019); *Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corporation (and Subsidiaries, Debtors-in-Possession), Assignors, to Time Warner Cable Inc. (Subsidiaries), Assignees; Adelphia Communications Corporation, (and Subsidiaries, Debtors-in-Possession), Assignors and Transferors et al*., MB Docket No. 05-192, Memorandum Opinion and Order, 21 FCC Rcd 8203, 8219-21, paras. 27-28 (2006) (*Adelphia-TWC Order*)). [↑](#footnote-ref-21)
20. *See Verizon-TracFone Order* at 8, para. 21 (citing *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9140, para. 18 (2015) (*AT&T-DIRECTV Order*)) (further citations omitted). [↑](#footnote-ref-22)
21. *See Verizon-TracFone Order* at 8, para. 21 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18; *Adelphia-TWC Order*, 21 FCC Rcd at 8217, para. 23; *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp., Transferors, and EchoStar Communications Corp., Transferee*, CS Docket No. 01-348, Hearing Designation Order, 17 FCC Rcd 20559, 20574, para. 25 (2002)) (further citations omitted). [↑](#footnote-ref-23)
22. Application at Exh. B. [↑](#footnote-ref-24)
23. *Joint Application of W. Mansfield Jennings Limited Partnership and Hargray Communications Group, Inc. for Consent to the Transfer of Control of ComSouth Corporation Pursuant to Section 214 of the Communications Act of 1934*, WC Docket 18-52, Memorandum Opinion and Order, 33 FCC Rcd 4780, 4784, para. 19 (2018) (*Hargray/ComSouth Order*). [↑](#footnote-ref-25)
24. *Id*. at 4785-86, para. 20. [↑](#footnote-ref-26)
25. *Id*. [↑](#footnote-ref-27)
26. *Id*. [↑](#footnote-ref-28)
27. *Id*. at 4786, para. 21. [↑](#footnote-ref-29)
28. *Id*. at 4788-90, paras. 26-31. [↑](#footnote-ref-30)
29. *Hargray/ComSouth Order*, 33 FCC Rcd 4789, n.72 (“We direct the Bureau to apply the condition where necessary to remedy a potential public interest harm caused by a mixed support transaction.”). *See also Domestic Section 214 Application for the Transfer of Control of Lavaca Telephone Company, Inc. to Dobson Technologies Inc*., WC Docket No. 20-389, Order on Reconsideration, FCC 21-63, para. 14 (2021) (reaffirming the Commission’s delegation to the Bureau to continue to apply the mixed support condition where necessary). [↑](#footnote-ref-31)
30. *Hargray/ComSouth Order*, 33 FCC Rcd at 4788-90, paras. 26-31. [↑](#footnote-ref-32)
31. *See* 47 U.S.C. § 153(2). [↑](#footnote-ref-33)
32. *Hargray/ComSouth Order*, 33 FCC Rcd at 4788-89, para. 27. The cap will apply to the combined operating expenses of the post-consummation company and any other existing rate-of-return affiliates that they may acquire during the time in which the condition is in effect (together, covered entities). To monitor compliance with the condition adopted herein, to the extent it does not already do so, we direct the covered entities to submit their relevant cost data to the National Exchange Carrier Association (NECA). We direct NECA to provide the dollar amount of the operating expense costs that will be capped pursuant to this Public Notice to the Universal Service Administrative Company (USAC) within 30 days following submission of any covered entity's cost data. We further direct NECA to provide USAC with the reductions in HCLS and CAF-BLS for any covered entity pursuant to this Public Notice for each year following the effective date of this Public Notice. USAC shall validate all calculations received from NECA before making disbursements subject to any such support reductions. We also direct all covered entities to provide USAC with an annual certification of compliance on or before December 31 of each year for the duration of the condition. With the certification, each covered entity must also submit its latest audited financial statements to USAC, including all notes and consolidating statements, on an annual basis, by December 31 of each year.  *Id.* at 4790, para. 31. The cap will apply to cost recovery under both HCLS and CAF-BLS and will be applied proportionately to each affiliate’s accounts used to determine the affiliate’s eligible operating expense for HCLS and CAF-BLS. For example, if the cap requires that a post-consummation company’s eligible operating expense be reduced by 10%, then each account used to determine each rate-of-return affiliate’s eligible operating expenses shall be reduced by 10%. For purposes of this cap, operating expenses shall include maintenance, network support/network operations/general, benefits, rent expenses, and corporate operations, while depreciation, return on investment, and taxes shall be excluded. *See id.* at 4789, para. 28. For all covered entities, the new cap shall also include an annual adjustment for inflation based on the Gross Domestic Product-Channel Price Index (GDP-CPI) for the years in which the new cap remains in effect.*Id.* at 4790, para. 30. [↑](#footnote-ref-34)
33. The Commission has found seven years to be an appropriate period over which to monitor enforcement of the condition and to ensure that the combined entity, which will continue to receive support, does not shift costs from year-to-year. *Id*. at 4789-90, para. 29, fn.78. [↑](#footnote-ref-35)
34. *Id*. at 4789-90, para. 29. [↑](#footnote-ref-36)
35. Application at 2-5, 14, 16 (describing services provided by the Applicants and stating that there are competing providers in the geographic areas served by Commnet and the Section 214 Holders). [↑](#footnote-ref-37)
36. Application at 3, 15-16. *See Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 95819605, para. 52 (2017) (stating that the proposed transaction would expand the on-net reach of the newly combined entity resulting in a more effective and stronger competitor); *Joint Applications of Telephone and Data Systems, Inc. and Chorus Communications, Ltd. for Authority to Transfer Control of Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 22, 63 and 90 of the Commission's Rules*, CC Docket No. 01-73, Memorandum Opinion and Order, 16 FCC Rcd 15293, 15298-99, para. 10 (CCB/WTB 2001) (granting transfer of control involving an incumbent LEC and the transferee, Telephone and Data Systems, Inc. (TDS), where the wireless affiliate of TDS provided service in the area served by the incumbent LEC, and the merger would not harm competition). [↑](#footnote-ref-38)
37. Supplement at 1. *See* Application at 15. Applicants affirm that, upon completion of the transaction, Alloy will assume all CAF-II and RDOF performance and buildout obligations of SW DinehNet and will be the entity against which the Commission may seek support recovery if SW DinehNet does not meet its CAF-II and RDOF obligations. Supplement at 2. [↑](#footnote-ref-39)
38. Application at Exh. B. [↑](#footnote-ref-40)
39. Supplement at 1; Application at Exh. B. [↑](#footnote-ref-41)
40. Application at Exh. B; Application at 15. [↑](#footnote-ref-42)
41. Supplement at 1-2. [↑](#footnote-ref-43)
42. *See AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, paras. 273-74. [↑](#footnote-ref-44)
43. *See id*. at 9237-38, paras. 275-76. [↑](#footnote-ref-45)
44. *See id*. [↑](#footnote-ref-46)
45. Application at 3. *See* Navajo Nation *Ex Parte* Letter at 1 (stating that the Navajo Nation continues to be one of the least served areas in the United States for telecommunications services and that the COVID-19 pandemic increased the need for broadband infrastructure in the isolated areas that SWC serves). [↑](#footnote-ref-47)
46. Supplement at 1. [↑](#footnote-ref-48)
47. *Id*. [↑](#footnote-ref-49)
48. Eastern Navajo Agency Counsel *Ex Parte* Letter at 1. *See also* Nageezi Chapter *Ex Parte* Letter at 1; Nenahnezad Chapter *Ex* Parte Letter at 1. The NTU states that SWC is currently deploying broadband service to the University and hopes that the post-consummation company can expand fiber to all campuses. NTU *Ex Parte* Letter at 1. [↑](#footnote-ref-50)
49. *See, e.g., AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19. [↑](#footnote-ref-51)
50. *See Verizon-TracFone Order* at 9, para. 22 (citing 47 U.S.C. §§ 254, 332(c)(7), 1302; Telecommunications Act of 1996, Pub. L. No. 104-104, Preamble, 110 Stat. 56 (1996) (one purpose of the Act is to “accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services”)). [↑](#footnote-ref-52)
51. Application at Exh. B; Supplement at 1-2. [↑](#footnote-ref-53)
52. Supplement at 1-2. [↑](#footnote-ref-54)
53. *See* 47 U.S.C. § 214(a); 47 CFR § 63.03.  [↑](#footnote-ref-55)
54. The Applicants provide incumbent LEC services in their respective study areas. Within 30 days of the closing of the proposed transaction, they must notify USAC so that it can make any appropriate changes to the High Cost Universal Broadband (HUBB) on-line location reporting portal for universal service recipients. We direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 22-292 that the proposed transaction has closed with the consummation date, and also provide a courtesy copy of the notice to hcinfo@usac.org [↑](#footnote-ref-56)