

Federal Communications Commission 45 L St., N.E. Washington, D.C. 20554

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> DA 22-289 March 17, 2022

## DOMESTIC SECTION 214 APPLICATION FILED FOR THE TRANSFER OF CERTAIN AUTHORIZATIONS OF REDWIRE, INC. TO ATLINK SERVICES, LLC

## NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 22-55

Comments Due: March 31, 2022 Reply Comments Due: April 7, 2022

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application,<sup>1</sup> filed by Redwire, Inc. (Redwire) and AtLink Services, LLC (AtLink) (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 Redwire's Connect America Fund (CAF) Phase II Auction (Auction 903) (CAF Phase II) support obligations for a portion of its census blocks in Oklahoma (Assigned Census Blocks)<sup>2</sup> to AtLink.<sup>3</sup> Applicants also request in the Application a waiver of Redwire's CAF Phase II 40 percent and 60 percent buildout milestones.<sup>4</sup>

Redwire, an Oklahoma corporation, is owned by the Otoe-Missouria Development Authority, Inc., the economic development arm of the federally recognized Otoe-Missouria Tribe of Oklahoma.<sup>5</sup> On June 12, 2020, the Bureau authorized Redwire to receive CAF Phase II support for

<sup>1</sup> See Domestic Section 214 Application of Redwire, Inc., Assignor, and AtLink Services, LLC, Assignee, For Consent for the Assignment of Certain Assets of Redwire, Inc. to AtLink Services, LLC Pursuant to Section 214 of the Communications Act of 1934, as Amended, WC Docket No. 22-55 (filed Jan. 31, 2022), <u>https://ecfsapi fcc.gov/file/10131299931816/Redwire%20214%20Application.pdf</u> (Application). Applicants filed a supplement to their Application on March 9, 2022. Letter from Stephen E. Coran, Counsel to Applicants, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-55 (filed Mar. 9, 2022) (Supplement).

<sup>2</sup> See Application at Exh.1 (Assigned Census Blocks) and Exh. 2 (Legend and Map).

<sup>3</sup> See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

<sup>4</sup> Application at 9-13.

<sup>5</sup> *Id.* at 3.

1,541 census blocks (8,041 locations) in Oklahoma with an assigned support amount over 10 years of \$4,766,845.60.<sup>6</sup> Applicants state that Redwire does not currently provide telecommunications services and has not expended CAF Phase II support with respect to the Assigned Census Blocks.<sup>7</sup>

AtLink, an Oklahoma limited liability company, is an Internet service provider and ETC in Oklahoma.<sup>8</sup> AtLink currently serves "more than 11,000 Oklahomans in rural communities and urban areas throughout the state using fixed wireless and fiber-to-the-home technologies."<sup>9</sup> During the CAF Phase II Auction, AtLink won the rights to service 12,501 locations in Oklahoma.<sup>10</sup> Applicants state that "AtLink has expended CAF support funds in connection with deployment in its CAF-supported area, and expects to meet its upcoming 40 percent buildout milestone well ahead of the December 31, 2022 milestone deadline."<sup>11</sup> The following U.S. citizen and Oklahoma corporations own AtLink: Samuel T. Curtis (12.53%); the Hinton C A T V Company, Inc. (Hinton C A T V) (54.39%); and Communications Equipment Corporation (33.08%).<sup>12</sup>

Pursuant to the terms of the proposed transaction, AtLink will acquire the interests of, and assume Redwire's CAF support and obligations for, the Assigned Census Blocks.<sup>13</sup> Redwire has

<sup>7</sup> Application at 3. Redwire received support for one year, and the Bureau has suspended further support. *See Connect America Fund*, Order, 35 FCC Red 5844 (WCB 2020) (*Redwire Waiver Order*) (partially granting Redwire's petition for waiver of the letter of credit requirements to the Universal Service Administrative Company, and limiting the waiver to the first 12 months of Redwire's support term); *Connect America Fund*, Order, Da 21-1097, para. 5, 9-15 (WCB 2021) (*Redwire Second Waiver Order*) (extending Redwire's waiver petition for the letter of credit requirement for one year subject to conditions and stating that the Bureaus suspended further Auction 903 payments and will not resume these payments until an acceptable letter of credit is in place that will protect the funds moving forward).

<sup>8</sup> Application at 3 (citing Oklahoma Corporation Commission, Cause No. 201800107, Order No. 690248 (Jan. 24, 2019) (designating AtLink as an ETC)).

<sup>9</sup> Application at 3-4.

<sup>10</sup> *Id.* at 4. See Connect America Fund Phase II Auction Support Authorized for 2,413 Winning Bids, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 5966, Attach. A (Authorized Long Form Applicants and Winning Bids) (WCB/OEA 2019). AtLink's assigned CAF II support amount over 10 years is \$4,762,674.20. Application at 4. On January 27, 2022, the Bureau granted the domestic 214 application to transfer Cherokee Telephone Company's CAF Phase II obligations and support for certain census blocks in Oklahoma to AtLink. *Domestic Section 214 Application Granted for the Transfer of Certain Authorizations of Cherokee Telephone Company to AtLink Services, LLC*, WC Docket No. 21-423, Public Notice, DA 22-90 (WCB 2022).

 $^{12}$  *Id.* at 14-15. Applicants list four U.S. trusts, and their beneficiaries, each a U.S. citizen, which hold interests in Hinton C A T V, as well as four shareholders of Communications Equipment Corporation, each also a U.S. citizen. *Id.* at 15. Applicants state that Hinton C A T V holds a 25% interest in Terral Telephone Company, a rural incumbent local exchange carrier serving a single exchange in Terral, Oklahoma. Supplement at 2.

<sup>13</sup> Application at 4; Supplement at 1.

<sup>&</sup>lt;sup>6</sup> Id. (citing Connect America Fund Phase II Auction Support Authorized for 169 Winning Bids, Public Notice, 35 FCC Rcd 5849, 5851, 5855 (WCB 2020) (Redwire Authorization PN) (stating that eligible telecommunications carriers (ETCs) seeking to transfer control of their domestic authorizations to operate pursuant to section 214 of the Communications Act of 1934, as amended, 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). Redwire is an ETC for the Assigned Census Blocks. Application at 3 (citing Cause No. 201900009, Order No. 705772 (Oklahoma Corp Com'n) 2019)).

<sup>&</sup>lt;sup>11</sup> Application at 4.

agreed to assign its CAF support and obligations in the Assigned Census Blocks to AtLink.<sup>14</sup> After consummation of the proposed transaction, in the Assigned Census Blocks, "AtLink will undertake the deployment of the CAF-supported network and integrate such activities and operations into its own ongoing operations and its CAF deployment."<sup>15</sup>

Applicants assert that a grant of the Application would serve the public interest, convenience, and necessity.<sup>16</sup> Applicants state that "Redwire has continuously but unsuccessfully attempted to obtain a letter of credit for its CAF obligations from the Bank of Oklahoma, and its bank covenants prevent Redwire from obtaining a letter of credit from a bank other than the Bank of Oklahoma."<sup>17</sup> Thus, Redwire is currently unable to meet its requirement to obtain a letter of credit or to meet its CAF buildout obligations.<sup>18</sup> Following the consummation of the proposed transaction, Applicants assert that "with the financial and human resources and operational efficiencies AtLink will provide, consumers will be able to receive CAF services in the Assigned Census Blocks with much greater certainty than Redwire."<sup>19</sup> Applicants state that "AtLink has both the necessary industry experience and requisite financial means to take on the responsibility of deploying CAFsupported voice and broadband service in the Assigned Census Blocks it proposes to assume from Redwire, many of which are adjacent to AtLink's own CAF census blocks."20 AtLink commits to "meeting the 80 percent and 100 percent buildout milestones as specified in the Redwire Authorization PN and performance obligations established for the Assigned Census Blocks."21 Finally, Applicants assert that the proposed transaction would not result in a reduction of competition, rather it would result in AtLink becoming a stronger competitor.<sup>22</sup>

Because the proposed transaction would involve the exchange and assumption of Universal Service Fund high-cost mechanism obligations, in order to sufficiently analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.<sup>23</sup>

<sup>&</sup>lt;sup>14</sup> Application at 5. Applicants state that the Assigned Census Blocks include a portion of the census blocks for which Redwire was authorized to receive support, and that Redwire would convey the pro rata portion of the support it has received for the Assigned Census Blocks to AtLink, and AtLink would be entitled to receive pro rata support going forward. *Id.* They state that pro rata portion of both received and future support, including the pro rata portion of Redwire's suspended support, represents approximately 41% of the total Redwire support. *Id.* 

<sup>&</sup>lt;sup>15</sup> *Id.* at 6. Applicants explain that Redwire will also file for approval with the Oklahoma Corporation Commission to relinquish its Oklahoma ETC designation for the Assigned Census Blocks and for AtLink to expand its ETC designation to cover the Assigned Census Blocks. *Id.*.

<sup>&</sup>lt;sup>16</sup> *Id.* at 6-9.

<sup>&</sup>lt;sup>17</sup> *Id.* at 8; *see Redwire Waiver Order*, 35 FCC Rcd at 5845-46 (granting, in part, Redwire's first waiver petition for a letter of credit for the first twelve months of its support term); *Redwire Second Waiver Order* at paras. 5-6.

<sup>&</sup>lt;sup>18</sup> Application at 8.

<sup>&</sup>lt;sup>19</sup> Id. at 8.

<sup>&</sup>lt;sup>20</sup> Id. at 7.

<sup>&</sup>lt;sup>21</sup> *Id.* at 8-9, 16.

<sup>&</sup>lt;sup>22</sup> *Id.* at 9.

<sup>&</sup>lt;sup>23</sup> 47 CFR § 63.03(c)(1)(v).

# WAIVER REQUEST

Applicants also filed a request for waiver of Redwire's current requirement to "deploy service to 40 percent of locations in its CAF-supported census blocks by the end of this year and to 60 percent of its CAF-supported census by December 31, 2023."<sup>24</sup> Applicants state that, postconsummation of the proposed transaction, AtLink would have less than a year to meet the 40 percent milestone and less than two years to meet the 60 percent milestone, which it will not be able to meet.<sup>25</sup> Applicants further state that a grant of the waiver is "a condition to consummation of AtLink's acquisition and assumption of Redwire's CAF obligations in the Assigned Census Blocks."<sup>26</sup> Applicants assert that, absent a grant of the waiver, Oklahomans, including Tribal members, would continue to lack access to broadband services, contrary to the Commission's goals.<sup>27</sup> Applicants maintain that granting the waiver is in the public interest because AtLink: 1) has the "technical, managerial and operational expertise" to construct the network; 2) has a track record of meeting its own CAF obligations, and 3) will "meet the ultimate requirement to serve 100 percent of the locations by the end of 2025."<sup>28</sup>

Domestic Section 214 Application Filed for the Transfer of Certain Authorizations of Redwire, Inc. to AtLink Services, LLC, WC Docket No. 22-55 (filed Jan. 31, 2022).

## **GENERAL INFORMATION**

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission's rules and policies.

Interested parties may file comments on or before March 31, 2022, and reply comments on or before April 7, 2022. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by paper.

- Electronic Filers: Comments may be filed electronically by accessing ECFS at <u>http://apps.fcc.gov/ecfs/</u>.
- *Paper Filers*: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
  - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.<sup>29</sup> All filings must be addressed to the Commission's Secretary, Office of the Secretary, Federal Communications Commission.

<sup>&</sup>lt;sup>24</sup> Application at 9; *Redwire Authorization PN*, 35 FCC Rcd at 5851.

<sup>&</sup>lt;sup>25</sup> Application at 10.

<sup>&</sup>lt;sup>26</sup> Id. at 11.

<sup>&</sup>lt;sup>27</sup> Id.

<sup>&</sup>lt;sup>28</sup> Id. at 13.

<sup>&</sup>lt;sup>29</sup> Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy, Public Notice, 35 FCC Rcd 2788 (Mar. 19, 2020), <u>https://www\_fcc.gov/document/fcc-closes-headquarters-open-window-and-changes-hand-deliverypolicy</u>.

 Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701.
U.S. Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to  $\frac{fcc504@fcc.gov}{fcc.gov}$  or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

#### In addition, e-mail one copy of each pleading to each of the following:

- Myrva Charles, Competition Policy Division, Wireline Competition Bureau, <u>myrva.charles@fcc.gov;</u>
- 2) Dennis Johnson, Competition Policy Division, Wireline Competition Bureau, dennis.johnson@fcc.gov; and
- 3) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

The proceeding in this Notice shall be treated as a "permit-but-disclose" proceeding in accordance with the Commission's *ex parte* rules. 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 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), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission's *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.<sup>30</sup> A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

<sup>&</sup>lt;sup>30</sup> See 47 CFR § 1.45(c).

For further information, please contact Myrva Charles at (202) 418-1506 or Dennis Johnson at (202) 418-0809, Wireline Competition Bureau.

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