



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU LISTS BEST PRACTICES FOR ADDRESSING UNIVERSAL SERVICE FUND INFORMATION IN SECTION 214 TRANSFER OF CONTROL APPLICATIONS

The Commission's rules require domestic section 214 applicants to include, among other initial showings, a statement explaining how grant of an application, filed pursuant to section 214 of the Communications Act of 1934, as amended (Act), and sections 63.03-04 of the Commission's rules, will serve the public interest, convenience, and necessity.¹ The Commission and the Wireline Competition Bureau (Bureau) have broad discretion to require applicants to provide additional information in order to determine if the application is complete and may be accepted for streamlined or non-streamlined filing.² The Bureau has recently received higher volumes of domestic section 214 applications seeking approval for transactions that involve the exchange and assumption of Universal Service Fund (USF) high-cost mechanism obligations. To expedite the timely acceptance of such applications and minimize the need for supplemental filings necessary to enable the Bureau to undertake a thorough public interest review, WCB recommends that as part of the initial public interest showing, applications that may have USF obligation implications include the following information:³

- A listing of all USF high cost support received by each entity to be transferred and by the transferee and each affiliate of the transferee, including Connect America Fund (CAF) Phase II Auction (Auction 903) support, Rural Digital Opportunity Fund (RDOF) Phase I Auction (Auction 904) support, Alaska Plan support, Alternative Connect America Cost Model support, CAF Broadband Loop Support, and Rural Broadband Experiment support.⁴
- Confirmation of whether the entity or entities to be transferred are Eligible Telecommunications Carriers (ETC) under section 214(e) of the Act.⁵
- If the entity or entities to be transferred have been awarded CAF Phase II or RDOF funding, provide a summary addressing any changes to management, technology, or debt that would result

¹ 47 U.S.C. § 214; 47 CFR §§ 63.03-04.

² 47 CFR § 63.03(a) ("Upon determination by the [Common Carrier] Bureau that the applicants have filed a complete application and that the application is appropriate for streamlined treatment, the [Common Carrier] Bureau will issue a public notice stating that the application has been accepted for filing as a streamlined application."); 63.03(c)(1) ("At any time after an application is filed, the Commission, acting through the Chief of the Wireline Competition Bureau, may notify an applicant that its application is being removed from streamlined processing, or will not be subject to streamlined processing."); *see* 63.51(a) ("You must provide additional information if the Commission requests you to do so after it initially reviews your application or request.").

³ 47 CFR § 63.04(a)(12) (stating that applicants must provide "a statement showing how grant of the application would serve the public interest, convenience, and necessity, including additional information that may be necessary to show the effect of the proposed transaction on competition in domestic markets").

⁴ *See* <https://www.usac.org/high-cost/> (describing all USF high cost programs).

⁵ 47 U.S.C. § 214(e).

from the proposed transaction, as well as whether there are any changes that might occur that would compromise the support recipients' ability to meet their service obligations.

- A list of study area codes (SACs) for each entity to be transferred and for each affiliate of the entity or entities to be transferred, and for the transferee and each affiliate of the transferee.⁶
- A confirmation of whether the entity or entities to be transferred participate in the Lifeline program, Emergency Broadband Benefit program, or the Affordable Connectivity Program, and whether such participation will continue if the transaction is consummated.⁷

We also remind applicants to provide all required information set forth in the rules in their initial application, including the “name, address, citizenship and principal business of any person or entity that directly or indirectly owns at least ten (10) percent of the equity of the applicant, and the percentage of equity owned by each of those entities (to the nearest one (1) percent),”⁸ and a “description of the geographic areas in which the transferor and transferee (and their affiliates) offer domestic telecommunications services, and what services are provided in each area.”⁹

For further information, please contact the following Wireline Competition Bureau Competition Policy Division staff: Jodie May at jodie.may@fcc.gov, Dennis Johnson at dennis.johnson@fcc.gov; or Gregory Kwan at gregory.kwan@fcc.gov.

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⁶ Providing SACs for entities remaining with the transferor post-transaction allows the Bureau to efficiently track USF disbursements and deployment obligations associated with section 214 transactions.

⁷ See <https://www.usac.org/lifeline/> (describing the Lifeline program); *Affordable Connectivity Program*, WC Docket No. 21-450, *Emergency Broadband Benefit Program*, WC Docket No. 20-445, Report and Order and Further Notice of Proposed Rulemaking, FCC 22-2 (2022).

⁸ 47 CFR § 63.04(a)(4).

⁹ 47 CFR § 63.04(a)(7) (emphasis added).