By this Public Notice, the Rural Broadband Auctions Task Force (RBATF), Wireline Competition Bureau (WCB or Bureau), and the Office of Economics and Analytics (OEA) announce they are ready to authorize Rural Digital Opportunity Fund (Auction 904) support for the Auction 904 winning bids identified in Attachment A of this Public Notice.

To be authorized to receive the total 10-year support amounts listed in Attachment A, the long-form applicants identified in that attachment are required to submit acceptable irrevocable stand-by letter(s) of credit and Bankruptcy Code opinion letter(s) from their legal counsel for each state where they have winning bids that are ready to be authorized in accordance with the instructions provided below by the applicable deadline – prior to 6:00 p.m. ET on June 9, 2022.¹

On December 7, 2020, we announced that there were 180 winning bidders in the auction and established the deadlines for winning bidders to submit their long-form applications for Rural Digital Opportunity Fund support.² Winning bidders had the opportunity to assign some or all of their winning bids to related entities by December 22, 2020.³ All winning bidders that retained their winning bids and all related entities that were assigned winning bids were required to submit long-form applications by January 29, 2021.⁴ On February 18, 2021, we announced that there were 417 long-form applicants.⁵

We have reviewed the long-form applications associated with each of the winning bids identified in Attachment A. These applications were reviewed to determine whether they met all legal, financial,

¹ See 47 CFR § 54.804(b)(6)(v); 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, 6177, para. 319 (2020) (Auction 904 Procedures Public Notice) (“No later than 10 business days after the release of the public notice, a long-form applicant must obtain one irrevocable standby letter of credit at the value specified in section 54.804(c)(1) from a bank acceptable to the Commission as set forth in section 54.804(c)(2) for each state where the long-form applicant is seeking to be authorized.”).


³ Id. at 13890-91, paras. 9-14.

⁴ Id. at 13892-93, para. 16.

and technical requirements. Based on the representations and certifications in each relevant long-form application, we are prepared to authorize support, subject to submission of the required letter(s) of credit and Bankruptcy Code opinion letter(s), for each of the winning bids identified in Attachment A.6

On July 26, 2021, the RBATF, WCB, and OEA sent a letter to certain long-form applicants that identified census blocks where concerns of existing service or questions of potential waste had been raised, and informed applicants that if they no longer wished to pursue support for a winning bid they should identify those census block groups with a brief explanation of their decision to default on their bid(s).7 Support amounts have been adjusted for applicants that defaulted on the identified census blocks.

**ETC Deadline Waivers.** Auction 904 long-form applicants were required to certify that they are eligible telecommunications carriers (ETCs) in all bid areas and to submit appropriate documentation supporting such certification on or before June 7, 2021.8 On our own motion, we find good cause to waive this deadline for the applicants that were designated as ETCs by the Commission on June 8, 2021 for the reasons described in the First RDOF Ready to Authorize Public Notice.9

We also find good cause to waive this deadline for certain applicants that obtained state ETC designations.10 Generally, the Commission’s rules may be waived for good cause shown.11 Waiver of the Commission’s rules is appropriate only if both: (1) special circumstances warrant a deviation from the general rule, and (2) such deviation will serve the public interest.12 The Commission has found that waiver of this deadline is appropriate when an ETC designation proceeding is not yet complete by the deadline despite the good faith efforts of the long-form applicant.13 The Commission has explained that it would presume such good faith efforts when the petitioner submitted its petition to the relevant authority within 30 days of the release of the Auction 904 Closing Public Notice, i.e., by January 6, 2021.14

6 See 47 CFR § 54.804(b)(6)(v). We remind all applicants that an ETC satisfies its obligation to “offer” qualifying services by being legally responsible for dealing with customer problems, providing quality of service guarantees, and meeting universal service fund-related requirements. Accordingly, a broadband provider may satisfy its voice obligations by offering voice service through an affiliate or by offering a managed voice solution (including VoIP) through a third-party vendor, but a provider cannot simply rely on the availability of over-the-top voice options to satisfy this obligation. Auction 904 Procedures Public Notice, 35 FCC Rcd at 6129, para. 139.


8 47 CFR § 54.804(b)(5) (requiring winning bidders to submit within 180 days of the announcement of winning bids, a certification of ETC designation in all relevant areas and supporting documentation for that certification); Auction 904 Procedures Public Notice, 35 FCC Rcd at 6176, para. 316; see also Rural Digital Opportunity Fund et al., WC Docket No. 19-126 et al., Report and Order, 35 FCC Rcd 686, 727-28, para. 92 (2020) (Rural Digital Opportunity Fund Order).

9 Rural Digital Opportunity Fund Auction Support for 1,460 Winning Bids Ready to Be Authorized, AU Docket No. 20-34 et al., DA 21-909, at 2 & n.9 (WCB/OEA July 26, 2021) (First RDOF Ready to Authorize Public Notice). See also 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).

10 Requests from other long-form applicants seeking waiver of the ETC deadline remain pending and will be addressed in future releases.

11 47 CFR § 1.3.

12 See Northeast Cellular Tel. Co. v. FCC, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (citing WAIT Radio v. FCC, 418 F.2d 1153, 1157-59 (D.C. Cir. 1969), cert. denied, 93 S. Ct. 461 (1972)).


Connect America Phase II auction, we granted petitions for waiver for applicants that filed outside the 30-day window after finding that the applicant “acted diligently in attempting to obtain its ETC designation prior to the deadline,” that a delay did not “rise to the level of lack of good faith that should result in [the applicant’s] default,” and that “late-filing of [the] ETC application did not delay the Commission’s long-form application review process or the provision of voice and broadband services to consumers.”

In contrast, we have found a lack of good-faith pursuit of ETC designation where (1) an applicant had provided no explanation or defense of its failure to timely submit its ETC application to its respective state commission, (2) an applicant relied on a specific corporate strategy or business consideration to delay its submission, or (3) an applicant filed its ETC designation petition a few days before the ETC deadline and “failed to provide a compelling rationale” for the delay.

**Cyber Broadband, Inc.** Cyber sought waiver of the June 7, 2021 ETC documentation deadline for its long-form application. Though Cyber did not file its ETC designation petition with the FCC within the 30-day time frame for the presumption of good faith to apply, we nonetheless find good cause to grant its petition for waiver regarding the ETC documentation deadline.

We conclude that Cyber demonstrated special circumstances that warrant deviation from the Commission’s June 7, 2021 deadline. Cyber explains that it filed its ETC petition with the Alabama Public Service Commission (Alabama PSC) within 30 days of the public notice announcing that it was a winning bidder, but it received a notice on January 29, 2021 that the Alabama PSC lacked jurisdiction. Cyber filed a petition with the FCC for ETC designation on June 7, 2021, receiving a designation on February 22, 2022. Cyber diligently submitted its ETC petition to the Alabama PSC within 30 days of the public notice announcing it as a winning bidder, thus beginning its pursuit of an ETC designation within the presumption of good faith period. After receiving notice that Alabama lacked jurisdiction, Cyber was able to obtain its ETC designation while Commission staff were still actively reviewing long-form applications. We find good cause to grant its petition for waiver regarding the ETC documentation deadline because Cyber acted in good faith in completing its application, including beginning the ETC designation process on time and filing for and receiving its federal ETC designation while its application was under review.

Moreover, based on the totality of the circumstances, we find that waiver of the deadline here would serve the public interest. We find the public interest is served by moving forward with authorizing support for applicants that acted in good faith through the application process and obtained their ETC designation.

---


17 Petition of Cyber Broadband, Inc. for Waiver of the ETC Designation Deadline, AU Docket No 20-34 at 3 (filed June 7, 2021) (Cyber Petition).

18 Cyber Petition at 2.

19 Id. at 2.

20 Cyber Broadband Communications, Petition for Designation as an Eligible Telecommunications Carrier, WC Docket No. 09-197 (filed June 7, 2021) (Cyber FCC ETC Petition); Telecommunications Carriers Eligible for Universal Service Support; Connect America Fund; WC Docket Nos. 09-197, 10-90, Order, DA 22-184 (WCB Feb. 22, 2022).

21 Cyber has shown consistent efforts to obtain its ETC designation, as evidenced by Cyber filing its ETC petition with the Alabama PSC within the 30-day time frame, and then ultimately being designated an ETC by the FCC. Cyber Petition at 2.
designations within a reasonable amount of time after the deadline, rather than delaying the provision of voice and broadband service to these areas by defaulting long-form applicants that are otherwise ready to authorize.

Commission staff is reviewing information that is submitted with long-form applications on a rolling basis. Accordingly, a long-form applicant that is not included in this Public Notice may be included in a future public notice once Commission staff finalizes review of the long-form application.

Defaults. Several winning bidders have notified us that they do not intend to pursue some or all of their winning bids. In Attachment B, we list the relevant winning bids associated with winning bidders or their assignees that have notified us that they do not intend to pursue all or some of their winning bids in a state. A list of the eligible census blocks covered by these winning bids will be made available on the Auction 904 website under the “Results” tab, https://www.fcc.gov/auction/904/round-results. Auction 904 support will not be authorized for the winning bids listed in Attachment B.

We consider these winning bidders and assignees to be in default for these bids and subject to forfeiture. We will refer these defaulters to the Enforcement Bureau for further consideration. Because

---

22 Attachment B includes one bid default by Valor Telecommunications of Texas, LLC dba Windstream that was inadvertently included on a prior ready to authorize public notice. This default was for an entire bid that included a census block identified in our July 26, 2021 Letters. See supra n.7. Attachment B also contains two bid defaults for Farmers Mutual Cooperative Corporation (FMCTC). On April 20, 2022, the Wireline Competition Bureau notified FMCTC of significant deficiencies that could jeopardize FMCTC’s ability to receive funding if it did not provide missing information within a stated time-frame. Ultimately, the information and documentation were not submitted to its FCC Form 683 by the stated deadline. Thus, FMCTC is deemed in default and will not be authorized to receive support in Auction 904.

23 RHMD, LLC was included in the Default Public Notice released on May 3, 2022. Rural Digital Opportunity Fund Auction Support for 2,061 Winning Bids Ready to Be Authorized; Bid Defaults Announced, AU Docket No. 20-34 et al., DA 24-483 (WCB/OEA May 3, 2022). Thus, we dismiss as moot the joint petition from RHMD, LLC and A2D, Inc. for waiver of the Commission’s requirement that an Auction 904 winning bidder may only assign its winning bids to a related entity that is named in its short-form application. A2D, Inc. and RHMD, LLC Joint Petition for Waiver, WC Docket No. 09-197 et al. (filed Nov. 23, 2021).

Attachment B also includes Newport Utilities. Because Newport Utilities has defaulted on all its winning bids, we dismiss as moot its petition seeking ETC designation from the Commission for the areas covered by its winning bids and its petition seeking waiver of the June 7, 2021 ETC documentation submission deadline. Newport Utilities, Petition for Designation as an Eligible Telecommunications Carrier Pursuant to Section 214(e)(6) of the Communications Act of 1934, WC Docket No. 09-197 (filed Feb. 11, 2021); Newport Utilities, Petition for Waiver, WC Docket No. 09-197 et al. (filed June 4, 2021).

24 Rural Digital Opportunity Fund et al., WC Docket No. 19-126 et al., Report and Order, 35 FCC Red 686, 735-36, paras. 114-17 (2020) (Rural Digital Opportunity Fund Order). In the Fourth RDOF Authorization Public Notice, we waived the default forfeiture for letter-identified census blocks and in the Eighth RDOF Authorization Public Notice we waived the default forfeiture for non-urban areas that similarly appeared to staff as being served with 25/3 Mbps broadband and for which applicants informed the Commission that they wished to default. Fourth RDOF Authorization Public Notice at 9; Rural Digital Opportunity Fund Support Authorized for 1,345 Winning Bids, AU Docket No. 20-34 et al., Public Notice, DA 22-402, at 6 n.38 (WCB/OEA Apr. 15, 2022). Accordingly, to the extent applicants filed petitions seeking waiver of the default forfeiture or other non-compliance measures for these areas, we dismiss those petitions as moot.

For all other defaulted areas, we dismiss petitions seeking waiver of the default forfeiture and other non-compliance measures. All relevant facts, including the claimed public interest benefits that could result from the applicants’ defaults, will be given due consideration in accordance with the default penalty framework adopted by the Commission. For the reasons explained in the First RDOF Default Public Notice, we also deny outstanding petitions that request that we waive the default penalty framework to relieve applicants of the obligation to apply for support. First RDOF Default Public Notice at 2-3 n.8
Commission staff are reviewing information that is submitted with long-form applications on a rolling basis, we expect to announce additional defaults in future public notices.

A defaulter will be subject to a base forfeiture per violation of $3,000. A violation is defined as any form of default with respect to the census block group. In other words, there shall be separate violations for each census block group assigned in a bid. So that this base forfeiture amount is not disproportionate to the amount of a winning bidder’s bid, the Commission has limited the total base forfeiture to 15% of the bidder’s total assigned support for the bid for the support term. Notwithstanding this limitation, the total base forfeiture will also be subject to adjustment upward or downward based on the criteria set forth in the Commission’s forfeiture guidelines. In addition, any applicant that failed to submit the audited financial statements as required by the June 7, 2021 deadline will be subject to a base forfeiture of $50,000, which will be subject to adjustment upward or downward as appropriate based on criteria set forth in the Commission’s forfeiture guidelines.

Pursuant to section 54.804(b)(6)(v) of the Commission’s rules, the long-form applicants identified in Attachment A that may be authorized to receive Rural Digital Opportunity Fund auction support must submit irrevocable stand-by letters of credit, issued in substantially the same form as set forth in the model letter of credit provided in Appendix C of the Rural Digital Opportunity Fund Order, by a bank that is acceptable to the Commission by 6:00 p.m. ET on June 9, 2022. Prior to submitting their letters of credit, we encourage long-form applicants to view and share with their issuing banks the letter of credit resources available on USAC’s website: https://www.usac.org/high-cost/funds/rural-digital-opportunity-fund/.

A separate letter of credit must be submitted for each state where the long-form applicant has winning bids that are ready to be authorized, in an amount equal to at least the first year of support in the state. The value of the letter of credit must increase each year until it has been verified that the support recipient has met certain milestones, as described in more detail in section 54.804(c)(1) of the Commission’s rules.

In addition, a long-form applicant is required to provide with the letter of credit an opinion letter from outside legal counsel clearly stating, subject only to customary assumptions, limitations, and qualifications, that, in a proceeding under the Bankruptcy Code, the bankruptcy court would not treat the letter of credit or proceeds of the letter of credit as property of the long-form applicant’s bankruptcy.

---


30 Rural Digital Opportunity Fund Order, 35 FCC Rcd at 773-77, Appx. C.

31 The Commission’s rules list specific requirements for a bank to be acceptable to the Commission to issue the letter of credit. Those requirements vary for United States banks and non-U.S. banks. See 47 CFR § 54.804(c)(2); Rural Digital Opportunity Fund Order, 35 FCC Rcd at 732, para. 107.

32 Rural Digital Opportunity Fund Order, 35 FCC Rcd at 732-33, paras. 107-08.

33 47 CFR § 54.804(c)(1)(i)-(vii); Rural Digital Opportunity Fund Order, 35 FCC Rcd at 729-31, paras. 98-104.
estate, or the bankruptcy estate of any other bidder-related entity requesting issuance of the letter of credit, under section 541 of the Bankruptcy Code.\textsuperscript{34}

By future public notice, we will authorize support for specific winning bids for which all requirements, including submission of the letter of credit and opinion letter, have been met.

Details concerning the next steps are set forth below.

**Instructions for Submission of Letter of Credit and Opinion Letter**

Long-form applicants identified in Attachment A of this Public Notice must submit letters of credit and Bankruptcy Code opinion letters for each state where they have winning bids identified in Attachment A. The minimum amount of the first letter of credit for each state is determined by adding up the first year of support listed in Attachment A for each winning bid in the state. Each letter of credit and opinion letter submitted to the Universal Service Administrative Company (USAC) must reference the relevant study area code as listed in Attachment A.

A long-form applicant should:

- Submit the hard copy of the letter of credit and opinion letter to USAC by \textbf{6:00 p.m. ET on June 9, 2022}, at the following address: Universal Service Administrative Company (USAC), High Cost Program, Rural Digital Opportunity Fund LOC, Attn: Stephen Snowman, 700 12th Street, NW, Suite 900, Washington, DC 20005;

- \textbf{Submit an electronic copy of its original letter of credit and opinion letter to heinfo@usac.org and OGC-LOC@usac.org} by the deadline to ensure that they are timely filed. Note: 1) the electronic copies should be scanned versions of the hard copies mailed to USAC, which should be signed and include Annex A, B, & C, as shown in the model letter of credit,\textsuperscript{35} 2) electronic copies are used for the purpose of determining the timeliness of submissions, 3) thus, USAC will only review the mailed, hard copies of the letters of credit and opinion letters, not the electronic copies;

- Expect to receive feedback from USAC on letters of credit within approximately 10 days of USAC’s receipt of the hard copies;

- Avoid sending additional documents until the applicant has received feedback from USAC. If an applicant notices an error in its letter of credit or bankruptcy opinion letter prior to receiving feedback from USAC, do not send USAC a revised copy of the relevant document. Instead, applicants should wait to receive feedback from USAC and then make their corrections to the version of the document they send back to USAC that also incorporates any USAC feedback.

A copy of the letter of credit and opinion letter must also be submitted in the FCC Auction System by the applicable deadline—\textbf{prior to 6:00 p.m. ET on June 9, 2022}. An applicant must provide this required information in two attachments. The letter of credit attachment should be uploaded using the “Letter of Credit” attachment type, and the opinion letter attachment should be uploaded using the “Letter of Credit Opinion Letter” attachment type. Each attachment must be uploaded within the applicant’s long-form application to each relevant winning bid identified in Attachment A of this Public Notice. Such attachments will be treated as confidential trade secrets and/or commercial information and withheld

\textsuperscript{34} 11 U.S.C. § 541; 47 CFR § 54.804(c)(3); \textit{Rural Digital Opportunity Fund Order}, 35 FCC Rcd at 735, para. 113.

\textsuperscript{35} \textit{Rural Digital Opportunity Fund Order}, 35 FCC Rcd at 773-77, Appx. C.
from routine public inspection.\textsuperscript{36} As such, a long-form applicant need not submit a separate section 0.459 confidentiality request for this information with its FCC Form 683.\textsuperscript{37}

Any long-form applicant identified in Attachment A that fails to file the required documents\textsuperscript{38} for any of the identified winning bids by the applicable deadline – prior to 6:00 p.m. ET on June 9, 2022 – will be in default on such bid(s) and subject to forfeiture.\textsuperscript{39}

\textbf{Further Information Contact:}

\begin{itemize}
  \item \textbf{Technical Support}  
  \begin{itemize}
    \item Electronic Filing  
    \item Auction Application System
  \end{itemize}

  \item \textbf{FCC Auctions Technical Support Hotline}  
  \begin{itemize}
    \item (877) 480-3201, option nine; or (202) 414-1250  
    \item (202) 414-1255 (TTY)  
    \item Hours of service: 8:00 a.m. – 6:00 p.m. ET, Monday through Friday
  \end{itemize}

  \item \textbf{Press Information}  
  \item \textbf{Office of Media Relations}  
  \begin{itemize}
    \item Anne Veigle, (202) 418-0506
  \end{itemize}

  \item \textbf{General Universal Service Information}  
  \item \textbf{Wireline Competition Bureau,}  
  \item \textbf{Telecommunications Access Policy Division}  
  \begin{itemize}
    \item Lauren Garry  
    \item Heidi Lankau  
    \item Katie King  
    \item (202) 418-7400  
    \item Auction904@fcc.gov
  \end{itemize}

  \item \textbf{Universal Service Administrative Company}  
  \begin{itemize}
    \item Stephen Snowman  
    \item (202) 414-2725
  \end{itemize}
\end{itemize}

\textsuperscript{36} \textit{Auction 904 Closing Public Notice}, 35 FCC Rcd at 13899, para. 28. If a request for public inspection under section 0.461 is made for the long-form applicant’s letter of credit or opinion letter, the long-form applicant will have an opportunity to object to disclosure and justify the continued confidential treatment of the information. 47 CFR §§ 0.459, 0.461.

\textsuperscript{37} 47 CFR § 0.459.

\textsuperscript{38} 47 CFR § 54.804(b)(6)(v).

Auction 904 Information
General Auction Information, Process, and Procedures

Office of Economics and Analytics, Auctions Division
(717) 338-2868

Post-Auction Rules, Policies, and Regulations

Rural Broadband Auctions Task Force
Michael Janson, (202) 418-0627
Kirk Burgee, (202) 418-1599
Audra Hale-Maddox, (202) 418-0794
Jonathan McCormack, (202) 418-1065

Office of Economics and Analytics, Auctions Division
(202) 418-0660

Small Businesses
Additional information for small and disadvantaged businesses

Office of Communications Business Opportunities
(202) 418-0990
http://www.fcc.gov/ocbo/

Accessible Formats
Braille, large print, electronic files, or audio format for people with disabilities

Consumer and Governmental Affairs Bureau
(202) 418-0530
fcc504@fcc.gov

FCC Internet Sites
http://www.fcc.gov
https://www.fcc.gov/auction/904

This Public Notice contains the following Attachments:
Attachment A: Ready to Authorize Long-Form Applicants and Winning Bids
Attachment B: Bids in Default

-FCC-