WAVELENGTH’S RURAL DIGITAL OPPORTUNITY FUND BIDS IN DEFAULT ANNOUNCED

AU Docket No. 20-34
WC Docket No. 19-126
WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau (WCB or Bureau) and the Office of Economics and Analytics (OEA) announce that Wavelength LLC, a Rural Digital Opportunity Fund (RDOF or Auction 904) long-form applicant, has defaulted. The long-form applicant’s defaulted bids are identified in Attachment A.

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 RDOF support.¹ Winning bidders had the opportunity to assign some or all of their winning bids to related entities by December 22, 2020.² 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, 2021.³ On February 18, 2021, we announced that there were 417 long-form applicants.⁴ Long-form applicants must file “more extensive information” than was required in their short-form applications in order to “demonstrat[e] to the Commission that they are legally, technically, and financially qualified to receive support.”⁵ The Commission conducts an in-depth review of timely submitted applications both for completeness and compliance with the Commission’s rules and to determine whether an applicant is financially and technically qualified for support.⁶ If a long-form applicant is found ineligible or unqualified to receive support, the applicant will be announced in default and subject to forfeiture.⁷

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² Id. at 13890-91, paras. 9-14.
³ Id. at 13892-93, para. 16.
⁶ Id. at 722, 725 paras. 79, 86 (noting that the long-form application process “will provide an in-depth extensive review of the winning bidders’ qualifications” and that long-form applicants “are required to submit extensive information detailing their respective qualifications in their long-form applications, allowing for a further in-depth review of their qualifications prior to authorization of support”). See also Rural Digital Opportunity Fund Phase I (continued….)
Wavelength - Arizona. The Bureau has concluded its review of Wavelength’s long-form application in Arizona. Wavelength proposes to deploy service to 12,418 estimated RDOF locations in Arizona. The Bureau has determined that, based on the totality of the long-form application and its inadequate responses to the Bureau’s follow-up questions, Wavelength has failed to demonstrate that it is financially qualified to receive support to meet its RDOF program obligations in the areas where it has winning bids in Arizona. The Commission has an obligation to protect limited Universal Service Funds and to avoid extensive delays in providing needed service to rural areas, including by not subsidizing risky proposals that propose deployment plans that are unrealistic or that are predicated on aggressive assumptions and predictions. Accordingly, we deny Wavelength’s long-form application in Arizona, and Wavelength is in default on all winning bids not already announced as defaulted, as listed in Attachment A. We will refer these defaults to the Enforcement Bureau for further consideration.

A defaulter is subject to a base forfeiture per violation of $3,000.8 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.9 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.10 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.11

Further Information Contact:

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7 Auction 904 Procedures Public Notice, 35 FCC Rcd 6077, 6112, para. 97 (2020) (Auction 904 Procedures Public Notice) (explaining the Commission’s expectation that “the more in-depth long-form application process will further minimize the risk of authorizing an unqualified applicant”); Auction 904 Closing Public Notice, 35 FCC Rcd at 13888, 13895, para. 18 (“Timely submitted applications will be reviewed by Commission staff for completeness and compliance with the Commission’s rules and to determine if the long-form applicant has demonstrated that it is technically and financially qualified to fulfill its Rural Digital Opportunity Fund public interest obligations if authorized to receive support.”).


This Public Notice contains the following attachment:

Attachment A: Bids in Default

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