PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

News Media Information 202 / 418-0500
Internet: https://www.fcc.gov

DA 23-143
Released: February 23, 2023

APPLICATION GRANTED FOR THE ACQUISITION OF CERTAIN ASSETS OF MIDSTATE TELEPHONE COMPANY, LLC BY NORTHWEST COMMUNICATIONS COOPERATIVE, INC.

WC Docket No. 22-397

JOINT PETITION GRANTED FOR WAIVER OF THE DEFINITION OF "STUDY AREA" CONTAINED IN PART 36 OF THE COMMISSION'S RULES

CC Docket No. 96-45

By this Public Notice, the Wireline Competition Bureau (Bureau) grants, as conditioned, an application filed by Midstate Telephone Company, LLC (Midstate) and Northwest Communications Cooperative, Inc. (NCC) (together, Applicants), pursuant to section 214 of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,[1] requesting approval for the acquisition of certain access lines served by Midstate in and around Portal, North Dakota (the Portal Exchange) by NCC.[2] No party filed comments related to the proposed transaction, and the Bureau has determined that grant of this Application serves the public interest. Accordingly, we grant the Application with the condition stated herein.[3]

The Bureau also grants the Applicants' petition for waiver[4] of the study area boundary freeze

[1] *See* 47 U.S.C. § 214; 47 CFR §§ 63.03-04.

[2] *See* Application of Midstate Telephone Company, LLC and Northwest Communications Cooperative, Inc. for Consent to the Transfer of Control of Lines of an Authorized Domestic Section 214 Carrier, WC Docket No. 22-397 (filed Nov. 16, 2022) (Application).

[3] On December 6, 2022, the Bureau accepted the Application for filing and did not receive any comments related to the proposed transaction. *Domestic Section 214 Application filed for Acquisition of Certain Assets of Midstate Telephone Company, LLC by Northwest Communications Cooperative, Inc.*, WC Docket No. 22-397. Public Notice, DA 22-1265 (WCB 2022).

[4] *See* Application at 8; Joint Petition of Midstate Telephone Company, LLC and Northwest Communications Cooperative, Inc. for Waiver of the Definition of "Study Area" of the Appendix-Glossary of Part 36 of the Commission's Rules, CC Docket No. 96-45 (filed Nov. 15, 2022) (Study Area Waiver Petition). The Petitioners supplemented both the Application and Study Area Waiver Petition on December 2, 2022, January 26, 2023, and February 21, 2023. Letter from John Kuykendall, JSI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-434 and CC Docket No. 96-45 (filed Dec. 2, 2022) (Study Area Waiver Supplement); Letter from John Kuykendall, JSI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-434 and CC Docket No. 96-45 (filed Jan. 26, 2023) (Voluntary Commitment Letter); Letter from John Kuykendall, JSI, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 22-434 and CC Docket No. 96-45 (filed Feb. 21, 2023) (Second Study Area Waiver Supplement). Applicants have also filed a separate request for waiver of Sections 51.917(b)(1), (b)(7), of the FCC's rules addressing certain switched access and Connect America Fund Broadband Loop Support issues. *See* Application at 8; Joint Petition for Waiver of Part 51 Access Charge and Connect America Fund Intercarrier Compensation Calculations, WC Docket No. 22-434 (filed Dec. 6, 2022). Grant of the domestic section 214 application and

(continued….)

codified in the Appendix-Glossary of Part 36 of the Commission's rules.[5] We find that granting the Petition, as conditioned, would serve the public interest and is consistent with the efficient use of the Universal Service Fund (USF).

Applicants and Description of the Transaction

Midstate, a North Dakota limited liability corporation, provides service as a rural incumbent local exchange carrier (LEC) to approximately 2,000 residential and business customers in the Stanley, Medora, and Portal exchanges in North Dakota.[6]

NCC, a North Dakota member-owned cooperative in which no single member owns or controls more than 10% of the interests, provides service as a rural incumbent LEC in the exchanges of Alamo, Bowbells, Columbus, Crosby, Epping, Flaxton, Grenora, Lignite, Marmon, McGregor, Noonan, Powers Lake, Ray, Round Prairie, Tioga, and Wildrose, North Dakota.[7] Midstate's Portal Exchange is adjacent to NCC's service territory.[8] Applicants state that NCC does not hold a 10% or greater interest in any other provider of domestic telecommunications services.[9]

Pursuant to the terms of the proposed transaction, NCC will acquire all assets, property, rights, and interests serving 90 voice access line customers from Midstate in and around the Portal Exchange. As a result, the Portal Exchange would be "integrated into NCC's service territory, and NCC, rather than Midstate, will provide telecommunications and Internet access to customers in the Portal Exchange."[10]

Applicants state that the proposed transaction would serve the public interest because, among other reasons, the small number of customers being acquired are isolated in a geographic area surrounded by the NCC exchanges and "[t]hese customers need enhanced telecommunications services and will benefit from NCC's resources and close network proximity."[11] Applicants state that Midstate's customers will not experience any immediate change to rates, terms, or conditions of service, and that the transaction will not result in the interruption, reduction, loss, or impairment of service.[12] Following the consummation of the proposed transaction, there will be no overlap of fiber facilities in the markets where the Applicants operate.[13] Applicants assert "[t]he efficiencies of scope and scale generated by the transaction will create public interest benefits in line with those emphasized by the Commission in the

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petition for waiver of the study area boundary is without prejudice to other related pending Commission items or proceedings.

[5] *See* 47 CFR pt. 36 Appx.

[6] Application at 7.

[7] Application at 4 and 7. Applicants state that NCC is controlled by its Board of Directors, all of whom are U.S. citizens. NCC holds an 11.11% ownership interest and a voting seat on the Board of North Dakota Long Distance, a long distance provider that serves customers of both Midstate and NCC. *Id.* at 4; Study Area Waiver Supplement at 1-2. NCC also owns an 8.132% ownership interest and seat on the Board of Dakota Carrier Network, a fiber broadband provider in North Dakota that does not provide voice or broadband services in the Portal Exchange. *Id.*

[8] Application at 7 and Exh. A (Map of Current Service Areas).

[9] *Id.*

[10] *Id*. at 6. Applicants state that NCC will also provide video services in the Portal Exchange. *Id*. at n.13.

[11] *Id.* at 8. Applicants state that "NCC has technicians in the area daily, which is something the Portal Exchange customers have not been able to experience in the past. Also, NCC already supports the schools in nearby exchanges where the young people in the Portal community attend." *Id.*

[12] *Id.* at 9. Applicants state that "[m]oreover, the same extended area service that covers all NCC's service area will cover the Portal Exchange customers. Also, NCC plans to upgrade the customer premises equipment at each customer location in the Portal Exchange beginning after closing as soon as the first quarter of 2023, with full fiber deployment to the locations after that." *Id.*

[13] *Id.*

USF/ICC Transformation Order, allowing for the more efficient and productive operation of both the rate-of-return ILEC service areas included in this transaction."[14]

Grant of the Section 214 Application, As Conditioned

We find, upon consideration of the record, that a grant of the Applications will serve the public interest, convenience, and necessity. To make this determination under Commission precedent, we consider whether the proposed transaction complies with the Act, related statutes, and the Commission's rules and, if so, whether it could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.[15] We then employ a balancing test that weighs any potential public interest harms of the proposed transaction against any potential public interest benefits.[16] The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.[17] We next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.[18] Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.[19] 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.[20]

We recognize the potential public benefit and efficiencies that may result from the addition of NCC's resources and proximity to the Portal Exchange and are persuaded that NCC seeks to maximize the availability and benefits of its services to these customers.[21] At the same time, we must also guard against the potential for public harm that may arise when providers are receiving more universal service

[14] Application at 9 (citing *Connect America Fund et al.,* WC Docket No. 10-90 et al., Report and Order and Further Notice of Proposed Rulemaking, 26 FCC Rcd 17663, 17984-85, para. 902 (2011) (*USF/ICC Transformation Order*), *aff'd sub nom. In re FCC 11-161*, 753 F.3d 1015 (10th Cir. 2014).

[15] *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, 36 FCC Rcd 16994, 16996, para. 21 (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*)).

[16] *See Verizon-TracFone Order*, 36 FCC Rcd at 16996, 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).

[17] *See Verizon-TracFone Order*, 36 FCC Rcd at 16996, 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).

[18] *See AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, paras. 273-74.

[19] *See id*. at 9237-38, paras. 275-76.

[20] *See id*.

[21] Applicants state that "Midstate's willingness to relinquish the Portal Exchange and assign it to NCC is motivated by the small number of existing customers isolated in a geographic area surrounded by the NCC exchanges (currently 90 voice access lines and 57 Internet access customers). . . . Customers have been stranded to the extent that their geographic location limits the network investment Midstate can reasonably undertake for so few lines." Application at 8.

support than necessary, which, as the Commission has found, is "especially important in the context of limited high-cost support, because overpayment to some carriers reduces the funding available to other providers."[22] Such an overpayment in USF support resulting from the proposed transaction would put pressure on the limited resources of the high-cost fund. As the Commission has found, a transaction that could result in an increased burden on the USF solely as a result of the transaction contrasts with our general expectation that transactions generate efficiencies that reduce costs.[23]

Applicants, in addressing the broader impact of the proposed transaction on the USF, provide two estimates of the USF high-cost support that the combined entities expect to annually receive following NCC's assumption of the Portal Exchange.[24] In one estimate, Applicants assert an annual decrease of $12,021, if all lines in the Portal Exchange remain voice access lines.[25] In the second estimate, Applicants estimate an annual increase of $7,360, if all lines are converted to consumer broadband-only lines (CBOLs) after the transaction.[26] Applicants also address the potential of NCC receiving, following the consummation of this transaction, Safety Valve Support (SVS), an additional USF mechanism available to allow rate-of-return carriers to receive additional HCLS to make upgrades to infrastructure when exchanges are acquired.[27] In addressing this issue, Applicants state that "NCC has determined that it is highly unlikely that it would ever qualify for SVS funds" and that "no SVS support for the Portal Exchange will result from this transaction."[28] To further ensure that no public harm arises from this transaction related to SVS funds, on January 26, 2023, Applicants made a voluntary commitment that

[22] *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, 4786, para. 21 (2018) (*Hargray/ComSouth Order*) (citing *Connect America Fund et al.*, Report and Order et al., 33 FCC Rcd 2990, 2995, para. 13 (2018) (*CAF 2018 Order*)).

[23] *Hargray/ComSouth Order*, 33 FCC Rcd at 4784, para. 19.

[24] Study Area Waiver Supplement at 2-4. Applicants state that both "NCC and Midstate are rate-of-return cost ILECs receiving [Connect America Fund (CAF) Broadband Loop Support (BLS), High Cost Loop Support (HCLS), and CAF Inter Carrier Compensation (ICC)]." Application at 6.

[25] Study Area Waiver Supplement at 2-3.

[26] *Id.* at 3-4. This alternative method "assumes that all 90 voice customers transition to NCC's standalone broadband offering and receive consumer broadband-only loop (CBOL) support." *Id.* at 2. Applicants, in explaining the different results between these two calculations, state: "Currently, the Portal Exchange serves 90 voice access lines with 57 of those lines taking a bundled voice and Internet package. The calculations shown above were made based on the status quo being maintained. The Commission allows additional CAF-BLS funds known as CBOL support when customers transition from voice-only or a voice-Internet bundled package to a standalone broadband offering. Were all 90 voice access lines to transition to CBOL, NCC estimates that its CAF-BLS would increase by $13,305 annually. As shown below, this would yield a slight net increase in USF of $7,360 annually." *Id.*

[27] *See Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers*, CC Docket No. 96-45 et al., Fourteenth Report and Order, Twenty Second Order on Reconsideration, and Further Notice of Proposed Rulemaking, 16 FCC Rcd 11244, 11285-86, para. 99 (2001).

[28] Study Area Waiver Supplement at 4. Applicants state that they believe they would not qualify for SVS funds because "SVS is based on continued investments after the index year and that such continued investments are not needed for such a small geographic area. Also, as indicated in the scenario above, most, if not all, Portal Exchange customers could migrate to standalone broadband, which would eliminate any potential SVS because SVS is only available for voice service."

"NCC will not seek, and thus not receive, safety valve support for the Portal Exchange after this transaction has closed."[29]

We find that Applicants have sufficiently addressed the potential public harm arising from the proposed transaction.[30] Applicants have credibly forecasted a slight decrease in USF high-cost support that the combined entities will annually receive (including CAF-BLS, CAF-ICC, and HCLS) if NCC continues to provide voice or voice-broadband-bundled service to the Portal Exchange. While Applicants estimate a slight increase in USF high-cost support if NCC were to convert the lines to CBOLs after the transaction, we conclude this increase would be consistent with the transition of voice lines to CBOLs and is not the product of the transaction. Significantly, NCC commits to not seeking SVS following the consummation of this transaction. Given SVS's potential to duplicate other federal funding, such as NTIA's Broadband Equity, Access, and Deployment (BEAD) program, we do not think it would be appropriate to approve transactions that create opportunities to receive SVS. The Commission has determined that it may impose and enforce narrowly tailored, transaction-specific conditions that address the potential harms of a transaction.[31] In accordance with this precedent, and to prevent the transaction-specific harm associated here with SVS funds, we condition our grant of the Application on NCC's commitment not to seek SVS following the consummation of this transaction, as stated in the Applicants' Voluntary Commitment Letter.[32] Adopting this condition furthers our duty to protect the public from waste, fraud, and abuse in the context of limited high-cost support.[33] As the Commission has found in the context of other transactions impacting the USF, this condition is also aligned with our directive to avoid overpayment to some carriers which would, in turn, reduce the funding available to other providers.[34]

We therefore make Applicants' agreed-upon commitment binding and an enforceable condition of our approval.[35] Having addressed, and remediated with a narrowly targeted condition, any potential public interest harms of the transaction, we find that the proposed transaction will lead to public interest benefits, including ensuring that customers in the Portal Exchange continue to have the opportunity to receive needed telecommunications services in rural areas, because those customers will benefit from NCC's resources and close network proximity. Accordingly, and subject to the condition stated above,

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[29] Voluntary Commitment Letter at 1. While we make no determinations on whether NCC would qualify for SVS post-transaction, *see supra* note 28, we deem this issue moot based on the conditional grant contained herein that NCC will not seek SVS support following the consummation of this transaction.

[30] When determining whether a proposed transfer of control is consistent with the public interest, convenience, and necessity, we must first assess whether the proposed transaction complies with the specific provisions of the Act, other applicable statutes, and the Commission's rules and then, second, consider whether a proposed transaction "could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the [Communications] Act or related statutes." *See, e.g.*, *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 at 9585, para. 9 (2017) (*Level 3-CenturyLink Order*).

[31] *See, e.g.*, *Applications of T-Mobile US, Inc., and Sprint Corporation for Consent to Transfer Control of Licenses and Authorizations, et al.*, WT Docket No. 18-197, Memorandum Opinion and Order, Declaratory Ruling, and Order of Proposed Modification, 34 FCC Rcd 10578, 10596, para. 40 (2019); *Level 3-CenturyLink Order*, 32 FCC Rcd at 9585-86, para. 9.

[32] Voluntary Commitment Letter at 1.

[33] *CAF 2018 Order* at 2995, para. 13.

[34] *See, e.g.*, *Hargray/ComSouth Order*, 33 FCC Rcd at 4784, para. 26 (citing *CAF 2018 Order*, 33 FCC Rcd at 2995, para. 13).

[35] The terms of the agreement would not supersede any contradictory result required by Commission action in pending proceedings. We direct Midstate to work with the National Exchange Carrier Association (NECA) and the Bureau, and provide any information necessary, to remove costs associated with the Portal Exchange from Midstate's costs.

we find it likely that the proposed transaction would result in some public interest benefits and, given the lack of potential harms, find on balance, that the proposed transaction serves the public interest. .

<u>Study Area Boundary Waiver Request</u>

We next consider Applicants' petition for waiver of the study area boundary freeze. A study area is a geographic segment of an incumbent LEC's telephone operations. Generally, a study area corresponds to an incumbent LEC's entire service territory within a state. The Commission froze all study area boundaries effective November 15, 1984.[36] The Commission took this action to prevent incumbent LECs from establishing separate study areas made up only of high-cost exchanges to maximize their receipt of high-cost universal service support.[37] A carrier must therefore apply to the Commission for a waiver of the study area boundary freeze in order to sell or purchase additional exchanges.[38]

Generally, the Commission's rules may be waived for good cause shown.[39] The Commission may exercise its discretion to waive a rule where the particular facts make strict compliance inconsistent with the public interest.[40] In addition, the Commission may take into account considerations of hardship, equity, or more effective implementation of overall policy on an individual basis.[41] Waiver of the Commission's rules is therefore appropriate only if special circumstances warrant a deviation from the general rule and such deviation will serve the public interest.[42]

In the *USF/ICC Transformation Order*, the Commission revised its approach for evaluating petitions for study area waivers, concluding that it would apply two criteria first, that the state commission having regulatory authority over the transferred exchanges does not object to the transfer and, second, that the transfer is in the public interest.[43] The Commission stated that its evaluation of the public interest benefits of a proposed study area waiver will include: (1) the number of lines at issue; (2) the projected universal service fund cost per line; and (3) whether such a grant would result in a consolidation of study areas that facilitates reductions in cost by taking advantage of the economies of scale, *i.e*., reduction in cost per line due to the increased number of lines.[44]

We find that the Applicants have demonstrated good cause to waive the study area boundary freeze to permit Midstate to alter the boundaries of its existing Study Area No. 381617 by removing the Portal Exchange that it will transfer to NCC, subject to the agreed-upon commitments described above, to

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[36] *See MTS and WATS Market Structure, Amendment of Part 67 of the Commission's Rules and Establishment of a* Joint *Board*, CC Docket Nos. 78-72, 80-286, Decision and Order, 50 Fed. Reg. 939 (1985) (*Part 67 Order*) (adopting Recommended Decision and Order, 49 Fed. Reg. 48325 (1984)); *see also* 47 CFR pt. 36 Appx.

[37] *Connect America Fund, et al.*, WC Docket No. 10-90, CC Docket No. 96-45, Order, 31 FCC Rcd 10683, para. 2 (WCB 2016).

[38] *Part 67 Order*, 50 Fed. Reg. at 939, para. 1. In 2011, the Commission adopted a streamlined process for study area waiver petitions under which the waiver is deemed granted on the 60th day after the reply comment due date unless the Bureau provides notice that the petition requires further analysis and review. *USF/ICC Transformation Order*, 26 FCC Rcd at 17763, para. 267. Because of the complex issues presented in the Study Area Waiver Petition, it was not eligible for streamlined processing.

[39] 47 CFR § 1.3.

[40] *Northeast Cellular Telephone Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (*Northeast Cellular*).

[41] *WAIT Radio v. FCC*, 418 F.2d 1153, 1159 (D.C. Cir. 1969); *Northeast Cellular*, 897 F.2d at 1166.

[42] *Northeast Cellular*, 897 F.2d at 1166.

[43] *USF/ICC Transformation Order*, 26 FCC Rcd at 17762, para. 265.

[44] *Id*.

expand NCC's study area by incorporating the Portal Exchange as a new exchange in NCC's existing Study Area No. 381625.

First, the Applicants have demonstrated that the state commission with regulatory authority over the transferred exchange does not object to the requested study area waiver. The Applicants explain that, on February 8, 2023, the North Dakota Public Service Commission concluded that it did not object to the study area boundary change associated with the transfer of the Portal Exchange from Midstate to NCC.[45]

Second, we conclude that, on balance, the requested study area boundary freeze waiver, subject to the agreed-upon conditions in connection with the associated section 214 Application, would serve the public interest. Applicants state that the 90 voice line customers (including 57 Internet customers) in the Portal Exchange "have been stranded to the extent that their geographic location limits the network investment Midstate can reasonably undertake for so few lines. The proposed transfer will serve these customers well because NCC can efficiently and effectively provide advanced voice and broadband service in the Portal Exchange."[46] As noted above, Applicants provide two estimates of the impact of NCC's acquisition of the Portal Exchange. In one estimate, NCC's USF high-cost support would increase by $19,579, but Midstate's support would decrease by $31,780, for a net decrease of $12,021.[47] The other estimate assumes that all 90 voice customers in the Portal Exchange transition to NCC's stand-alone broadband service offering and receive consumer broadband only loop support (CBOL), and NCC receives $39,140, for a modest increase in overall USF high-cost support of $7,360.[48] As noted above, we conclude that this increase would be consistent with the transition of voice lines to CBOLs and would not be the product of the transaction.

We were concerned, however, about the potential increases in USF high-cost support if NCC were to receive Safety Valve Support (SVS), additional support available above the high-cost loop cap that is available to carriers that acquire high-cost exchanges and make substantial post-transaction investment to enhance network infrastructure.[49] Although NCC said that it had determined that it is "highly unlikely that it would ever qualify for SVS funds," we remained concerned about the potential for SVS support to duplicate other federal programs, such as BEAD. Subsequently, Applicants supplemented the record and informed the Commission that "NCC will not seek, and thus not receive safety valve support for the Portal exchange."[50] Subject to this agreed-upon commitment, we find the proposed transaction would result in significant benefits for the customers in the Portal Exchange.

Finally, although the requested study area boundary waiver will not result in a consolidation of study areas that facilitate reductions in cost, it will transfer Midstate's Portal Exchange, which is isolated from its other exchanges, and will incorporate the exchange into NCC's study area, which surrounds the Portal exchange. As discussed above, the transaction is expected to result in an overall decrease in USF high-cost support for Midstate, offsetting an increase for NCC, which results in either an overall decrease in USF high-cost support or only a modest increase. In addition, the voluntary commitment by NCC to not seek safety valve support ensures the overall amount of support would remain stable.

Conclusion

Accordingly, 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

45 Second Study Area Waiver Supplement at 1.

46 Study Area Waiver Petition at 5.

47 Study Area Waiver Supplement at 3.

48 *Id*. at 3-4.

49 *See* https://www.usac.org/high-cost/funds/legacy-fuNCCnds/safety-valve-support/; 47 CFR § 54.305.

50 Voluntary Commitment Letter at 1.

the Application discussed in this Public Notice subject to compliance with the condition described above.[51]

Further, pursuant to sections 1, 4(i), 5(c), 201, 202, and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 155(c), 201, 202, and 254, and to the authority delegated in sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 CFR §§ 0.91, 0.291, and 1.3, the Bureau hereby grants the joint petition for waiver of the study area boundary freeze as codified in Part 36, Appendix Glossary, of the Commission's rules, 47 CFR pt. 36 Appx., filed by the Applicants as discussed herein, subject to compliance with the condition described above.

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the consents granted herein are 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 Gregory Kwan, Wireline Competition Bureau, Competition Policy Division, (202) 418-1191 or Katie King, Wireline Competition Bureau, Telecommunications Access Policy Division, (202) 418-7491.

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[51] Within 30 days of closing the proposed transaction, Applicants must notify USAC so that it can make any appropriate changes to the High Cost Universal Broadband (HUBB) online location reporting portal for universal service recipients.