



PUBLIC NOTICE

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DA 23-744

Released: August 22, 2023

RURAL DIGITAL OPPORTUNITY FUND POST-AUTHORIZATION DEFAULTS 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) announces that Cuba City Telephone Exchange Co. (Cuba City) and Cal-Ore Communications, Inc. (Cal-Ore) have notified the Commission of their decisions to withdraw from the Rural Digital Opportunity Fund (RDOF) support program.¹ Cuba City and Cal-Ore's letters constitute notification to the Commission that these carriers are defaulting on their obligations to meet their service milestones.² At WCB's direction, the Universal Service Administrative Company (USAC) suspended future support payments for these support recipients, and we now direct USAC to recover RDOF support from Cuba City and Cal-Ore pursuant to the Commission's rules.³

On December 7, 2020, LICT Corporation (LICT) was announced as a RDOF winning bidder.⁴ LICT assigned its winning bids to its wholly-owned subsidiaries, Cuba City and Cal-Ore.⁵ Cuba City and Cal-Ore subsequently filed long-form applications seeking to become authorized to receive RDOF auction support for their winning bids.⁶ Cuba City was authorized in December 2021 to receive a total of \$540,329 in support over a 10-year term to offer voice and broadband service to 302 locations in Wisconsin, and Cal-Ore was authorized in February 2022 to receive a total of \$1,063,513.10 in support over a 10-year term to offer voice and broadband service to 235 locations in California.⁷

¹ Letter from Mark Harvey, President, Cuba City Telephone Exchange Co., to Marlene H. Dortch, Secretary, FCC, AU Docket No. 20-34 et al. (filed Aug. 15, 2023) (Cuba City Withdrawal Letter); Letter from Dan Morrison, Cal-Ore Communications, Inc., to Marlene H. Dortch, Secretary, FCC, AU Docket No. 20-34 et al. (filed Aug. 15, 2023) (Cal-Ore Withdrawal Letter). Cuba City's Study Area Code is 330872 and Cal-Ore's Study Area Code is 549039.

² 47 CFR §§ 54.320(d), 54.802(c), 54.806(c). Cuba City remains an Alternative Connect America Cost Model support recipient. *Wireline Competition Bureau Authorizes 171 Rate-of-Return Companies to Receive \$491 Million Annually in Alternative Connect America Cost Model II Support to Expand Rural Broadband*, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 7271 (WCB 2019).

³ *Id.* §§ 54.804(c)(4)(i), 54.806(c).

⁴ *Rural Digital Opportunity Fund Phase I Auction (Auction 904) Closes; Winning Bidders Announced; FCC Form 683 Due January 29, 2021*, AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 13888 (WCB/OEA 2020).

⁵ *417 Long-Form Applicants in the Rural Digital Opportunity Fund Phase I Auction (Auction 904)*, AU Docket No. 20-34 et al., Public Notice, 36 FCC Rcd 4140 (WCB/OEA 2021).

⁶ *Id.*

⁷ *Rural Digital Opportunity Fund Support Authorized for 2,008 Winning Bids*, AU Docket No. 20-34 et al., Public Notice, 36 FCC Rcd 17198, Attach. A (WCB/OEA 2021) (*Cuba City Authorization Public Notice*); *Rural Digital*

(continued...)

Cuba City and Cal-Ore filed letters in the relevant dockets notifying the Commission of their decisions to withdraw from the RDOF support program in August 2023.⁸ Accordingly, we consider Cuba City and Cal-Ore to have defaulted on their RDOF service milestones. Each will receive no further RDOF auction support payments,⁹ and we hereby instruct USAC to recover funds consistent with the Commission's rules.¹⁰ While Cuba City and Cal-Ore will no longer receive RDOF support, they remain subject to recordkeeping rules for the high-cost program.¹¹ Cuba City and Cal-Ore also remain subject to all Eligible Telecommunications Carrier (ETC) obligations unless and until they follow the relevant procedures to relinquish their designations.¹² Additionally, Cuba City and Cal-Ore cannot discontinue voice service without Commission approval.¹³

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Opportunity Fund Support Authorized for 2,576 Winning Bids, AU Docket No. 20-34 et al., Public Notice, 37 FCC Rcd 1617, Attach. A (WCB/OEA 2022) (*Cal-Ore Authorization Public Notice*).

⁸ Cuba City Withdrawal Letter; Cal-Ore Withdrawal Letter.

⁹ See 47 CFR § 54.804(c)(4) (“Authorization to receive Rural Digital Opportunity Fund support is conditioned upon full and timely performance of all of the requirements set forth in this section, and any additional terms and conditions upon which the support was granted.”). See also *Cuba City Authorization Public Notice*, 36 FCC Rcd at 17198-208; *Cal-Ore Authorization Public Notice*, 37 FCC Rcd at 1617-25 (providing a non-comprehensive summary of the RDOF requirements). After each support recipient notified WCB of its intent to withdraw from the RDOF support program, WCB immediately instructed USAC to suspend the support recipient's RDOF support payments. 47 CFR §§ 54.320(c), 54.806(b).

¹⁰ 47 CFR §§ 54.804(c)(4), 54.320(d)(2), 54.806(c). Cuba City and Cal-Ore's decisions to withdraw from the RDOF support program and not pursue further support constitute notification that they will not meet the final service milestone and that they will not come into compliance after a 12-month grace period or at any point during the support term. If a support recipient does not repay the required support amount within six months of receiving an invoice from USAC, the Bureau will authorize USAC to draw on the support recipient's letter of credit. *Id.* § 54.804(c)(4)(i).

¹¹ *Id.* § 54.320(b) (“All eligible telecommunications carriers shall retain all records required to demonstrate to auditors that the support received was consistent with the universal service high-cost program rules. This documentation must be maintained for at least ten years from the receipt of funding. All such documents shall be made available upon request to the Commission and any of its Bureaus or Offices, the Administrator, and their respective auditors.”).

¹² 47 U.S.C. § 214(e)(4). Cuba City was designated as an ETC by the Public Service Commission of Wisconsin. *Application of Cuba City Telephone Exchange Company, Inc. to Expand its Eligible Telecommunications Carrier Service Area*, Docket No. 1460-TI-102, Order, PSC REF# 413122, Public Service Commission of Wisconsin (June 3, 2021). Cal-Ore was designated as an ETC by the California Public Utilities Commission. *Grants the Request of Five Carriers that Filed for Eligible Telecommunications Carrier Designation Pursuant to the Federal Communications Commission's Rural Digital Opportunity Fund Program*, Resolution T-17735, California Public Utilities Commission (June 3, 2021). Both carriers should follow the relevant state commission's rules to the extent they seek relinquishment.

¹³ 47 U.S.C. § 214(a); 47 CFR § 63.71.