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AUTHORIZATION OF R.M. GREENE, INC. AKA BEAM TO RECEIVE RURAL DIGITAL OPPORTUNITY FUND SUPPORT TRANSFERRED FROM POINT BROADBAND FIBER HOLDING, LLC

WC Docket No. 10-90

On June 21, 2023, the Wireline Competition Bureau (Bureau) approved a partial transfer of a domestic section 214 authorization from Point Broadband Fiber Holding, LLC (Point Broadband) to R.M. Greene, Inc. aka Beam (Beam) (together, Parties),¹ pursuant to section 214 of the Communications Act of 1934, as amended (Act) and sections 63.03-04 of the Commission's rules.¹ As a result of this approval, Parties received consent for the transfer of certain assets from Point Broadband to Beam, including Rural Digital Opportunity (RDOF) support, subject to, and conditioned upon, Beam's authorization to receive this support.² Consistent with this approval, the Bureau authorizes Beam to receive this support, as described in more detail below.

Pursuant to the terms of the approved transfer and as of its consummation on December 1, 2023, Point Broadband partially transferred its domestic section 214 authorization in conjunction with its RDOF support and related obligations with respect to 346 eligible census blocks (comprising 21 complete census

¹ See Domestic Section 214 Application Granted for the Transfer of Control of Certain Authorizations of Point Broadband Fiber Holding, LLC (Point Broadband), and R.M. Greene, Inc. aka Beam (Beam), WC Docket 22-344, Public Notice, DA 23-537, at 1, 6 (WCB rel. June 21, 2023) (214 Transfer Public Notice); see also Application of Point Broadband Fiber Holding, LLC and R.M. Greene, Inc. aka Beam for Partial Assignment of Domestic Section 214 Authorization, WC Docket No. 22-344 (filed Sept. 21, 2022) (Application). Applicants filed supplements to the Application on December 6, 2022, December 13, 2022, December 22, 2022, and March 6, 2023. Letter from K.C. Halm, Counsel for R.M. Greene, Inc. aka Beam, and Stephen Coran, Counsel for Point Broadband Fiber Holding, LLC, to Marlene H. Dortch, Secretary, FCC (filed Dec. 6, 2022) (First Supplement); Letter from Stephen Coran, Counsel for Point Broadband Fiber Holding, LLC, to Marlene H. Dortch, Secretary, FCC (filed Dec. 13, 2022) (Second Supplement); Letter from K.C. Halm, Counsel for R.M. Greene, Inc. aka Beam, to Marlene H. Dortch, Secretary, FCC (filed Mar. 6, 2023) (Fourth Supplement); Letter from K.C. Halm, Counsel for R.M. Greene, Inc. aka Beam, to Marlene H. Dortch, Secretary, FCC (filed Mar. 6, 2023) (Fourth Supplement); Letter from K.C. Halm, Counsel for R.M. Greene, Inc. aka Beam, to Marlene H. Dortch, Secretary, FCC (filed June 15, 2023) (Fifth Supplement).

² See 47 U.S.C. § 214; 47 CFR §§ 63.03-04. ETCs seeking to transfer control of their domestic authorizations to operate pursuant to section 214 of the Act or to engage in the sale of assets under section 214 "must first receive approval from the Commission in accordance with sections 63.03 and 63.04 of the Commission's rules governing the procedures for domestic transfer of control/asset applications." See Rural Digital Opportunity Fund Support Authorized for 466 Winning Bids, AU Docket No. 20-34 et al., Public Notice, 36 FCC Rcd 13574, 13581 and Attach. A (WCB Sept. 15, 2021) (RDOF Public Notice). "Transfers of control and assignments of international section 214 authorizations are separately subject to section 63.24 of the Commission's rules. Except where the Commission has forborne from the application of section 214, this requirement applies to all transfers of control or asset acquisitions involving ETCs." Id.

block groups) in Alabama, in a single Study Area Code (259050) (Assigned Blocks).³ More specifically, Beam acquired \$892,797.21 in annual RDOF support to serve 3,420 locations in the Assigned Blocks.⁴

As a condition of this authorization, Beam assumes sole responsibility for complying with universal service fund requirements and Commission rules, regardless of any preexisting or reasonably foreseeable conditions that could impact Beam's ability to meet its obligations in the future, including technical, marketplace and on-the-ground conditions.⁵ Indeed, any carrier seeking authorization to receive high cost support pursuant to a section 214 transfer must conduct the proper due diligence prior to consummation of the transaction, and, in doing so, must assume all risks and consequences of noncompliance with the transferred support requirements, including default recovery of support and potential forfeiture penalties.⁶ Accordingly, Beam must meet all of the administrative, performance, and deployment obligations and deadlines associated with the acquisition of the Assigned Blocks,⁷ including the requirement to deploy voice and broadband service meeting minimum standards to the requisite number of locations by specific service milestones and the obligation to ultimately serve all locations identified by the Commission within eligible areas subject to limited adjustment.⁸ In addition, consistent

(continued....)

³ See Application at 5-6, Exh. 1 (List of Assigned Census Block Groups); Letter to Marlene H. Dortch, Secretary, FCC from K.C. Halm, Counsel to R.M. Greene, Inc. dba Beam (filed Dec. 22, 2023) (providing notice of the consummation of the transaction).

⁴ Application at 5.

⁵ See Rural Digital Opportunity Fund et al., WC Docket No. 19-126 et al., Report and Order, 35 FCC Rcd 686, 717-18, para. 68 (2020) (RDOF Report and Order) (stressing RDOF bidders' "sole responsibility" to complete due diligence by conducting adequate research and analysis before participating in the RDOF auction); Rural Digital Opportunity Fund Order, 35 FCC Rcd at 725, para. 84 (requiring RDOF short-form applicants to certify that they are solely responsible for compliance with all RDOF requirements).

⁶ See RDOF Report and Order, 35 FCC Rcd at 713-716, paras. 58-64 (adopting non-compliance measures); *id.* at 715-716, para. 63 (stating that in addition to default consequences, RDOF support recipients are subject to sanctions "including but not limited to the Commission's existing enforcement procedures and penalties, reductions in support amounts, potential revocation of ETC designations, and suspension or debarment"). See 47 CFR §§ 54.320(c)-(d), 54.804(c)(4), 54.806(c).

⁷ 47 CFR §§ 54.802-806; *see generally RDOF Report and Order*, 35 FCC Rcd 686. The Bureau has provided a summary of the various obligations of authorized RDOF support recipients in prior authorization public notices, including in the public notice authorizing Point Broadband to receive the relevant RDOF support. As stated in these public notices, the list is not intended to be comprehensive and all authorized parties are responsible for conducting the due diligence required to comply with universal service fund requirements and the Commission's rules. *See, e.g., RDOF Public Notice* at 1. We note that in addition to the requirements and rules specified in the public notices, RDOF support recipients must test and certify compliance with the relevant performance requirements in accordance with the uniform framework that has been adopted for measuring and reporting on high-cost performance requirements. *See 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, 6083, para.15 (2020); *Connect America Fund*, WC Docket No. 10-90, Order, 33 FCC Rcd 6509, 6530-33, paras. 56-67 (WCB 2018); *Connect America Fund*, WC Docket No. 10-90, Order on Reconsideration, 34 FCC Rcd 10109, 10110, para. 4 (2019) (expanding performance measure testing requirements); *see generally Connect America Fund*, WC Docket No. 10-90, Order, 35 FCC Rcd 14658 (WCB 2020) (clarifying certain requirements).

⁸ Specifically, RDOF support recipients must deploy service to an increasing percentage of the CAM-estimated number of locations as of December 31st of each year beginning with a 40% milestone as of the third year of receiving support (2025), 60% as of the fourth year (2026), 80% as of the fifth year (2027), and 100% as of the sixth year (2028). 47 CFR § 54.802(c); *Rural Digital Opportunity Fund Order*, 35 FCC Rcd at 709-12, paras. 45-55. The Commission will then adjust the initial defined deployment obligation assigned to each RDOF support recipient based on its determination of the number of locations with the supported area without an increase or decrease in support, subject to a 35% margin. In addition, the support recipient must serve, upon reasonable request, new

with the requirements of RDOF, Beam must provide voice service throughout the Assigned Blocks, either through its own facilities or a combination of its own and other ETC's facilities, on the first day of the month following this authorization.⁹

We find that Beam has sufficiently demonstrated its managerial, financial and technological capabilities to meet its RDOF obligations in the Assigned Blocks consistent with the Commission's pretransaction approval of Point Broadband's application. In this regard, we find relevant the record developed in the associated 214 proceeding.¹⁰ In the 214 Application, Parties explained that there would not be "any adverse alteration" to the build-out plans previously approved by the Commission as part of its review of Point Broadband's long-form application,¹¹ and that the transaction would "accelerate Beam's ongoing efforts to expand broadband service to unserved and underserved rural areas of Eastern Alabama." Further, Beam submitted information about its managerial and financial history that support a finding that Beam can and will meet RDOF requirements and related obligations.¹³ For these reasons, we find that the designation of Beam to receive the transferred support and to meet related public interest and deployment obligations is appropriate.

We also find that Beam has met all prerequisites to authorization. The Commission has designated Beam as an Eligible Telecommunications Carrier (ETC) for the purpose of receiving RDOF support for the Assigned Blocks.¹⁴ In addition, Beam has obtained an irrevocable letter of credit securing the requisite amount of support for the acquired area and is supported by a new Bankruptcy Opinion Letter.¹⁵

In sum, based on the above information and considerations and subject to the above limitations, we authorize Beam to receive the support associated with the Assigned Blocks. We direct USAC to disburse to Beam the RDOF support from the universal service fund previously associated with SAC 259050 and not previously disbursed to Point Broadband. Beam has been newly assigned SAC 259064 for this purpose.

For further information, please contact Nissa Laughner, Telecommunications Access Policy Division, Wireline Competition Bureau at 202-418-7400.

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⁹ See RDOF Report and Order, 35 FCC Rcd at 745, para. 139.

¹⁰ See 214 Transfer Public Notice at 3-4.

¹¹ Application at 8-9; 214 Transfer Public Notice at 8-9.

¹² Application at 9; 214 Transfer Public Notice at 9.

¹³ See Application at 4-5 and Exh. 3 (describing Beam's operations and management credentials); Fourth Supplement (filing audited financials of the company for the calendar year 2021, subject to a request for confidential treatment); Fifth Supplement (filing audited financials of the company for the calendar year 2022, subject to a request for confidential treatment).

¹⁴ See Telecommunications Eligible for Universal Service Support Connect America Fund, Docket No. 10-90, Order, DA 23-505 (WCB rel. June 13, 2023).

^{15 47} CFR § 54.804(c).