



PUBLIC NOTICE

Federal Communications Commission
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Washington, D.C. 20554

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DA 24-462
Released: May 15, 2024

DOMESTIC SECTION 214 APPLICATION FILED FOR THE ACQUISITION OF CERTAIN ASSETS OF COMMNET WIRELESS, LLC BY ISLAND NETWORK, LLC DBA ROCK ISLAND COMMUNICATIONS

NON-STREAMLINED PLEADING CYCLE ESTABLISHED

WC Docket No. 24-47

Comments Due: May 29, 2024

Reply Comments Due: June 5, 2024

By this Public Notice, the Wireline Competition Bureau (Bureau) seeks comment from interested parties on an application filed by Commnet Wireless, LLC (Commnet) and Island Network, LLC dba Rock Island Communications (Rock Island) (together, Applicants), pursuant to section 214(a) of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,¹ requesting consent for the acquisition of Commnet's Rural Digital Opportunity Fund (RDOF) support obligations for certain designated census blocks in the state of Washington's Study Area Code 529033 (Assigned Census Blocks) by Rock Island.²

Commnet, a Delaware limited liability company, provides voice and broadband services in portions of the western United States.³ Commnet is an Eligible Telecommunications Carrier (ETC) for the Assigned Census Blocks.⁴ On February 14, 2022, the Bureau authorized Commnet to receive

¹ See 47 U.S.C. § 214(a); 47 CFR §§ 63.03-04.

² Domestic Section 214 Application Filed for the Assignment of Certain Assets of Commnet Wireless, LLC to Island Network, LLC dba Rock Island Communications, WC Docket No. 24-47 (filed Feb. 14, 2024) (Application). On April 19, 2024, Applicants filed a supplement to their domestic section 214 application. Letter from Joel R. Paisner, counsel to Island Communications dba Rock Island Communications, and David J. Kaufman, counsel to Commnet Wireless, LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 24-47 (filed Apr. 19, 2024) (Supplement). Any action on this domestic section 214 application is without prejudice to Commission action on other related, pending applications.

³ Application at 2. Commnet is an indirect 94.4% owned subsidiary of ATN International, Inc. (ATN), a publicly traded Massachusetts corporation. *Id.* at 2-3. Commnet, together with ATN, provides services principally in rural areas across the West and Southwest of the United States, as well as in the U.S. Virgin Islands and Alaska. *Id.* at 3.

⁴ *Id.*

\$777,601/year over ten years to serve 1,028 census blocks (5,639 locations) in the state of Washington.⁵ Commnet does not provide local exchange service in the Assigned Census Blocks.⁶

Rock Island, a Washington limited liability company, was founded as a wholly-owned for-profit subsidiary of Orcas Power & Light Cooperative (OPALCO), the local non-profit electric cooperative in San Juan County, Washington.⁷ Rock Island provides telecommunications services to approximately 6,500 customers in rural areas of San Juan County, Washington.⁸ Applicants state that neither Rock Island nor OPALCO hold a 10% or greater interest in any other provider of domestic telecommunications services.⁹

Pursuant to the terms of the proposed transaction, Rock Island will acquire the Assigned Census Blocks from Commnet.¹⁰ Applicants state, after consummation of the proposed transaction, Rock Island will undertake deployment of the RDOF-supported network and integrate such activities and operations into its own ongoing operations and its RDOF deployment.¹¹

Applicants assert that the proposed transaction would serve the public interest, convenience, and necessity.¹² Applicants state that “Rock Island has deployed broadband networks and served customers since 2014, in rural areas of Washington, and it is uniquely situated to efficiently deploy RDOF-supported voice and broadband service in the Assigned Census Blocks.”¹³ According to the Applicants, “Rock Island has the necessary managerial and operational expertise to meet Commnet’s RDOF buildout milestones and performance obligations” and that “[a]ll of the Assigned Census Blocks are in the island community of San Juan County, Washington where Rock Island is based and serves its customers.”¹⁴ Applicants assert that “[b]ecause Commnet’s RDOF areas are adjacent to or nearby Rock Island’s existing operations, Rock Island can achieve economies of scale and leverage its labor force, existing infrastructure and operational capabilities to rapidly and cost effectively build out the Assigned Census Block areas as it expands its broadband operations.”¹⁵ Applicants state that the “transaction will not result in any adverse alteration to the buildout plans Commnet submitted to the Commission in order to be authorized to receive RDOF funding” and “will not result in any delays in deployment of services consistent with the applicable public interest obligations associated with receipt of RDOF funding.”¹⁶ Applicants further state that “Rock Island commits to meeting the buildout

⁵ *Id.*; *Rural Digital Opportunity Fund Support Authorized for 2,576 Winning Bids*, AU Docket No. 20-34, WC Docket Nos. 19-126 and 10-90, Public Notice, 37 FCC Rcd 1617, Attach. A at 4-5 (AU/WCB 2022).

⁶ Application at 3.

⁷ *Id.*

⁸ *Id.* Applicants note that Rock Island has a long-term agreement with T-Mobile USA to support a wireless component of the broadband in San Juan County, Washington. *Id.*

⁹ Supplement at 1.

¹⁰ Application at 4. Applicants state that, on March 18, 2024, an application was filed with the Washington Utilities and Transport Commission to designate Rock Island as an ETC for the Assigned Census Blocks. Supplement at 2.

¹¹ Application at 5.

¹² *Id.* at 5-8.

¹³ *Id.* at 6.

¹⁴ *Id.*

¹⁵ *Id.* at 7.

¹⁶ *Id.*

milestones and performance obligations established for the Assigned Census Blocks, including the 40 percent buildout milestone required by December 31, 2025.¹⁷ Applicants also state that Rock Island is not taking on any debt repayment obligations or otherwise increasing substantially its costs to deploy service.¹⁸ Because Applicants assert that there will be no reduction in competitors in the Assigned Census Blocks, they state there “will be no negative impact on competition in the communications market anywhere in the United States, and the transaction will further facilitate the implementation of the Commission’s important RDOF program goals.”¹⁹

Because the proposed transaction would involve the exchange and assumption of Universal Service Fund high-cost mechanism obligations, in order to sufficiently analyze whether the proposed transaction would serve the public interest, we accept the Application for non-streamlined processing.²⁰

Domestic Section 214 Application Filed for the Acquisition of Certain Assets of
Commnet Wireless, LLC by Island Network, LLC dba Rock Island Communications,
WC Docket No. 24-47 (filed Feb. 14, 2024).

GENERAL INFORMATION

The application identified herein has been found, upon initial review, to be acceptable for filing. The Commission reserves the right to return any application if, upon further examination, it is determined to be defective and not in conformance with the Commission’s rules and policies.

Interested parties may file comments **on or before May 29, 2024**, and reply comments **on or before June 5, 2024**. Comments may be filed using the Commission’s Electronic Comment Filing System (ECFS) or by paper.

- Electronic Filers: Comments may be filed electronically by accessing ECFS at <http://apps.fcc.gov/ecfs/>.
- *Paper Filers*: Parties who choose to file by paper must file an original and one copy of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, filers must submit two additional copies for each additional docket or rulemaking number.
 - Filings can be sent by commercial overnight courier or by first-class or overnight U.S. Postal Service mail.²¹ All filings must be addressed to the Commission’s Secretary, Office of the Secretary, Federal Communications Commission.
 - Commercial overnight mail (other than U.S. Postal Service Express Mail and Priority Mail) must be sent to 9050 Junction Drive, Annapolis Junction, MD 20701. U.S.

¹⁷ *Id.*

¹⁸ *Id.* at 7.

¹⁹ *Id.* Applicants note that “no Study Area Code (SAC) is being assigned in connection with this transaction – Rock Island is assuming the RDOF obligations only with respect to the Assigned Census Blocks, which, in turn, represent only a portion of the involved SAC (SAC 529033).” *Id.* at 8.

²⁰ 47 CFR § 63.03(c)(1)(v).

²¹ Effective March 19, 2020, and until further notice, the Commission no longer accepts any hand or messenger delivered filings. This is a temporary measure taken to help protect the health and safety of individuals, and to mitigate the transmission of COVID-19. See *FCC Announces Closure of FCC Headquarters Open Window and Change in Hand-Delivery Policy*, Public Notice, 35 FCC Rcd 2788 (OS 2020).

Postal Service first-class, Express, and Priority mail must be addressed to 45 L Street, NE, Washington, DC 20554.

People with Disabilities: We ask that requests for accommodations be made as soon as possible in order to allow the agency to satisfy such requests whenever possible. Send an email to fcc504@fcc.gov or call the Consumer and Governmental Affairs Bureau at (202) 418-0530.

In addition, e-mail one copy of each pleading to each of the following:

- 1) Gregory Kwan, Competition Policy Division, Wireline Competition Bureau, gregory.kwan@fcc.gov; and
- 2) Jim Bird, Office of General Counsel, jim.bird@fcc.gov.

The proceeding in this Notice shall be treated as a “permit-but-disclose” proceeding in accordance with the Commission’s *ex parte* rules. Persons making *ex parte* presentations must file a copy of any written presentation or a memorandum summarizing any oral presentation within two business days after the presentation (unless a different deadline applicable to the Sunshine period applies). Persons making oral *ex parte* presentations are reminded that memoranda summarizing the presentation must (1) list all persons attending or otherwise participating in the meeting at which the *ex parte* presentation was made, and (2) summarize all data presented and arguments made during the presentation. If the presentation consisted in whole or in part of the presentation of data or arguments already reflected in the presenter’s written comments, memoranda or other filings in the proceeding, the presenter may provide citations to such data or arguments in his or her prior comments, memoranda, or other filings (specifying the relevant page and/or paragraph numbers where such data or arguments can be found) in lieu of summarizing them in the memorandum. Documents shown or given to Commission staff during *ex parte* meetings are deemed to be written *ex parte* presentations and must be filed consistent with rule 1.1206(b), 47 CFR § 1.1206(b). Participants in this proceeding should familiarize themselves with the Commission’s *ex parte* rules.

To allow the Commission to consider fully all substantive issues regarding the application in as timely and efficient a manner as possible, petitioners and commenters should raise all issues in their initial filings. New issues may not be raised in responses or replies.²² A party or interested person seeking to raise a new issue after the pleading cycle has closed must show good cause why it was not possible for it to have raised the issue previously. Submissions after the pleading cycle has closed that seek to raise new issues based on new facts or newly discovered facts should be filed within 15 days after such facts are discovered. Absent such a showing of good cause, any issues not timely raised may be disregarded by the Commission.

For further information, please contact Gregory Kwan at gregory.kwan@fcc.gov.

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²² See 47 CFR § 1.45(c).