

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Connect America Fund)	WC Docket No. 10-90
)	
The Rural Digital Opportunity Fund Auction (Auction 904))	AU Docket No. 20-34
)	
Rural Digital Opportunity Fund)	WC Docket No. 19-126
)	

ORDER

Adopted: December 18, 2025

Released: December 18, 2025

By the Chief, Wireline Competition Bureau:

1. In this Order, we grant in part Blackfoot Communications, Inc. (Blackfoot) a limited waiver of the Commission's Rural Digital Opportunity Fund (RDOF) service milestone and non-compliance rules to permit Blackfoot to pay early a portion of the required support recovery for defaulting on eligible census blocks within certain census block groups (CBGs) in its RDOF-funded service area.¹ Our grant of this limited waiver serves the public interest because we are able to safeguard the public's funds by recovering support early for CBGs Blackfoot will not serve pursuant to its RDOF obligations. At the same time, our limited waiver enables Blackfoot to come into compliance with its RDOF obligations in its remaining CBGs, allowing Blackfoot to continue receiving support, so that Blackfoot can serve consumers with voice and broadband in these CBGs. However, we deny Blackfoot's request for a further reduction in the required support recovery, finding that Blackfoot has not demonstrated good cause for further reducing its support recovery.

I. BACKGROUND

2. Blackfoot Telephone Cooperative, Inc. (Blackfoot Telephone Cooperative) submitted a short-form application to participate in the RDOF auction pursuant to the program rules and was found qualified to bid.² Blackfoot Telephone Cooperative then bid in the auction where it identified the areas where it would like to provide service meeting the RDOF obligations, the performance tier and level of latency at which it proposed to provide service, and the level of support it would need to offer voice and

¹ Petition for Waiver of Blackfoot Communications, Inc., AU Docket No. 20-34 et al. (filed July 3, 2025) (Blackfoot Waiver Petition).

² 386 *Applicants Qualified to Bid in the Rural Digital Opportunity Fund Phase I Auction (Auction 904); Bidding to Begin on October 29, 2020*, AU Docket No. 20-34 et al., Public Notice, 35 FCC Rcd 11356, 11369, Attach A. (WCB/OEA 2020).

broadband service meeting the relevant performance obligations.³ Blackfoot Telephone Cooperative outbid other auction participants and was announced as a winning bidder.⁴

3. After being announced as a RDOF winning bidder, Blackfoot Telephone Cooperative assigned its Montana winning bids to Blackfoot.⁵ Blackfoot filed a long-form application seeking to be authorized to receive support for the winning bids in exchange for the deployment of voice and broadband service to locations in Montana.⁶ In October 2021, Blackfoot was authorized to receive \$12,703,077 in 10-year RDOF support to serve 2,687 model-estimated location in Montana.⁷

4. RDOF carriers must offer voice and broadband service meeting the relevant performance requirements to a set number of locations by certain interim service milestones.⁸ The number of locations carriers are required to serve is based on the Connect America Cost Model's (CAM) estimate of how many locations are in the eligible census blocks in the carrier's service area, and compliance with service milestones is determined on a state-level basis—i.e., the Wireline Competition Bureau (Bureau) will confirm a carrier is serving the required location total across all of its eligible census blocks within a state, rather than on a census-block-by-census-block basis.⁹ More specifically, RDOF carriers authorized in 2021 must offer voice and broadband service meeting the relevant performance obligations to 40% of the required number of locations by December 31, 2024; 60% of the required number of locations by December 31, 2025; 80% of the required number of locations by December 31, 2026; and 100% of the required number of locations by December 31, 2027.¹⁰

5. To account for disparities between locations on the ground and those estimated by the CAM and to acknowledge its confidence that the Commission would have access to more accurate location data in the next few years, the Commission directed the Bureau to seek comment on updated location data and publish revised location counts no later than the end of service milestone year six.¹¹ The Commission also adopted a framework for how service milestones would be revised in various circumstances after the Bureau had published more accurate location counts. Specifically, in areas where there are more locations than locations estimated by the CAM, a RDOF carrier has until the end of the eighth calendar year to offer service to the additional locations, and only CAM location counts will be used to measure compliance with interim service milestones up to 100% of CAM locations by the end of the sixth calendar year.¹² If there are fewer locations than estimated by the CAM in a service area, the Commission directed support recipients to notify the Bureau no later than March 1st following the fifth

³ *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, 6146, paras. 209-11 (2020) (*RDOF Procedures Public Notice*).

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, 13906, Attach A. (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) (*Auction 904 Long-Form Applicants Public Notice*).

⁶ *Id.*

⁷ *Rural Digital Opportunity Fund Support Authorized for 469 Winning Bids*, AU Docket No. 20-34 et al., Public Notice, 36 FCC Rcd 14528 (WCB/OEA 2021) (*Blackfoot Authorization Public Notice*).

⁸ 47 CFR § 54.802(c); *Rural Digital Opportunity Fund et al.*, WC Docket No. 19-126 et al., Report and Order, 35 FCC Rcd 686, 709-12, paras. 45-55 (2020) (*RDOF Order*).

⁹ *RDOF Order*, 35 FCC Rcd at 712, para. 54.

¹⁰ 47 CFR § 54.802(c); *RDOF Order*, 35 FCC Rcd at 709, para. 45.

¹¹ 47 CFR § 54.802(c)(1); *RDOF Order*, 35 FCC Rcd at 709, para. 45.

¹² 47 CFR § 54.802(c)(1)(i); *RDOF Order*, 35 FCC Rcd at 710, para. 49.

year of deployment.¹³ Upon confirmation by the Bureau, the support recipient will be required to serve 100% of the new number of locations by the end of the sixth calendar year.¹⁴ In January 2025, the Bureau adopted the Broadband Serviceable Location Fabric as the source it will use for identifying the number of locations in RDOF carriers' service areas.¹⁵

6. In May 2025, Blackfoot sent a letter to the Bureau stating that it would not serve three Montana CBGs in its RDOF-funded area.¹⁶ The Bureau announced in June 2025 that Blackfoot defaulted on the eligible census blocks within these Montana CBGs, covering 688 model estimated locations.¹⁷ At the same time, we directed the Universal Service Administrative Company (USAC) to stop future support payments for the defaulted area and indicated that recovery of support already paid for these areas would occur at the end of the six-year deployment period consistent with the Commission's rules.¹⁸ When Blackfoot notified the Bureau before the six-year deployment period had ended that it would not serve the identified census blocks, we were able to notify other federal agencies and Montana that the census blocks were eligible for funding from other federal and state funding programs subject to the rules of those programs, furthering our responsibility to coordinate with other agencies to maximize the deployment of high-quality broadband service to consumers across the United States.¹⁹ To promote the efficient use of broadband funding, a number of funding programs make areas ineligible for broadband deployment funding where a service provider is already subject to an enforceable commitment to serve.²⁰

¹³ 47 CFR § 54.802(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 711, para. 51.

¹⁴ 47 CFR § 54.802(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 711, para. 51.

¹⁵ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 40 FCC Rcd 281 (WCB 2025).

¹⁶ Letter from Jason B. Williams, Chief Executive Officer, Blackfoot Communications, Inc., to Joseph Calascione, Chief, Wireline Competition Bureau, FCC, WC Docket No. 19-126 et al. (filed May 13, 2025) (Blackfoot Default Letter).

¹⁷ *Wireline Competition Bureau Announces Sandhill Connexions, LLC Returns South Carolina Census Block Group Without Any Locations and Blackfoot Communications, Inc. Opens Certain Montana RDOF Census Block Groups to Eligibility for Other Funding Programs*, AU Docket No. 20-34 et al., Public Notice, DA 25-484 (WCB June 6, 2025) (*Blackfoot Post-Authorization Default Public Notice*).

¹⁸ *Id.* at 3-5.

¹⁹ Broadband Interagency Coordination Act of 2020, Pub. L. No. 116-260, § 904, 134 Stat. 1182, 3214 (codified at 47 U.S.C. § 1308 *et seq.*) (BICA) (requiring the Federal Communications Commission, the Department of Agriculture, and the National Telecommunications and Information Administration to “enter into an interagency agreement requiring coordination between the covered agencies for the distribution of funds for broadband deployment . . .”). On June 25, 2021, the agencies announced that they had entered into an agreement. Press Release, FCC, FCC, NTIA and USDA Announce Interagency Agreement to Coordinate Broadband Funding Deployment (June 25, 2021), <https://www.fcc.gov/document/fcc-ntia-usda-sign-interagency-pact-broadband-funding-deployment> (FCC, NTIA and USDA Interagency Agreement Press Release). In an effort to further facilitate broadband deployment funding coordination, on May 11, 2022, the FCC, USDA, and NTIA entered into an interagency agreement with the Department of Treasury. Press Release, FCC, FCC, NTIA, USDA and Treasury Announce Interagency Agreement to Collaborate on Federal Broadband Funding (May 12, 2022), <https://www.fcc.gov/document/fcc-ntia-usda-treasury-announce-broadband-info-sharing-agreement>. In May 2024, the four agencies extended the interagency agreement for an additional four years. FCC, Memorandum of Understanding Between FCC, NTIA, USDA, and Treasury, <https://www.fcc.gov/document/memorandum-understanding-between-fcc-ntia-usda-and-treasury> (Jul. 23, 2024).

²⁰ See, e.g., Department of Commerce, National Telecommunications and Information Administration, Broadband Equity, Access, and Deployment (BEAD) Program Notice of Funding Opportunity at 36-37 & n.52 (May 13, 2022), <https://broadbandusa.ntia.doc.gov/sites/default/files/2022-05/BEAD%20NOFO.pdf> (explaining that any location that is already subject to an enforceable commitment for the deployment of qualifying broadband cannot be treated as unserved or underserved); Department of Commerce, National Telecommunications and Information Administration, Tribal Broadband Connectivity Program Round 2 Notice of Funding Opportunity at 10-11, 28 (July 27, 2023), <https://www.ntia.gov/sites/default/files/2023-07/ntia-tbcp-round2-nofo.pdf> (“A Tribal Government may

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Our announcement avoided leaving consumers in these areas unserved for the duration of the RDOF deployment period²¹ because providers in these areas may now have access to alternative funding to serve these areas.

7. The Commission takes compliance with the terms and conditions of RDOF seriously and imposes non-compliance measures if the requirements are not met. If a RDOF carrier fails to meet the interim service milestones, it will be subject to non-compliance measures that scale with the extent of non-compliance, including additional reporting requirements, withholding of future support, and recovery of support already paid.²² For the RDOF support recipient's sixth year 100% service milestone, the amount of support recovery scales with the size of the non-compliance gap.²³ Carriers must pay the required support recovery within six months after support recovery is initiated, or the Bureau will direct USAC to draw on the carrier's letter of credit.²⁴ If a RDOF carrier's new location count is greater than its CAM location count, the RDOF carrier must pay additional support recovery if it does not serve the additional locations by the end of the eighth year of support plus the one-year cure period.²⁵ RDOF

not certify Tribal Lands covered under an Enforceable Buildout Commitment as defined [in the NOFO] . . . , as Unserved"); Department of Agriculture, Rural Utilities Service, Corrected Notice of Funding Opportunity for the Community Connect Grant Program for Fiscal Year 2023, 88 Fed. Reg. 87750, 87751 (Dec. 19, 2023) ("Areas receiving, or areas that have received final approval for, other federal funding to construct terrestrial facilities providing at least 10/1 Mbps service in the project Proposed Funded Service Area as of the date of this notice, and which have been reported to the agency, are ineligible."); Department of Agriculture, Rural Utilities Service, Notice of Funding Opportunity for the Community Connect Grant Program for Fiscal Year 2025, 90 Fed. Reg. 1946, 1947 (Jan. 10, 2025) ("Areas already receiving Federal funding to construct terrestrial facilities providing at least 10 Mbps downstream and 1 Mbps upstream service in the project PFSA as of the date of this notice, and which have been reported to the Agency, are ineligible."); Department of Treasury, Guidance for the Coronavirus Capital Projects Fund for States, Territories, and Freely Associated States, at 3-4 (Sept. 2021), <https://home.treasury.gov/system/files/136/Capital-Projects-Fund-Guidance-States-Territories-and-Freely-Associated-States.pdf> ("To the extent Recipients are considering deploying broadband to locations where there are existing enforceable federal or state funding commitments for reliable wireline service at speeds of at least 100 Mbps of download speed and 20 Mbps of upload speed, the Recipient should ensure that the Capital Projects Fund grant funding will not be used for costs that will be reimbursed by the other federal or state funding stream(s). That is, Capital Projects Fund grant funds must be used only for complementary purposes.").

²¹ 47 CFR § 54.802(c); *RDOF Order*, 35 FCC Rcd at 709, para. 45.

²² 47 CFR §§ 54.320(d)(1), 54.806(c); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15694-700, paras. 142-54 (2014) (*2014 Connect America Order*) (adopting a framework for support reductions, support recovery, and reporting obligations that are calibrated to the extent of a carrier's non-compliance with service milestones).

²³ 47 CFR § 54.806(c)(1)(i)(A)-(C); *RDOF Order*, 35 FCC Rcd at 714-15, para. 60. Specifically, 1) if the RDOF carrier has deployed to 95% or more of its required locations but less than 100%, USAC will recover an amount of support that is equal to 1.25 times the average amount of support per location the RDOF carrier received in the state over the support term for the unserved locations; 2) if the RDOF carrier has deployed to 90% or more of its required locations but less than 95%, USAC will recover an amount of support that is equal to 1.5 times the average amount of support per location the RDOF carrier received in the state over the support term for the unserved locations, plus 5% of total authorized RDOF support for that state; and 3) if the RDOF carrier has deployed to fewer than 90% of its required locations, USAC will recover an amount of support that is equal to 1.75 times the average amount of support per location the RDOF carrier received in the state over the support term for the unserved locations, plus 10% of total authorized RDOF support for that state. *Id.*

²⁴ 47 CFR § 54.804(c)(4)(i); *RDOF Order*, 35 FCC Rcd at 715, para. 63.

²⁵ 47 CFR § 54.806(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 715, para. 61. Specifically, 1) if the RDOF carrier has deployed to 95% or more of its new location count, but less than 100%, USAC will recover an amount of support that is equal to the average amount of support per location received in the state for the RDOF carrier over the support term for the unserved locations; 2) if the RDOF carrier has deployed to 90% or more of its new location count, but less than 95%, USAC will recover an amount of support that is equal to 1.25 times the average amount of

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carriers are also subject to other non-compliance measures including, but not limited to, the Commission's enforcement procedures and penalties, reductions in support amounts, potential revocation of Eligible Telecommunications Carrier (ETC) designation, and suspension or debarment.²⁶

8. The Bureau granted a limited waiver of the RDOF non-compliance rules to Daviess-Martin County Rural Telephone Corporation (RTC) that allowed RTC, which had defaulted on certain CBGs in Indiana, to pay early a portion of the required support recovery associated with its defaulted census blocks within the defaulted CBGs rather than waiting until the end of the deployment period.²⁷ The Bureau held that if RTC paid a portion of the required support recovery within six months of USAC's invoice, the Bureau would remove the defaulted locations from RTC's required location total so RTC could come into compliance with its deployment obligations in its remaining authorized areas and therefore be able to continue receiving support for these areas.²⁸ However, the Bureau denied RTC's request to further reduce the required support recovery.²⁹

9. *Blackfoot's Waiver Petition.* In July 2025, Blackfoot filed a petition seeking a "limited waiver" of the Commission's support recovery rules.³⁰ At a minimum, Blackfoot requests similar relief that the Bureau has granted other RDOF and Connect America Fund (CAF) Phase II auction carriers of having the number of model-estimated locations in the defaulted census blocks removed from Blackfoot's required location total.³¹ Blackfoot also requests that the Bureau grant further relief by reducing the support recovery required by section 54.806(c)(1) of the Commission's rules.³² Blackfoot claims that it "has demonstrated exemplary performance and good faith efforts that strongly support a determination that the 'good cause' standard for grant of a waiver has been met,"³³ and that its "decision to relinquish the areas resulted from an engineering-driven analysis and prudent project management practices" which "revealed site-specific challenges that could not have been reasonably anticipated at the time of bidding . . ."³⁴ Blackfoot also cites its coordination with the Montana Communications Advisory Commission (MT CAC) that it claims resulted in the areas becoming eligible for Broadband Equity Access and Deployment

support per location received in the state for that RDOF carrier over the support term for the unserved locations; 3) if the RDOF carrier has deployed to 85% or more of its new location count, but less than 90%, USAC will recover an amount of support that is equal to 1.5 times the average amount of support per location received in the state for that RDOF carrier over the support term for the unserved locations, plus 5% of total authorized RDOF support for that state; and 4) if a RDOF carrier has deployed to less than 85% of its new location count, USAC will recover an amount of support that is equal to 1.75 times the average amount of support per location received in the state for that RDOF carrier over the support term for the relevant number of locations, plus 10% of total authorized RDOF support for that state. 47 CFR § 54.806(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 715, para. 61.

²⁶ 47 CFR §§ 54.320(c), 54.806(b); *RDOF Order*, 35 FCC Rcd at 716, para. 63.

²⁷ *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 39 FCC Rcd 12627 (WCB 2024) (*RTC Early Support Recovery Order*). The Bureau also granted similar relief to a CAF Phase II auction carrier. *See Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 39 FCC Rcd 6522 (WCB 2024) (*RiverStreet CAF II Early Support Recovery Order*).

²⁸ *RTC Early Support Recovery Order*, 39 FCC Rcd at 12632-12635, paras. 11-19.

²⁹ *Id.* at 12635-36, paras. 20-23.

³⁰ *See generally* Blackfoot Waiver Petition.

³¹ *Id.* at 5-6.

³² 47 CFR § 54.806(c)(1); Blackfoot Waiver Petition at 6 (requesting that the Bureau "waiv[e] the 'multiplier' calculation and the 'extra percentage' penalty by reducing the 'multiplier' from .75 to .5 and reducing the 'extra percentage' from 10% to 5%").

³³ Blackfoot Waiver Petition at 6.

³⁴ *Id.* at 7 (citing as an example "significantly higher than expected rock excavation requirements in Lake County and mandatory traffic control measures").

(BEAD) program funding.³⁵ In addition to claiming that it “would have been inconsistent with the public interest” for Blackfoot to retain the defaulted CBGs since it would have resulted in “wasteful expenditure on economically unsustainable infrastructure or compromise Blackfoot’s ability to serve the viable locations where it has demonstrated successful progress,” Blackfoot suggests that rather than incentivizing “forced-cost prohibitive deployments,” the Commission should be encouraging “proactive relinquishments which ensure alternative fund opportunities for technologies better suited” for areas that are difficult to serve.³⁶

II. DISCUSSION

10. Generally, the Commission’s rules may be waived for good cause shown.³⁷ Waiver of the Commission’s rules is appropriate only if both: (1) special circumstances warrant a deviation from the general rule, and (2) such deviation will serve the public interest.³⁸

11. We grant a limited waiver to the extent described herein of sections 54.320(d), 54.802(c), 54.804(c)(4)(i), and 54.806(c) of the Commission’s rules and the requirement that compliance be determined at the state level,³⁹ but deny Blackfoot’s request for further relief. Rather than wait until the end of the deployment period to determine compliance with the final service milestone at a state-level basis and initiate support recovery as contemplated by the rules,⁴⁰ we will direct USAC to initiate the recovery of a portion of the required support recovery now and then recover the remaining required support recovery at the end of the six-year deployment term, as described in more detail below. Pursuant to section 54.320(c) of the Commission’s rules, we have already suspended support associated with the census blocks where Blackfoot has defaulted, and we will make no further support payments associated with those census blocks.⁴¹ Once Blackfoot has paid the required early support recovery for defaulted census blocks, we will remove the defaulted locations from its required location total for purposes of determining compliance with service milestones moving forward.

12. We find good cause to provide a limited waiver of the Commission’s service milestone and support recovery rules to initiate a portion of the required support recovery now and adjust the required location totals to remove locations in the defaulted census blocks. Consistent with precedent,⁴² we conclude special circumstances exist. The Commission specifically adopted the non-compliance tiers to encourage carriers to come back into compliance with the service milestones.⁴³ However, the

³⁵ *Id.*

³⁶ *Id.* at 8-9 (claiming that “areas with diverse and extreme terrain, sparse population densities, and high per-location deployment costs often require different technological approaches and funding structures than those optimal for contiguous service areas”).

³⁷ 47 CFR § 1.3.

³⁸ See *Northeast Cellular Tel. Co. v. FCC*, 897 F.2d 1164, 1166 (D.C. Cir. 1990) (citing *WAIT Radio v. FCC*, 418 F.2d 1153, 1157-59 (D.C. Cir. 1969), *cert. denied*, 93 S.Ct. 461 (1972)).

³⁹ 47 CFR §§ 54.320(d), 54.802(c), 54.804(c)(4)(i), 54.806(c); *RDOF Order*, 31 FCC Rcd at 712, para. 54. Blackfoot sought waiver of 47 CFR § 1.21004, however that rule section is applicable to defaults that occur prior to a carrier being authorized to receive RDOF support. Blackfoot Waiver Petition at 1 & n.2. Moreover, while Blackfoot did not request waiver of sections 54.802(c) and 54.804(c)(4)(i) of the Commission’s rules or the requirement that the Bureau review compliance on a state-level basis, we waive these rules on our own motion to grant in part the relief requested by Blackfoot.

⁴⁰ 47 CFR § 54.806(c)(1); *RDOF Order*, 35 FCC Rcd at 712, 714-15, paras. 54, 60-61.

⁴¹ 47 CFR §§ 54.320(c), 54.806(b); *Blackfoot Post-Authorization Default Public Notice* at 3-5.

⁴² *RTC Early Support Recovery Order*, 39 FCC Rcd at 12632, para. 12; *RiverStreet CAF II Early Support Recovery Order*, 39 FCC Rcd at 6525-26, para. 8.

⁴³ *2014 Connect America Order*, 29 FCC Rcd at 15697, para. 148 & n.328 (“Our overriding objective is to create a framework that incents full performance.”).

incentives are not applicable to the census blocks where Blackfoot has already defaulted, because Blackfoot has no intention of coming back into compliance and serving these census blocks pursuant to its RDOF obligations.⁴⁴

13. Consistent with precedent,⁴⁵ we also conclude it serves the public interest to provide Blackfoot with the opportunity to pay a portion of the support recovery early and then be able to demonstrate compliance with its future service milestones for its remaining locations. By permitting Blackfoot to pay a portion of the support recovery early and having its location total adjusted to remove the defaulted locations, Blackfoot will be in compliance for the remainder of the RDOF deployment period to the extent it otherwise meets its deployment obligations in its remaining RDOF census blocks. This means Blackfoot will not be subject to the support withholding that may otherwise be required if Blackfoot were unable to meet future interim service milestones due to defaulting early in the census blocks.⁴⁶ Instead, Blackfoot will continue to receive RDOF support payments for its remaining census blocks to serve consumers as required. Moreover, Blackfoot's access to other financing needed to serve consumers will not be disrupted due to being out of compliance with RDOF obligations. Recovering support early also has the benefit of furthering our role as stewards of the public's funding and our obligation to implement safeguards to ensure that high-cost funds are being used for their intended purpose.⁴⁷ By recovering support that has been allocated to areas Blackfoot has no intention of serving pursuant to its RDOF obligations, we reduce the risk that the public's funds will be used improperly.

14. The approach we take here also underscores the importance the Commission places on ensuring that service providers meet their service milestones. Although Blackfoot will pay some of the required support recovery early, it will still be subject to similar support recovery as if it had notified the Commission after the deployment period that it would not serve the required number of locations. The Commission will fully recover support paid for the defaulted locations, and in the future the Commission would recover support for any additional locations that Blackfoot failed to serve. While there may be some benefits to the carrier associated with us stopping support for the defaulted CBGs early and reducing the location total for purposes of determining compliance with service milestones moving forward, we conclude that any benefits to Blackfoot are incidental and outweighed by the administrative simplicity of being able to determine compliance based on locations that Blackfoot still intends to serve and ensuring that support is being recovered for areas that Blackfoot has already indicated it will not serve.

15. To implement the early support recovery path, we direct USAC to recover support as follows for Blackfoot. Section 54.806(c)(1)(i) of the Commission's rules requires that we initiate support recovery for three different components at the end of the six-year deployment period after an opportunity to cure: 1) "support received"—i.e., the average amount of support per location received for unserved locations over the six-year deployment period, 2) a "multiplier" calculation—i.e., a multiplier times the average amount of support per unserved location received over the six-year deployment period depending on the size of the compliance gap,⁴⁸ and 3) an "extra percentage,"—i.e., either 0%, 5%, or 10% of the

⁴⁴ Blackfoot Default Letter at 1.

⁴⁵ *RTC Early Support Recovery Order*, 39 FCC Rcd at 12632-33, para. 13; *RiverStreet CAF II Early Support Recovery Order*, 34 FCC Rcd at 6526, paras. 9-10.

⁴⁶ 47 CFR §§ 54.320(d)(1), 54.806(c).

⁴⁷ 47 U.S.C. § 254(e) ("A carrier that receives [universal service] support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended.").

⁴⁸ 47 CFR § 54.806(c)(1)(i)(A)-(C); *RDOF Order*, 35 FCC Rcd at 714-15, para. 60. Depending on the size of a carrier's non-compliance gap, section 54.806(c)(1)(i) requires that we recover support that is equal to 1.25, 1.5, or 1.75 times the average amount of support per location received in the state, but because we already recover the "1" portion of the 1.25, 1.5, or 1.75 when we recover "support received," the "multiplier" will be .25, .5, or .75 instead of 1.25, 1.5, or 1.75.

RDOF carrier's total RDOF support authorized over the 10-year term for the state depending on the size of the compliance gap.⁴⁹

16. Pursuant to this limited waiver, rather than wait until the end of the six-year deployment period, we direct USAC to initiate recovery upon release of this Order of: 1) "support received"—RDOF support that the carrier has already received for the early defaulted census blocks,⁵⁰ and 2) the "extra percentage"—the applicable extra percentage of total authorized support (i.e., 0%, 5%, or 10%) based on the number of model-estimated locations in the census blocks that the carrier has notified us it will not serve pursuant to its RDOF obligations. Because Blackfoot has defaulted on CBGs covering 688 model-estimated location or approximately 25% of its original 2,687 authorized model-estimated locations, it will be subject to the 10% "extra percentage." At the end of the six-year deployment period and after the year cure period, we direct USAC to recover: 1) "support received" for any additional unserved locations over the six-year deployment period,⁵¹ and 2) the amount of support calculated by applying the applicable "multiplier" as required by section 54.806(c)(1)(i) for the number of locations that the support recipient has identified it will not serve pursuant to its RDOF obligations (i.e., .25, .5, or .75) times the average amount of support received over the six-year deployment period.⁵² Because Blackfoot has defaulted on approximately 25% of its original authorized model-estimated locations, it will be subject to the .75 "multiplier." If at the end of the six-year deployment period the carrier has additional unserved locations, USAC shall recover the applicable percentage (i.e., 0%, 5%, or 10%) of total authorized support based on the total number of defaulted locations (including locations in census blocks that were defaulted early) less any support USAC already recovered early for the "extra percentage."⁵³ In this situation, if Blackfoot timely pays the 10% of total authorized support pursuant to this waiver, USAC should recover no additional "extra percentage" support at the end of the deployment period because Blackfoot will have already paid the 10% extra percentage.

17. We direct USAC to issue an invoice to Blackfoot for the support disbursed for the defaulted locations as soon as practicable. Blackfoot will then have six months to repay the support for the defaulted locations.⁵⁴ If it does not repay the required support amount within six months, Blackfoot will remain subject to the Commission's service milestone and non-compliance rules, and support

⁴⁹ 47 CFR § 54.806(c)(1)(i)(A)-(C); *RDOF Order*, 35 FCC Rcd at 714-15, para. 60.

⁵⁰ This support recovery will be calculated as (all RDOF disbursements up to when we stopped payments for the early defaulted census blocks/total number of originally authorized locations) x (number of early defaulted locations).

⁵¹ This support recovery will be calculated as (all RDOF disbursements received over the six-year deployment period/total number of originally authorized locations) x (number of additional defaulted locations).

⁵² For administrative simplicity and to minimize the true-ups we would have to do at the end of the deployment period as we would otherwise have to project the support that the carrier would receive by the end of the deployment period, we will recover the "multiplier" calculation for locations in the early defaulted census blocks at the end of the deployment period so that we can base the calculation on support actually received. This will be calculated as ((all RDOF disbursements received over the six-year deployment period/total number of originally authorized locations) x (applicable multiplier—i.e., .25, .5, or .75)) x (number of defaulted locations, including both early defaulted locations and any additional defaulted locations).

⁵³ For example, if the RDOF carrier had defaulted early on 8% of locations so that USAC recovered early 5% of the RDOF carrier's support authorized over the 10-year support term for the state, but then the RDOF carrier defaults on additional locations at the end of the six-year deployment period so that it has now defaulted on 15% of its original authorized model-estimated location total, USAC would now recover an additional 5% of the RDOF carrier's total authorized RDOF support in the state to recover in total 10% of total authorized RDOF support in the state.

⁵⁴ The requirement that Blackfoot pay the support recovery within six months is consistent with the requirement that RDOF carriers pay within six months the section 54.806(c)(1)(i) support recovery that USAC will initiate after the six-year deployment period and one year cure period. 47 CFR §§ 54.804(c)(4)(i), 54.806(c)(1)(i); *RDOF Order*, 35 FCC Rcd at 715, para. 63.

recovery will occur at the end of the deployment period.⁵⁵ If Blackfoot fails to pay the required support recovery at the end of the deployment period, Blackfoot will potentially be subject to action by the Enforcement Bureau and under federal law concerning debts owed to the government.⁵⁶

18. Once Blackfoot has timely paid the required support recovery, we will remove the model-estimated locations associated with the defaulted census blocks from its deployment obligation. The new location total will be used to determine if Blackfoot has met interim service milestones and the 100% of CAM estimated locations milestone. Blackfoot can also reduce the value of its letter of credit to reflect its reduced support amounts moving forward.⁵⁷ Blackfoot remains subject to the Commission's rules for its remaining RDOF-funded census blocks, including the requirement that it test and certify compliance with the relevant performance requirements and pay the associated support recovery if it does not comply.⁵⁸

19. If Blackfoot timely pays the required early support recovery, we will not include the locations in the early defaulted census blocks when we publish revised location counts by the end of the six-year deployment period.⁵⁹ This lack of inclusion means that Blackfoot will not be subject to any additional support recovery for the early defaulted census blocks pursuant to section 54.806(c)(1)(ii) of the Commission's rules.⁶⁰ While this decision could benefit a RDOF carrier because there may be more locations in the census blocks than estimated by the cost model that will not be factored into the RDOF carrier's support recovery, there also may be fewer locations in the early defaulted census blocks than estimated and the RDOF carrier will not have an opportunity to reduce its support recovery to reflect that there are fewer locations than estimated in the early defaulted census blocks. Given this dichotomy, we find on balance that the benefits of administrative simplicity of being able to revise location counts based only on the census blocks Blackfoot remains committed to serve, and the fact that the early defaulted census blocks may be eligible for alternative funding programs if they remain unserved or underserved, outweigh any potential harm caused by not factoring the actual number of locations covered by the defaulted census blocks at the time the Bureau publishes revised location counts in Blackfoot's support recovery.

20. Consistent with precedent,⁶¹ we decline to provide the additional relief that Blackfoot requests, including reducing the applicable "multiplier" calculation from .75 to .5 and reducing the applicable "extra percentage" calculation from 10% to 5%.⁶² We conclude that Blackfoot has not demonstrated special circumstances warranting this additional relief. While Blackfoot claims that it has "demonstrated exemplary performance and good faith efforts" by successfully meeting its service milestones and "continu[ing] to actively construct broadband infrastructure to its remaining viable

⁵⁵ 47 CFR § 54.806(c)(1).

⁵⁶ See, e.g., Debt Collection Act of 1982, Pub. L. No. 97-365, 96 Stat. 1749 (codified at 31 U.S.C. § 3701 *et seq.*); Debt Collection Improvement Act of 1996, Pub. L. No. 104-134, 110 Stat. 1321 (codified at 31 U.S.C. §§ 3701-3720E); 47 CFR §§ 54.320(c), 54.806(b).

⁵⁷ 47 CFR § 54.804(c)(1). Carriers that are out of compliance and that move to the Tier 1 non-compliance tier or come into compliance with their service milestones are entitled to receive withheld or recovered support pursuant to section 54.320(d)(1) of the Commission's rules. 47 CFR § 54.320(d)(1). For any support that was withheld or recovered prior to USAC stopping support for early defaulted CBGs, USAC should reduce the support that is restored on a pro rata basis so that an early defaulting carrier does not receive withheld or recovered support that was allocated to CBGs it will not serve pursuant to its RDOF obligations.

⁵⁸ 47 CFR §§ 54.320(d)(2), 54.806(c)(1); *Performance Measures for Connect America High-Cost Universal Service Support Recipients*, WC Docket No. 10-90, Order, 33 FCC Rcd 6509 (WCB/WTB/OET 2018).

⁵⁹ 47 CFR § 54.802(c)(1); *RDOF Order*, 35 FCC Rcd at 709-11, paras. 49-51.

⁶⁰ 47 CFR § 54.806(c)(1)(ii); *RDOF Order*, 35 FCC Rcd at 715, para. 61.

⁶¹ See, e.g., *RTC Early Support Recovery Order*, 39 FCC Rcd at 12635-36, paras. 20-23.

⁶² Blackfoot Waiver Petition at 6.

locations,” we do not consider it special circumstances for Blackfoot to meet the service milestones it is required to achieve as an authorized recipient of RDOF support.⁶³ Additionally, Blackfoot claims without support that its “analysis and prudent project management practices” resulted in its discovery of “site-specific challenges that could not have been reasonably anticipated at the time of bidding, including significantly higher than expected rock excavation requirements in Lake County and mandatory traffic control measures.”⁶⁴ But each RDOF bidder was required to conduct due diligence prior to bidding, and was required to certify in its short-form application that it acknowledged “it has sole responsibility for investigating and evaluating all technical and marketplace factors that may have a bearing on the level of [RDOF] support it submits as a bid, and that if the applicant wins support, it will be able to build and operate facilities in accordance with the [RDOF] obligations and the Commission’s rules generally.”⁶⁵ Blackfoot has not demonstrated that these “challenges” could not have been anticipated if Blackfoot had conducted sufficient due diligence.

21. While we acknowledge Blackfoot’s efforts to coordinate with the MT CAC that helped result in the defaulted areas becoming BEAD eligible, we are not convinced that it would serve the public interest to grant even more support recovery relief to Blackfoot for this reason.⁶⁶ As explained above, Blackfoot has already largely benefitted from grants of relief that the Bureau has provided in recognition of Blackfoot’s early notification regarding its defaults, including by reducing the required support recovery by stopping its support in defaulted areas and allowing Blackfoot to pay a portion of the required support recovery early so that it can come into compliance. Moreover, we are not persuaded by Blackfoot’s suggestion that it necessarily serves the public interest for another funding program to fund these areas instead of RDOF.⁶⁷ RDOF is a technology-neutral program.⁶⁸ Blackfoot made the decision to bid to offer fiber in the defaulted areas, but it has the option of using alternative technologies. Blackfoot was also bidding against a number of other carriers that may have been planning to use alternative technologies or were seeking support at a level that was more sustainable for these areas.⁶⁹ If Blackfoot had not bid to provide service in these areas at the level of support it requested, it is possible one of these other providers competing to serve the area would have become authorized and served these defaulted areas. In that case, the alternative funding programs Blackfoot suggests should be funding these areas could have instead used their funds for another purpose. Accordingly, we are not convinced it serves the public interest to reduce the support recovery because Blackfoot now finds that it bid for too little support and intended to use a technology that it now finds is “unfeasible . . . to deploy” in the defaulted areas.⁷⁰

22. We are also not convinced by Blackfoot’s claims that “[r]equiring Blackfoot to fulfill buildout requirements in [the defaulted] areas or face stiff penalties would lead to an inefficient and wasteful allocation of resources, undermining the FCC’s goal of ensuring federal broadband funds are used in an ‘efficient and cost-effective manner’ and only in areas lacking broadband.”⁷¹ The Bureau has already granted Blackfoot relief so that it was able to default early on the affected CBGs.⁷² Blackfoot does not explain why further relieving the carrier of the required support recovery would prevent “an

⁶³ *Id.* at 7.

⁶⁴ *Id.*

⁶⁵ *RDOF Procedures Public Notice*, 35 FCC Rcd at 6125-26, paras. 128-33.

⁶⁶ Blackfoot Waiver Petition at 7.

⁶⁷ *Id.* at 9.

⁶⁸ *RDOF Order*, 35 FCC Rcd at 702, para. 31.

⁶⁹ FCC, Public Reporting System, “All Bids,” <https://auctiondata.fcc.gov/public/projects/auction904> (last visited Dec. 17, 2025).

⁷⁰ Blackfoot Waiver Petition at 3.

⁷¹ *Id.* at 8.

⁷² *Blackfoot Post-Authorization Default Public Notice* at 3-5.

inefficient and wasteful allocation of resources.”⁷³ Blackfoot’s petition also lacks any claim that it is unable to pay the required support recovery nor does it demonstrate that it is unable to meet its obligations in its remaining RDOF census blocks due to the support recovery rules.⁷⁴

23. Blackfoot sought authorization fully on notice of the terms and conditions of the RDOF program, that its authorization was conditioned on meeting the terms and conditions of the program which included conducting the required due diligence, and of the objective calculation that the Commission would use to determine the required support recovery if Blackfoot did not meet these obligations.⁷⁵ Blackfoot now claims that we should reduce the required support recovery because the defaulted locations “present exactly the type of deployment challenges that alternative federal broadband programs are designed to address,” and suggests areas like where Blackfoot defaulted “often require different technological approaches and funding structures than those optimal for contiguous service areas.”⁷⁶ Blackfoot cites rising costs and the fact that the defaulted areas have “extremely challenging terrain and sparse population densities” as reasons for its default, and claims that imposing the required support recovery “incentivizes forced-cost prohibitive deployments rather than proactive relinquishments.”⁷⁷ But Blackfoot does not provide support for its claim that “deployment costs increased dramatically due to market conditions and additional factors beyond [Blackfoot’s] control.”⁷⁸ And as we discuss above, Blackfoot fails to explain how the “deployment challenges” that it cites could have not been anticipated if the carrier had conducted sufficient due diligence.⁷⁹

24. In the *WCB Default Guidance Public Notice*, we explained how through the Commission’s existing processes the Bureau can provide some flexibility to defaulting carriers that obviates the need for “broad amnesty” from RDOF non-compliance measures, and we emphasized “our strong interest in preserving the integrity of the Commission’s broadband deployment programs”⁸⁰ We conclude that our approach today achieves a reasonable balance between these principles. We are providing an option for Blackfoot to come back into compliance after it made its defaulted areas available for eligibility in other funding programs, but we also are subjecting Blackfoot to the same support recovery rules that it knew it would be subject to when it bid for and sought authorization for RDOF support, modified, as necessary, to account for the fact that we have stopped paying Blackfoot for the CBGs where it has defaulted early. We conclude that any further relief, particularly absent special circumstances, would shift this balance and undermine auction integrity because RDOF bidders may have bid differently in the auction if they knew that the Bureau would apply a different “multiplier” or “extra percentage” support recovery calculation after the auction had ended.⁸¹

⁷³ Blackfoot Waiver Petition at 8.

⁷⁴ *Wireline Competition Bureau Provides Guidance for RDOF and CAF Phase II Support Recipients on Procedures for Provider Defaults to Ensure that Broadband Networks are Deployed to all Consumers*, AU Docket No. 20-34 et al., Public Notice, 39 FCC Rcd 7015, 7021 (WCB 2024) (*WCB Default Guidance Public Notice*). See also Blackfoot Waiver Petition at 5 (“Blackfoot remains on schedule to meet the 60% buildout milestone with no impact from this relinquishment.”).

⁷⁵ 47 CFR §§ 54.804(c)(4); 54.806(c); *RDOF Order*, 31 FCC Rcd at 714-15, paras. 60-61.

⁷⁶ Blackfoot Waiver Petition at 9.

⁷⁷ *Id.* at 2-3, 4, 7-9.

⁷⁸ *Id.* at 4 & n.7. See also *RTC Early Support Recovery Order*, 39 FCC Rcd at 12635, para. 21 (noting that “‘unexpected challenges’ due to ‘labor and supply shortages’ and ‘increased demand’ . . . are not unique and could apply to all RDOF providers,” and that “[a] number of RDOF providers, that we can reasonably expect have faced similar circumstances, have already made significant progress on their RDOF builds.”).

⁷⁹ See *supra* para. 20.

⁸⁰ *WCB Default Guidance Public Notice*, 39 FCC Rcd at 7015, 7018-22.

⁸¹ See, e.g., *RTC Early Support Recovery Order*, 39 FCC Rcd at 12636, para. 23.

III. ORDERING CLAUSES

25. Accordingly, IT IS ORDERED, pursuant to sections 1, 4(i), 5(c), and 254 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 151, 154(i), 155(c), 254, and sections 0.91, 0.291, and 1.3 of the Commission's rules, 47 CFR §§ 0.91, 0.291, 1.3, that this Order IS ADOPTED.

26. IT IS FURTHER ORDERED that the petition for limited waiver of Blackfoot Communications, Inc. is GRANTED IN PART AND DENIED IN PART to the extent described herein.

27. IT IS FURTHER ORDERED that, pursuant to section 54.806(c)(1)(i) of the Commission's rules, 47 CFR § 54.806(c)(1)(i), and the limited waiver granted by the Bureau, the Universal Service Administrative Company will recover high-cost support from Blackfoot Communications, Inc. as described herein.

28. IT IS FURTHER ORDERED that, pursuant to section 1.102(b)(1) of the Commission's rules, 47 CFR § 1.102(b)(1), this Order SHALL BE EFFECTIVE upon release.

FEDERAL COMMUNICATIONS COMMISSION

Joseph S. Calascione
Chief
Wireline Competition Bureau