



PUBLIC NOTICE

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WIRELINE COMPETITION BUREAU ANNOUNCES CERTAIN RDOF AND CAF PHASE II AUCTION CENSUS BLOCK GROUPS ARE ELIGIBLE FOR OTHER FUNDING PROGRAMS

AU Docket No. 20-34
WC Docket No. 19-126
AU Docket No. 17-182
WC Docket No. 10-90

By this Public Notice, the Wireline Competition Bureau (WCB) announces that certain Rural Digital Opportunity Fund (RDOF) and Connect America Fund (CAF) Phase II auction census block groups (CBG) are now eligible for other funding programs. Specifically, RiverStreet Communications of North Carolina, Inc. (RiverStreet) (Study Area Code (SAC) 239033) has notified the Commission that it will not fulfill its commitment to offer voice and broadband service to certain CBGs within its CAF Phase II auction supported service area in North Carolina.¹ In addition, Cebridge Telecom LA, LLC (Cebridge Telecom LA) (SAC 279064) and Cable One VoIP LLC d/b/a Sparklight (Cable One VoIP) (SAC 279065) have notified the Commission of their decisions to withdraw from the RDOF support program in all the CBGs covered by their authorized winning bids in Louisiana.² The carriers will be subject to penalties, as described below, for their defaults.

¹ Letter from Carri Bennet, Counsel to RiverStreet Communications of North Carolina, Inc., to Trent Harkrader, Chief, Wireline Competition Bureau, FCC, WC Docket No. 10-90 et al. (filed Mar. 13, 2024). RiverStreet was authorized to receive \$679,130.10 in CAF Phase II auction support over 10 years to serve 368 locations in North Carolina. *Connect America Fund Phase II Auction Support Authorized for 2,413 Winning Bids*, AU Docket No. 17-182 et al., Public Notice, 34 FCC Rcd 5966 (WCB/OEA 2019). RiverStreet is defaulting on 234 locations. RiverStreet remains committed to deploying service to the remaining CBGs in its CAF Phase II auction supported areas.

² Letter from Cristina Chou, Vice President, Federal Affairs, Altice USAC, Inc., to Trent Harkrader, Chief, Wireline Competition Bureau, FCC, WC Docket No. 19-126 et al. (filed Mar. 15, 2024) (Cebridge Telecom LA Withdrawal Letter); Letter from Chérie R. Kiser and Angela F. Collins, Counsel to Cable One VoIP LLC d/b/a Sparklight, to Trent Harkrader, Chief, Wireline Competition Bureau, FCC, WC Docket No. 19-126 et al. (filed Mar. 12, 2024) (Cable One VoIP Withdrawal Letter). Cebridge Telecom LA, which was assigned winning bids by its parent company Altice USA, Inc., was authorized in August 2022 to receive a total of \$303,894.20 in support over a 10-year term to offer voice and broadband service to 2,266 locations in Louisiana *Rural Digital Opportunity Fund Support Authorized for 95 Winning Bids*; AU Docket No. 20-34 et al., Public Notice, 37 FCC Rcd 9317, Attach. A (WCB/OEA 2022) (Cebridge Telecom LA Authorization Public Notice); *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). Cable One VoIP was assigned winning bids by the Wisper-CABO 904 Consortium which included Cable One VoIP's parent company, Cable One, Inc., as a member. *Auction 904 Long-Form Applicants Public Notice*. Cable One VoIP was authorized in June 2022 to receive a total of \$3,615 in support over a 10-year term to offer voice and broadband service to 22 locations in Louisiana. *Rural Digital Opportunity Fund Support Authorized for 513 Winning Bids*, AU Docket No. 20-34 et al., Public Notice, 37 FCC Rcd 7271, Attach. A (WCB/OEA 2022) (Cable One VoIP Authorization Public Notice).

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By announcing that 1) RiverStreet will not serve the identified eligible census blocks within the defaulted CBGs in North Carolina, and 2) Cebridge Telecom LA and Cable One VoIP are defaulting on the eligible census blocks within the CBGs covered by all their authorized winning bids in Louisiana,³ we notify stakeholders that the relevant census blocks are eligible for funding from other federal and state funding programs subject to the rules of the other programs, furthering our responsibility to coordinate with other agencies to maximize the deployment of high-quality broadband service across the United States.⁴ 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.⁵ Our announcement avoids leaving these areas unserved for the duration of the

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This public notice addresses only these carriers' authorized winning bids in Louisiana. Altice USA, Inc. and Cable One VoIP remain committed to meeting their RDOF obligations in the other states where they were authorized to receive support.

³ The minimum geographic unit for bidding for the CAF Phase II auction and RDOF was a CBG containing one more eligible census blocks. While bidders were required to bid at the CBG level, they can only use their support to offer service in the eligible census blocks within those CBGs. *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, para. 213 (2020); *Connect America Fund Phase II Auction Scheduled for July 24, 2018; Notice and Filing Requirements and Other Procedures for Auction 903*, AU Docket No. 17-182 et al., Public Notice, 33 FCC Rcd 1428, 1493, para. 203 (2018).

⁴ 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>. In an effort to further facilitate broadband deployment funding coordination, on May 9, 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>.

⁵ *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> (BEAD Program NOFO) (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 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, Rural eConnectivity (ReConnect) Program Notice of Funding Opportunity, 89 Fed. Reg. 13035, 13036 (Feb. 21, 2024) (defining an enforceable commitment to mean “a legally enforceable obligation by any federal, state, or local agency, utilizing Federal Funds, to provide broadband service with speeds of at least 100 megabits per second (Mbps) downstream and 20 (Mbps) upstream”); 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

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CAF Phase II auction or RDOF deployment terms,⁶ because providers may now have access to alternative funding to serve these areas.

These carriers remain subject to all eligible telecommunications carrier (ETC) obligations unless and until they follow the relevant procedures to relinquish their designations.⁷ Additionally, they cannot discontinue voice service without Commission approval.⁸

RiverStreet. In Appendix A, we provide a list of all the CAF Phase II auction eligible census blocks contained within the CBGs that RiverStreet will not serve. In addition, we will also update the Broadband Funding Map to remove the census blocks from RiverStreet's service area.⁹ Below, we provide a limited waiver of the Commission's non-compliance rules to adjust support to reflect that these areas will not be served. RiverStreet otherwise remains subject to CAF Phase II auction non-compliance measures for failure to meet the terms and conditions of support, including support recovery for all unserved locations at the end of the deployment term.¹⁰ We will continue to use the available tools to monitor RiverStreet's compliance with the applicable deployment obligations in its remaining supported service area.¹¹

While RiverStreet notified the Commission that it will not serve the identified census blocks, RiverStreet is not withdrawing from the CAF Phase II auction program. The CAF Phase II auction support program rules do not provide for partial withdrawals from the program. The Commission takes compliance with the terms and conditions of its high-cost programs seriously and imposes non-compliance measures if the requirements are not met.¹² RiverStreet remains subject to the program rules, including the applicable non-compliance measures,¹³ for the duration of the support term except as

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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.”).

⁶ CAF Phase II auction recipients must offer the required service to 100% of the required number of locations by December 31, 2025. *Connect America Fund et al.*, WC Docket No. 10-90 et al., Report and Order et al., 31 FCC Rcd 5949, 5964, para. 40 (2016) (*CAF Phase II Auction Order*); *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 35 FCC Rcd 109, 112, para. 9 (2020). RDOF recipients authorized in 2021 and 2022 must offer the required service to 100% of their original location total by December 31, 2027 and December 31, 2028, respectively. *Rural Digital Opportunity Fund et al.*, WC Docket No. 19-126 et al., Report and Order, 35 FCC Rcd 686, 709, para. 45 (2020) (*RDOF Order*). If more locations than the original estimated are identified during the support term, recipients will have an additional two years to serve the additional locations subject to limited exceptions. *Id.* at 710, para. 49.

⁷ 47 U.S.C. § 214(e)(4).

⁸ 47 U.S.C. § 214(a); 47 CFR § 63.71.

⁹ Federal Communications Commission, National Broadband Map, <https://broadbandmap.fcc.gov/home> (last visited Apr. 15, 2024).

¹⁰ *See, e.g.*, 47 CFR § 54.320(c), (d).

¹¹ *See, e.g.*, 47 CFR §§ 54.316, 54.320(d)(1).

¹² *See, e.g.*, 47 CFR § 54.320(c), (d); *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 support recipient's non-compliance with service milestones); *CAF Phase II Auction Order*, 31 FCC Rcd at 5966, para. 46 (explaining that compliance with CAF Phase II auction deployment obligations would be determined at the state level).

¹³ *See, e.g.*, 47 CFR § 54.320(c), (d).

explained below, and remains committed to serve the eligible census blocks within the remaining CBGs in its supported service area with voice and broadband service meeting program requirements.

On our own motion, we find good cause to waive in part section 54.320(d) of the Commission's rules for the census blocks identified in Appendix A consistent with precedent,¹⁴ and instruct USAC to stop paying support for the identified census blocks pursuant to section 54.320(c) of the Commission's rules.¹⁵ Generally, the Commission's rules may be waived for good cause shown.¹⁶ 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.¹⁷

Despite our limited waiver, which is narrowly limited to stopping payments of future support for the identified census blocks, RiverStreet otherwise remains subject to section 54.320(d) of the Commission's rules.¹⁸ If RiverStreet fails to meet its interim service milestones by not serving the required number of locations based on its original authorized location total, RiverStreet will be placed in the associated non-compliance tier.¹⁹ If the applicable non-compliance tier requires that we withhold an amount of support that exceeds the amount of support we have stopped paying for the identified census blocks, we will withhold an amount of additional support that equals the difference between: 1) the amount of support required to be withheld pursuant to section 54.320(d)(1), and 2) the amount of support we stopped paying for the identified census blocks.²⁰ If the applicable non-compliance tier requires that we withhold less support than the amount of support we have stopped paying for the identified census blocks pursuant to our limited waiver, we will make no further adjustments to RiverStreet's monthly disbursement, i.e., we will withhold no support other than the support we stopped paying for the

¹⁴ *Wireline Competition Bureau Announces Certain RDOF and CAF II Auction Census Block Groups are Eligible for Other Funding Programs*, AU Docket No. 20-34 et al., Public Notice, DA 24-181 (WCB Feb. 28, 2014).

¹⁵ 47 CFR § 54.320(c), (d). Section 54.320(c) of the Commission's rules states that support recipients that "fail to comply with public interest obligations or any other terms and conditions may be subject to further action, including . . . reductions in support amounts . . ." 47 CFR § 54.320(c). Future monthly support payments will be reduced pro rata based on the number of locations associated with the CBGs that the support recipient is defaulting on and calculated as follows, subject to any applicable non-compliance tiers: ((total monthly authorized support/total authorized locations) x (total authorized locations – defaulted locations)). Subject to support withholding pursuant to any applicable non-compliance tiers, RiverStreet's monthly support for the CAF Phase II auction in North Carolina will be approximately \$2,060.

¹⁶ 47 CFR § 1.3.

¹⁷ 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) (*WAIT Radio*)) (*Northeast Cellular*).

¹⁸ 47 CFR § 54.320(d).

¹⁹ 47 CFR § 54.320(d)(1).

²⁰ *Id.* As a simplified example, if a carrier receiving \$100 per month in support is required to serve 100 locations and has indicated it will not serve eligible census blocks within CBGs covering 20 of those locations, we will reduce the carrier's ongoing monthly support by a pro rata amount to stop future payments for the defaulted census blocks so that the carrier is now receiving \$80 per month (i.e., the Commission will no longer pay the \$20 per month associated with the identified census blocks) (($\$100/100$) x (100-20) = \$80 a month). If the carrier is in non-compliance Tier 3 so that we are required to withhold 25% of support (i.e., \$25; .25 x \$100), we would withhold an extra \$5 a month so that we are not paying the carrier \$25 in total each month (i.e., \$20 for the defaulted census blocks + \$5 additional). If the carrier comes back into compliance so that it is entitled to have its support restored, we would only restore the additional monthly amount of support that we withheld (i.e., \$5 a month) and would not restore the \$20 we have stopped paying for the identified census blocks. 47 CFR § 54.320(d)(1)(iii).

identified census blocks.²¹ At the end of the deployment period, we will apply section 54.320(d)(2) to recover support for all unserved locations, including the locations covered by the identified census blocks.²² Any additional issues related to the support recovery required by section 54.320(d)(2) of the Commission's rules will be addressed in a separate release.²³

Cebridge Telecom LA and Cable One VoIP. We consider Cebridge Telecom LA and Cable One VoIP to have defaulted on their RDOF service milestones in Louisiana. Each will receive no further RDOF auction support payments for Louisiana,²⁴ and they are subject to support recovery and non-compliance measures consistent with the Commission's rules.²⁵ We will also remove their Louisiana RDOF service areas from the Broadband Funding Map.²⁶ While Cebridge Telecom LA and Cable One VoIP will no longer receive RDOF support in Louisiana, they remain subject to recordkeeping rules for the high-cost program.²⁷

We disagree with Cable One VoIP's claim that it has met its buildout obligations in Louisiana.²⁸ The RDOF rules require that a carrier offer voice and broadband service meeting the relevant performance requirements for the remainder of the 10-year RDOF support term, subject to performance testing, reporting, and additional non-compliance measures if the carrier is unable to demonstrate compliance.²⁹ Because Cable One VoIP is withdrawing from RDOF in Louisiana, it will not be subject to

²¹ Assuming the same simplified example as in the prior footnote, if the carrier is in non-compliance Tier 2 so that we are required to withhold 15% a month (i.e., \$15, .15 x \$100), we would not withhold any additional monthly support since we have already stopped paying the carrier \$20 a month for defaulted census blocks, and \$20 exceeds the \$15 we are required to withhold. 47 CFR § 54.320(d)(1)(ii).

²² 47 CFR § 54.320(d)(2).

²³ *Id.*

²⁴ 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 *Cebridge Telecom LA Authorization Public Notice*, 37 FCC Rcd at 9317-24; *Cable One VoIP Authorization Public Notice*, 37 FCC Rcd at 7271-78 (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 instructed USAC to suspend the support recipient's RDOF support payments. 47 CFR §§ 54.320(c), 54.806(b).

²⁵ 47 CFR §§ 54.804(c)(4), 54.320, 54.806(c). Cebridge Telecom LA and Cable One VoIP'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 recovery 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). Carriers seeking relief from applicable support recovery measures have the option of submitting a request for waiver. 47 CFR § 1.3.

²⁶ The census blocks covered by Cebridge Telecom LA and Cable One VoIP's authorized winning bids are available on the "Results" tab of the Auction 904 website at <https://www.fcc.gov/auction/904> in the document "Historical Authorized Auction 904 Long-Form Applicants Data."

²⁷ 47 CFR §§ 54.320(b), 54.806(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.").

²⁸ Cable One VoIP Withdrawal Letter at 1-3.

²⁹ See, e.g., 47 CFR §§ 54.313; 54.316; 54.320(d)(2), 54.806(c). See also *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); 47 CFR § 54.313(a)(6).

performance testing and reporting in the state, and we will have no way to confirm that Cable One VoIP will continue to meet the required performance obligations for the remainder of the RDOF support term.

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Appendix A

RiverStreet Communications of North Carolina, Inc.

CAF Phase II Auction Defaulted Census Blocks

Authorized Support Recipient	FRN	State	Study Area Code	County	Census Block Number
RiverStreet Communications of North Carolina, Inc.	0025165895	North Carolina	239033	Buncombe	370210031041000
RiverStreet Communications of North Carolina, Inc.	0025165895	North Carolina	239033	Rutherford	371619601002001
RiverStreet Communications of North Carolina, Inc.	0025165895	North Carolina	239033	Rutherford	371619601002020
RiverStreet Communications of North Carolina, Inc.	0025165895	North Carolina	239033	Rutherford	371619601002121
RiverStreet Communications of North Carolina, Inc.	0025165895	North Carolina	239033	Rutherford	371619603002004
RiverStreet Communications of North Carolina, Inc.	0025165895	North Carolina	239033	Rutherford	371619603002007
RiverStreet Communications of North Carolina, Inc.	0025165895	North Carolina	239033	Rutherford	371619603002021