



# PUBLIC NOTICE

Federal Communications Commission  
45 L St., N.E.  
Washington, D.C. 20554

News Media Information 202 / 418-0500  
Internet: <http://www.fcc.gov>

DA 24-946  
Released: September 13, 2024

**DOMESTIC SECTION 214 APPLICATION GRANTED  
FOR THE ACQUISITION OF CERTAIN ASSETS OF COMPUTER 5 INC. DBA LOCALTEL  
COMMUNICATIONS TO NORTHWEST FIBER, LLC,  
ZIPLY FIBER NORTHWEST, LLC, AND ZIPLY WIRELESS, LLC**

**WC Docket No. 24-87**

By this Public Notice, the Wireline Competition Bureau (Bureau) grants an application filed by Computer 5 Inc. dba LocalTel Communications (LocalTel), Northwest Fiber, LLC (NWF), Zply Fiber Northwest, LLC (ZFN), and Zply Wireless, LLC (Zply Wireless), (collectively, Applicants), pursuant to section 214(a) of the Communications Act of 1934, as amended, and sections 63.03-04 of the Commission's rules,<sup>1</sup> requesting consent for the transfer of substantially all of the assets of LocalTel (transferring assets) to NWF, and ultimately, in part to ZFN and in part to Zply Wireless.<sup>2</sup> In connection with this application, we also address the conditional authorization of ZFN to receive Rural Digital Opportunity Fund (RDOF) support and of Zply Wireless to receive Connect America Fund Phase II Auction (CAF Phase II) support associated with this transaction.

On June 28, 2024, the Bureau released a Public Notice seeking comment on the Application.<sup>3</sup> The Bureau did not receive comments or petitions in opposition to the Application.

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

<sup>2</sup> Joint Application Domestic Section 214 Authorization For the Consent to Assign Certain Assets of Computer 5 Inc. dba LocalTel Communications to Northwest Fiber, LLC, Zply Fiber Northwest, LLC and Zply Wireless, LLC, WC Docket No. 24-87 (filed on Mar. 14, 2024) (Application). Applicants filed supplements to their application on April 15, 2024, May 7, 2024, and June 18, 2024, September 9, 2024. Letter from Stephen E. Coran, Counsel for Computer 5, Inc. dba LocalTel Communications, and Michael P. Donahue and Byron E. Springer, Jr., Counsel for Northwest Fiber, LLC, Zply Fiber Northwest, LLC, and Zply Wireless LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 24-87 (filed Apr. 15, 2024) (Apr. 15 Supplement); Letter from Michael P. Donahue and Byron E. Springer, Jr., Counsel for Northwest Fiber, LLC, Zply Fiber Northwest, LLC, and Zply Wireless LLC, to Marlene H. Dortch, Secretary, FCC, WC Docket No. 24-87 (filed May 7, 2024) (May 7 Supplement) (informing the Commission of a pro forma transfer that resulted in the insertion of two new intermediate holding companies in ZFN's ownership structure and confirming USF commitments); Letter from Michael P. Donahue and Byron E. Springer, Jr., Counsel for Northwest Fiber, LLC, Zply Fiber Northwest, LLC, and Zply Wireless LLC, to Marlene H.-87 (filed Sept. 9, 2024) (Sept. 9 Supplement). Applicants also filed applications for the transfer of international authorizations. Any action on this application is without prejudice to other pending applications before the Commission.

<sup>3</sup> See *Domestic Section 214 Application Filed for the Acquisition of Computer 5 Inc. DBA LocalTel Communications to Northwest, LLC, and Zply Wireless, LLC*, WC Docket No. 24-87, Public Notice, DA 24-623 (WCB June 28, 2024).

## **Applicants and Description of Transaction**

LocalTel, a Washington corporation, provides voice and broadband service to more than 40,000 residences and businesses in rural communities and urban areas throughout Eastern Washington state using fixed wireless and fiber-to-the-home technologies.<sup>4</sup> LocalTel is designated as an eligible telecommunications carrier (ETC) in Washington and is authorized to receive \$6,847,092.40 in CAF Phase II support to deploy voice and broadband service to 1,910 eligible locations in Washington.<sup>5</sup> In addition, LocalTel is authorized to receive \$48,818,171.30 in RDOF support to deploy voice and broadband service to 12,530 locations in Washington.<sup>6</sup> LocalTel also participates in the Lifeline program.<sup>7</sup>

NWF, a Delaware limited liability company, was created in connection with a transaction for the purchase of certain subsidiaries from Frontier Communications Corporation (Frontier), which closed on May 1, 2020, with operations in Washington, Oregon, Idaho, and Montana.<sup>8</sup> NWF has continuously operated these subsidiaries since closing the Frontier transaction.<sup>9</sup> NWF and its operating affiliates use the trade name “ZiPLY Fiber.”<sup>10</sup>

ZFN, a Delaware limited liability company, is a wholly-owned subsidiary of NWF.<sup>11</sup> ZFN provides service as the incumbent local exchange carrier (LEC) in all of the areas it currently serves in Washington, Oregon, and Idaho, and provides data, video (in limited areas in Western Washington and Northwestern Oregon), and voice services.<sup>12</sup> ZFN is designated as an ETC in Idaho, Oregon, and Washington.<sup>13</sup> ZFN is authorized to receive \$20,066,009.70 in RDOF support to deploy voice and broadband services to 9,370 locations in Washington.<sup>14</sup> ZFN participates in the Lifeline program.<sup>15</sup> ZiPLY

---

<sup>4</sup> Application at 2-3.

<sup>5</sup> *Id.* at 3. *Connect America Fund Phase II Support Authorized for 387 Winning Bids*, AU Docket No. 17-182, WC Docket No. 10-90, Public Notice, 34 FCC Rcd 9406, Attach. A, pp. 3-6 (AU/WCB 2019).

<sup>6</sup> *Id.* *Rural Digital Opportunity Fund Support Authorized for 5,657 Winning Bids*, AU Docket No. 20-34, WC Docket No. 19-126 and WC Docket No. 10-90, Public Notice, 37 FCC Rcd 3570, Attach. A, pp. 270-272 (AU/WCB 2022) (*RDOF Seventh Authorization Public Notice*). We note that the Bureau has been directed to adopt revised location obligations no later than the end of program’s sixth year using a listing of all qualifying locations within eligible areas. See *Rural Digital Opportunity Fund; Connect America Fund*, WC Dockets 19-126, 10-90, Order, 35 FCC Rcd 686, 709, para. 45 (2020).

<sup>7</sup> Application at 14. LocalTel had participated in the Affordable Connectivity Program (ACP). Press Release, FCC, *The FCC Brings the Affordable Connectivity Program to a Close* (May 31, 2024) <https://docs.fcc.gov/public/attachments/DOC-402930A1.pdf>, (due to a lack of additional Congressional funding, the agency officially ended the ACP on June 1, 2024).

<sup>8</sup> Application at 4.

<sup>9</sup> *Id.*

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 4-5.

<sup>12</sup> *Id.* at 5.

<sup>13</sup> *Id.* at 14. September 9 Supplement at 1 (stating that on July 25, 2024, ZFN received expanded ETC designation in Washington to include the areas covered by LocalTel’s RDOF award and that ZiPLY Wireless received ETC designation in Washington for the areas covered by LocalTel’s CAF II award); *id.* at Exh. A at p. 8 (attached copies of orders of Washington Utilities and Transportation Commission granting ZFN expanded designation and ZiPLY Wireless ETC designation).

<sup>14</sup> Application at 5. *RDOF Seventh Authorization Public Notice*, 37 FCC Rcd 3570, Attach. A, pp. 254-61.

<sup>15</sup> Application at 14.

Wireless, a Delaware limited liability company, is a wholly-owned subsidiary of NWF.<sup>16</sup> Zply Wireless provides service as a competitive LEC in Idaho, Oregon, and Washington.<sup>17</sup> Zply Wireless provides voice and data services over a fixed wireless access network in Washington and Oregon.<sup>18</sup> ZFN is indirectly held by NWF, which is indirectly held, through a number of U.S. and Cayman Islands holding companies and funds, by Searchlight Capital Partners II GP, LLC (Upper GP), a Delaware limited partnership (collectively, Searchlight).<sup>19</sup> Applicants state that Upper GP is the “ultimate controlling entity of the Searchlight funds” and holds a 100% voting interest in ZFN.<sup>20</sup> Upper GP is ultimately controlled by Eric Zinterhofer (a U.S. citizen), Erol Uzumeri (a Canadian citizen), and Oliver Haarmann (a German citizen), each holding a 33 1/3% ownership interest in Searchlight Capital Partners II and a 26.27% indirect voting interest in ZFN.<sup>21</sup> Steve Weed indirectly holds 10% of the voting and equity interests of NWF, ZFN, and Zply Wireless.<sup>22</sup> The following entities also ultimately hold a 10% or greater indirect interest in ZFN: The Public Sector Pension Board (Canada) (28.68% equity interest in ZFN); Canada Pension Plan Investment Board (Canada) (17.81% indirect equity interest in ZFN); and the British Columbia Investment Management Corporation (Canada) (17.93% indirect equity interest in ZFN).

Pursuant to the terms of the Asset Purchase Agreement and Plan of Merger between LocalTel and its controlling shareholder and principal (Selling Parties) and NWF and ZFN, NWF agreed to purchase, and LocalTel agreed to sell, “various rights, property, and assets (including all customer contracts and customer relationships) used in or necessary for the business of providing, for consumer and commercial use, broadband and voice services, including high-speed internet, transport, transit, voice, data, and other telecommunications services, throughout LocalTel’s service territory over a leased fiber-based network infrastructure, together with services resold off of copper-based networks of local ILECs.”<sup>23</sup> The Selling Parties and Zply Wireless also entered into an Asset Purchase Agreement, whereby Zply Wireless agreed to purchase, and the Selling Parties agreed to transfer, the wireless licenses and other assets, including customers, associated with LocalTel’s fixed wireless business.<sup>24</sup> Applicants state that following the two-part transaction, NWF will transfer all fiber and related assets and operating obligations to its wholly-owned subsidiary, ZFN.<sup>25</sup>

Applicants state that pursuant to these transactions, LocalTel’s CAF Phase II and RDOF assets, unused CAF II and RDOF support and future CAF Phase II and RDOF support, will ultimately transfer to two separate NWF subsidiaries, ZFN and Zply Wireless.<sup>26</sup> Applicants state that ZFN will acquire all of the LocalTel RDOF-related assets and assume all related obligations, and Zply Wireless will acquire all

---

<sup>16</sup> *Id.* at 5-6.

<sup>17</sup> *Id.* at 6.

<sup>18</sup> *Id.*

<sup>19</sup> *Id.* at 3; June 18 Supplement at 7-9. Applicants state that Searchlight has investment interests in other broadband providers operating in multiple states, including a 13.9% interest in Consolidated Communications Holdings, Inc., a 22.6% interest in Northwest Fiber, LLC d/b/a Zply Fiber, and a 2.9% interest in Uniti Group Inc., all of which either receive, or have received, Universal Service Fund support. *See* Application at 3-4 and n.6; Apr. 15 Supplement at 2-4. According to the Applicants, Searchlight also has investment interests in GCI Communications, Inc. and Electric Lightwave. *See* Application at 3-4 and n.6.

<sup>20</sup> June 18 Supplement at 7-9.

<sup>21</sup> Application at 3-4; June 18 Supplement at 1.

<sup>22</sup> Application at 19; June 18 Supplement at 3-4.

<sup>23</sup> Application at 6-7.

<sup>24</sup> *Id.* at 7.

<sup>25</sup> *Id.* at 8.

<sup>26</sup> *Id.* at 7.

CAF Phase II-related assets and assume all associated obligations.<sup>27</sup> ZFN will combine the support and obligations of its preexisting RDOF-supported area in Washington and its newly acquired RDOF-supported areas. ZFN and Zply Wireless separately commit to meeting the deployment milestones and performance requirements associated with the type of support that each affiliate will receive.<sup>28</sup>

### **Discussion**

We find, upon consideration of the record, that a grant of the Application will serve the public interest, convenience, and necessity. To make this determination under Commission precedent, we consider whether the proposed transaction could result in public interest harms by substantially frustrating or impairing the objectives or implementation of the Act or related statutes.<sup>29</sup> We then employ a balancing test that weighs any potential public interest harms of the proposed transaction against any potential public interest benefits.<sup>30</sup> The Applicants bear the burden of proving, by a preponderance of the evidence, that the proposed transaction, on balance, serves the public interest.<sup>31</sup>

We find that the record contains no evidence of any potential public interest harms. First, the proposed transaction will not result in a significant reduction of competition. Applicants contend that “the operations and networks of LocalTel, ZFN and Zply Wireless are complimentary and adjacent with minimal overlap and multiple, larger competitors provide similar service in the LocalTel, ZFN and Zply Wireless service areas.”<sup>32</sup> Applicants state that the proposed transaction will be completed in a manner that is “seamless and transparent” to customers, because they will continue to receive their services over the same network and “services will continue to be implemented by existing LocalTel management and employees.”<sup>33</sup> Moreover, Applicants attest that “existing customers’ rates, terms, and conditions of service will not change absent compliance with customers’ contracts, tariffs, and applicable law.”<sup>34</sup>

---

<sup>27</sup> *Id.*

<sup>28</sup> *Id.* at 8-9; *see also* May 7 Supplement at 9 (“NWF, ZFN and Zply Wireless confirm their commitment to fulfill all their existing and acquired Lifeline, CAF, RDOF and other USF obligations after closing.”).

<sup>29</sup> *See, e.g., Application of Verizon Communications Inc. and América Móvil S.A.B. de C.V. for Consent to Transfer Control of International Section 214 Authorization*, GN Docket No. 21-112, IBFS File No. ITC-T/C-20200930-00173, Memorandum Opinion and Order, 36 FCC Rcd 16994, 16996, para. 21 (2021) (*Verizon-TracFone Order*) (citing *China Mobile International (USA) Inc., Application for Global Facilities-Based and Global Resale International Telecommunications Authority Pursuant to Section 214 of the Communications Act of 1934, as Amended*, ITC-214-20110901-00289, Memorandum Opinion and Order, 34 FCC Rcd 3361, 3366, para. 9 (2019); *Applications for Consent to the Assignment and/or Transfer of Control of Licenses, Adelphia Communications Corporation (and Subsidiaries, Debtors-in-Possession), Assignors, to Time Warner Cable Inc. (Subsidiaries), Assignees; Adelphia Communications Corporation, (and Subsidiaries, Debtors-in-Possession), Assignors and Transferors et al.*, MB Docket No. 05-192, Memorandum Opinion and Order, 21 FCC Rcd 8203, 8219-21, paras. 27-28 (2006) (*Adelphia-TWC Order*)).

<sup>30</sup> *See Verizon-TracFone Order*, 36 FCC Rcd at 16996, para. 21 (citing *Applications of AT&T Inc. and DIRECTV for Consent to Assign or Transfer Control of Licenses and Authorizations*, MB Docket No. 14-90, Memorandum Opinion and Order, 30 FCC Rcd 9131, 9140, para. 18 (2015) (*AT&T-DIRECTV Order*)) (further citations omitted).

<sup>31</sup> *See Verizon-TracFone Order*, 36 FCC Rcd at 16996, para. 21 (citing *AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 18; *Adelphia-TWC Order*, 21 FCC Rcd at 8217, para. 23; *Application of EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp., Transferors, and EchoStar Communications Corp., Transferee*, CS Docket No. 01-348, Hearing Designation Order, 17 FCC Rcd 20559, 20574, para. 25 (2002)) (further citations omitted).

<sup>32</sup> Application at 11, 12; April 15 Supplement at 4-7 (attesting that competitors will remain in overlap areas post-consummation).

<sup>33</sup> *Id.*

<sup>34</sup> *Id.*

Second, NWF, through its relevant affiliates, will remain financially, managerially, and technically obligated to meet all public interest and performance obligations associated with the receipt of CAF Phase II and RDOF funding, and we expect that the proposed transaction will not negatively impact these obligations.<sup>35</sup> Applicants state that “neither NWF nor Zply plan to make material changes to LocalTel’s CAF II and RDOF deployment technologies or network architecture.”<sup>36</sup> Applicants state that “ZFN’s and Zply Wireless’s operations will be overseen and directed by the NWF management team, which together have extensive technical, organizational, regulatory, and management experience in building and operating residential and business next-generation fiber networks and meeting high-cost support obligations.”<sup>37</sup> Applicants have demonstrated that NWF, ZFN, and Zply Wireless are sufficiently experienced enough to ensure that ZFN and Zply Wireless will meet all of their respective high cost obligations.<sup>38</sup> Finally, Applicants assert that they are financially qualified to meet the transferring CAF Phase II and RDOF obligations, and that ZFN “will not be assuming any debt in connection with the transaction.”<sup>39</sup> Overall, we conclude that the record in this proceeding does not support a finding of a public interest harm.

We next consider whether the proposed transaction is likely to generate verifiable, transaction-specific public interest benefits.<sup>40</sup> Applicants must provide evidence of a claimed benefit to allow the Commission to verify its likelihood and magnitude.<sup>41</sup> Where potential harms appear unlikely, as is the case with the Application before us here, the Commission accepts a lesser degree of magnitude and likelihood than when harms are present.<sup>42</sup>

Applicants argue that, because of their proximity, by managing the transferring assets in LocalTel’s RDOF supported area and NWF’s existing RDOF supported service area as a single project, “NWF can achieve economies of scale and leverage its labor force, infrastructure, and operational capabilities to rapidly and cost-effectively build out the combined areas as it expands its broadband operations.”<sup>43</sup> Applicants state, for example, that NWF, through its subsidiaries, “already provides fiber broadband service to many of the areas adjacent to where LocalTel has RDOF deployment obligations.”<sup>44</sup> Further, Applicants contend that “the majority of LocalTel’s customers served via its copper-based services are on the ZFN network” and that combining the networks will “reduce the costs of providing these services.”<sup>45</sup> Indeed, Applicants assert that “ZFN is managing its RDOF obligation as a statewide project and has determined that LocalTel’s RDOF areas might be served in a more expeditious and cost-effective manner utilizing LocalTel’s assets and NWF’s existing fiber plant, operations, resources, and infrastructure.”<sup>46</sup> Thus, Applicants contend that the proposed transaction will benefit consumers by

---

<sup>35</sup> See *id.* at 8-11; May 7 Supplement at 9.

<sup>36</sup> Application at 11. Applicants further state that “Assignees currently plan to rely on the network design, architecture, technology and equipment, and engineering and other assumptions described in LocalTel’s CAF II and RDOF Long-Form Applications.” September 9 Supplement at 2.

<sup>37</sup> *Id.* at 11.

<sup>38</sup> *Id.* at 8-11.

<sup>39</sup> *Id.* at 11, 14. *Id.* at 10 (Applicants state that NWF and its investors will provide financial backing to the management team overseeing deployment in supported areas).

<sup>40</sup> See *AT&T/DIRECTV Order*, 30 FCC Rcd at 9237, paras. 273-74.

<sup>41</sup> See *id.* at 9237-38, paras. 275-76.

<sup>42</sup> See *id.*

<sup>43</sup> Application at 11.

<sup>44</sup> *Id.*

<sup>45</sup> *Id.* at 12.

<sup>46</sup> *Id.* at 11.

“lowering the costs of deployment through the economies of scale gained through a comprehensive CAF II and RDOF deployment instead of the patchwork that currently exists” and that as a result, ZFN “can keep consumer costs competitive.”<sup>47</sup> Moreover, Applicants contend that the efficiencies and cost savings from the proposed transaction will also benefit consumers by resulting in a stronger competitor to larger providers.<sup>48</sup>

The Commission has specified that a transaction ensuring consumers receive new or additional services is an important public interest factor,<sup>49</sup> and accelerating private sector deployment of advanced services is one of the aims of the Act.<sup>50</sup> In light of ZFN’s and Zply Wireless’s commitments to meet all of LocalTel’s federal high cost funding obligations for the transferring assets<sup>51</sup> and the fact that the transaction is likely to result in a stronger competitor to larger providers,<sup>52</sup> we find it likely that the proposed transaction would result in some public interest benefits. Absent any potential harms, and considering that the proposed transaction is likely to yield some benefits, we find, on balance, that the proposed transaction serves the public interest.<sup>53</sup>

### **Conditional Authorization of CAF Phase II Support**

As stated above, we have found that both ZFN and Zply Wireless (responsible affiliates) have demonstrated their respective managerial, financial, and technological capabilities to assume the responsibilities and obligations of the type of support that they are acquiring pursuant to this transaction. Accordingly, we conditionally authorize ZFN to receive the RDOF support to be transferred to it as part of this transaction and Zply Wireless to receive the CAF Phase II support to be transferred to it as part of this transaction. These authorizations are conditioned upon each of the responsible affiliates separate satisfaction of the following prerequisites within three months of the release date of this Public Notice:

1) submission and approval of an irrevocable letter of credit (LOC) securing the requisite amount of support; 2) submission and approval of a new supporting Bankruptcy Opinion Letter; and 3) submission of a notice of consummation of the transaction in the Commission’s Electronic Comment Filing System (ECFS) under WC Docket Nos. 24-87 and WC Docket No. 10-90. Applicants should also email a copy of this Public Notice directly to Dennis Johnson at [dennis.johnson@fcc.gov](mailto:dennis.johnson@fcc.gov) and to Nissa Laughner at [nissa.laughner@fcc.gov](mailto:nissa.laughner@fcc.gov). □ NWF, or its subsidiaries, should submit the LOC and the supporting

---

<sup>47</sup> *Id.* at 13.

<sup>48</sup> *Id.* at 12.

<sup>49</sup> *See, e.g., AT&T-DIRECTV Order*, 30 FCC Rcd at 9140, para. 19.

<sup>50</sup> *See Verizon-TracFone Order*, 36 FCC Rcd at 16996-97, para. 22 (citing 47 U.S.C. §§ 254, 332(c)(7), 1302; Telecommunications Act of 1996, Pub. L. No. 104-104, Preamble, 110 Stat. 56 (1996) (one purpose of the Act is to “accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services”)).

<sup>51</sup> Application at 8-9; May 7 Supplement at 9; September 9 Supplement at 1-2.

<sup>52</sup> Application at 11-12.

<sup>53</sup> *See* 47 U.S.C. § 214(a); 47 CFR § 63.03. Applicants note that LocalTel and ZFN have overlapping service areas, including in areas where ZFN provides service as the incumbent LEC. Application at 11, Exhibit B (Service Area Map); April 15 Supplement at 4-7. We conclude that there will be efficiencies that result from these overlapping service areas and find the proposed transaction is in the public interest. *See* 47 U.S.C. § 214(a); 47 CFR § 63.03. *See, e.g., Applications of Level 3 Communications, Inc. and CenturyLink, Inc. for Consent to Transfer Control of Licenses and Authorizations*, Memorandum Opinion and Order, 32 FCC Rcd 9581, 9594, 9605, paras. 26 and 52 (2017) (finding no harm to competition in CenturyLink’s incumbent LEC territory, nor outside of CenturyLink’s incumbent LEC territory, where applicants operate as competitive LECs, and further finding that the transaction “will expand the on-net reach of the newly combined firm resulting in a more effective and stronger competitor against larger cable and incumbent LEC competitors, among others, particularly outside of Century Link’s incumbent LEC region, where it, like Level 3, operates as a competitive LEC.”).

Bankruptcy Opinion Letter directly to USAC for review and approval.

If and when each of the responsible affiliates satisfies all of these prerequisites, that affiliate will be separately authorized to receive the relevant type of support.<sup>54</sup> Once that affiliate is authorized, USAC will transfer all associated future support payments (and any withheld payments), as of the next month following the authorization or as soon as reasonably practical thereafter. The Bureau will announce the date that the authorization became effective in a monthly release. Until a responsible affiliate is authorized, LocalTel must maintain the irrevocable LOC for that support and will retain sole responsibility for complying with the universal service fund requirements for the supported area. □ All support and assets associated with the supported area must be transferred from LocalTel to the relevant authorized affiliate, including any support disbursements received by LocalTel, as of the effective date of the authorization.

We remind each of the responsible affiliates that once it satisfies all conditions of authorization, it assumes sole responsibility for complying with universal service fund requirements and Commission rules applicable to the type of support it receives, regardless of any preexisting or reasonably foreseeable conditions that could impact its ability to meet its obligations in the future, including technical, marketplace, and on-the-ground conditions.<sup>55</sup> Indeed, any carrier seeking authorization to receive high cost support pursuant to a section 214 authorization 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 program requirements, including default recovery of support and potential forfeiture penalties.<sup>56</sup> Finally, each of the responsible affiliates must meet all administrative, performance, and deployment obligations and deadlines, including the requirement to deploy voice and broadband service meeting minimum standards to the requisite number of locations by specific service milestones.<sup>57</sup>

Therefore, pursuant to section 214 of the Act, 47 U.S.C. § 214, and sections 0.91, 0.291, 63.03, and 63.04 of the Commission's rules, 47 CFR §§ 0.91, 0.291, 63.03, and 63.04, the Bureau hereby grants the Application discussed in this Public Notice, subject to Applicants' compliance with all applicable obligations.<sup>58</sup>

Pursuant to section 1.103 of the Commission's rules, 47 CFR § 1.103, the grant is effective upon release of this Public Notice.<sup>59</sup> Petitions for reconsideration under section 1.106 or applications for review under section 1.115 of the Commission's rules, 47 CFR §§ 1.106, 1.115, may be filed within 30

---

<sup>54</sup> If Applicants fail to consummate the transaction within this time frame, they must file notice of the failure within 10 calendar days of the end of such time frame in the Commission's Electronic Comment Filing System (ECFS) under WC Docket Nos. 24-87 and 10-90. If either of the responsible affiliates does not meet one or more of the conditions before the three month period specified above expires, the Bureau will reassess that affiliate's qualifications for authorization.

<sup>55</sup> See, e.g., *Authorization of Atlink Services, LLC to Receive Connect America Fund (CAF) Phase II Auction Support Transferred from Cherokee Telephone Company Pursuant to a Commission Approved Transaction*, WC Docket No. 10-90, Public Notice, 37 FCC Rcd 6158, 6159 (WCB 2022).

<sup>56</sup> See *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order on Reconsideration, 33 FCC Rcd 1380, 1390, para. 25 (2018) (“emphasiz[ing] that applicants are required to conduct the necessary due diligence prior to submitting their short-form applications, including identifying locations they will serve within the eligible areas, so that they can certify that they will be able to meet the relevant public interest obligations when they submit their applications.”).

<sup>57</sup> September 9 Supplement at 1-2.

<sup>58</sup> See *CAF Phase II Public Notice*, 34 FCC Rcd at 4726-30 (listing obligations of CAF Phase II authorized support recipients); *RDOF Public Notice* at 1-9 (listing obligations of RDOF authorized support recipients).

<sup>59</sup> We direct Applicants to submit, within 30 days of closing the proposed transaction, a notice in WC Docket No. 24-87 that the proposed transaction has closed, with the consummation date, and also provide a courtesy copy of the notice to [hcinfo@usac.org](mailto:hcinfo@usac.org).

days of the date of this Public Notice. For further information, please contact Dennis Johnson, Wireline Competition Bureau, Competition Policy Division, (202) 418-0809.

**-FCC-**