



PUBLIC NOTICE

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RURAL BROADBAND EXPERIMENT SUPPORT AUTHORIZED FOR WINNING BID SUBMITTED BY LAKE COUNTY, MINNESOTA D/B/A LAKE CONNECTIONS

WC Docket No. 10-90
WC Docket No. 14-259

By this Public Notice, the Wireline Competition Bureau (Bureau) authorizes rural broadband experiment support for Lake County, Minnesota d/b/a Lake Connections (Lake Connections) for the winning bid identified in the Attachment to this Public Notice. The aggregate \$3,491,280.18 in support that we authorize today will bring new broadband service to 845 census blocks.

On December 5, 2014, the Bureau announced the first round of provisionally selected bidders for the rural broadband experiments (RBE).¹ On March 4, 2015, the Bureau announced a second round of provisionally selected bidders.² The Commission required provisionally selected bidders to submit, by specified deadlines, and to certify as accurate, certain technical and financial information as well as a letter of credit (LOC) commitment letter from a bank meeting the Commission's requirements, a Bankruptcy Code opinion letter from legal counsel, and proof of eligible telecommunications carrier (ETC) designation in all areas for which they will receive support.³ Absent waiver, the failure to timely provide such information and materials constituted default and warranted removal of the bidder's project from any further consideration for RBE support.

As it completed review of these post-selection submissions, the Bureau released a public notice announcing its readiness to authorize the bid summarized in the Attachment.⁴ As a condition of authorization, Lake Connections was required to submit, by a specified deadline, at least one acceptable irrevocable stand-by LOC and Bankruptcy Code opinion letter from legal counsel.⁵

For the winning bid identified in the Attachment, the Bureau has reviewed Lake Connections' submissions, including the LOCs and Bankruptcy Code opinion letters from Lake Connections' legal

¹ *Wireline Competition Bureau Announces Entities Provisionally Selected for Rural Broadband Experiments; Sets Deadlines for Submission of Additional Information*, WC Docket No. 10-90, Public Notice, 29 FCC Rcd 14684 (WCB 2014).

² *See Wireline Competition Bureau Announces Additional Provisionally Selected Bidders for Rural Broadband Experiments and Sets Deadlines for Submission of Additional Information*, WC Docket Nos. 10-90 and 14-259, Public Notice, 30 FCC Rcd 2045 (WCB 2015).

³ *Connect America et al.*, WC Docket Nos. 10-90 and 14-58, Report and Order and Further Notice of Proposed Rulemaking, 29 FCC Rcd 8769, 8778-79, 8787-88, paras. 22-23, 52, 54 (2014) (*Rural Broadband Experiments Order*).

⁴ *Wireline Competition Bureau Announces Rural Broadband Experiments Support for Provisionally Selected Bids is Ready to Be Authorized*, WC Docket Nos. 10-90 and 14-259, Public Notice, 31 FCC Rcd 5748, Attach. (WCB 2016) (announcing the Bureau's readiness to authorize, among other bids, a bid placed by Lake Connections).

⁵ *See Rural Broadband Experiments Order*. 29 FCC Rcd at 8788, para. 54.

counsel. Based on the representations and certifications in the application, the Bureau now authorizes support for the winning bid listed in the Attachment. A list of the relevant census blocks is available at <https://www.fcc.gov/encyclopedia/rural-broadband-experiments>.

Upon issuance of this Public Notice, the Universal Service Administrative Company (USAC) is directed and authorized to obligate and disburse from the Connect America reserve account the support amounts identified in the Attachment. USAC will make disbursement payments to the account on file for the 498 ID (formerly Service Provider Identification Number) associated with the rural broadband experiment study area code (SAC).

Lake Connections has elected to receive 30 percent of its total support upfront in exchange for meeting an accelerated deployment obligation to build out to 25 percent of all eligible locations within 15 months of receiving its first disbursement, i.e., April 2, 2018.⁶ Accordingly, USAC will disburse to Lake Connections 30 percent of its total support amount with the first monthly payment and the remaining 70 percent of the total support amount in 120 equal monthly installments over the 10-year term.⁷

We remind Lake Connections that a winning bidder that has been authorized to receive rural broadband experiment support will default if it fails to meet its build-out obligations to offer service delivering the requisite speed, latency, usage and pricing; fails to keep open and renew its LOC; or fails to fulfill any other term or condition of rural broadband experiment support.⁸ Under the terms of the LOC, the Commission will be entitled to draw upon the LOC after a recipient's default and opportunity to cure.⁹ Recipients may also be subject to other sanctions for non-compliance with the terms and conditions of the rural broadband experiments or the Commission's rules.¹⁰

We note that price cap carriers that serve the census blocks where the rural broadband experiment winning bidders have been authorized to receive support no longer have a federal high-cost ETC obligation to continue to offer voice service in those census blocks pursuant to the forbearance granted in the *December 2014 Connect America Order*.¹¹

For further information, please contact Nissa Laughner, Telecommunications Access Policy Division, Wireline Competition Bureau at 202-418-7400 or at TTY (202) 418-0484.

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⁶ See *id.* at 8794, para. 75. For administrative purposes, deadlines for filing build out certifications relating to rural broadband experiment projects are calculated from the first day of the month following the month in which the bidder was authorized to receive support. Where, as here, the deadline falls on a weekend, holiday or other day on which the Commission's headquarters are closed and not reopened prior to 5:30 pm, the deadline is extended to the next business day. See 47 CFR § 1.4(j).

⁷ See *Rural Broadband Experiment Order*, 29 FCC Rcd at 8794, para. 75.

⁸ *Id.* at 8799, para. 90; *Connect America Fund et al.*, WC Docket No. 10-90 et al., Order, 31 FCC Rcd 2384, 2387-88, paras. 10-13 (WCB 2016) (modifying the rural broadband experiment rules to require recipients to maintain a LOC until their build-out is complete and verified, rather than for their entire support term.).

⁹ *Id.* at 8799, paras. 92-93.

¹⁰ *Id.* at 8800, paras. 94, 96.

¹¹ *Connect America Fund et al.*, WC Docket Nos. 10-90 et al., Report and Order, 29 FCC Rcd 15644, 15663-71, paras. 50-70 (2014); see also 47 CFR § 54.201(d)(3). We will remove these census blocks from the list of census blocks where price cap carriers continue to have the federal high-cost ETC obligation to provide voice service. The "List of Census Blocks Subject to Federal High-Cost Voice Obligations" is available at <https://www.fcc.gov/encyclopedia/price-cap-resources>.

Attachment
Authorized Winning Bidder and Bid

Category One¹²

Bidder Name	State	Selected Bid Project ID	Selected Bid Amount	Census Blocks Covered by Selected Bid	Number of Covered Locations	Study Area Code
Lake County, Minnesota d/b/a Lake Connections						
	MN	1	\$3,491,280.18	845	8497	366110

¹² Recipients authorized to receive support for category one projects must deploy a network capable of delivering 100 Mbps downstream/25 Mbps upstream and offer at least one service plan that provides 25 Mbps downstream/5 Mbps upstream to all eligible locations. For that service plan, recipients must provide usage that is reasonably comparable to usage available for comparable wireline offerings in urban areas, at a price that meets the Commission’s reasonable comparability benchmarks, and latency no greater than 100 milliseconds.