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## STAFF DATA REQUESTS DAS-2.01-2.14

DAS-2.01 Please state whether Aristotle has been a party of any ETC-related formal or informal investigation into the ETC or any affiliates. An ETC-related formal or informal investigation shall include, without limitation, any revocation or enforcement action by the FCC, Universal Service Administrative Company ("USAC"), National Lifeline Accountability Database ("NLAD"), the National verifier, and/or any other regulatory body, including State Commissions. If yes, please explain why Aristotle has not filed a report as required by each of the final orders in its designation Dockets.<sup>1</sup>

### DAS-2.01 Company Response:

Aristotle is a party of the following ETC-related formal investigations with state and federal agencies:

1. Missouri PSC Case No. TO-2023-0436, which was resolved in Aristotle's favor. Although Notification of this investigation was not submitted on E-docket, notice was provided to the Clerk's Office and to Dr. Jim Zolnierok on December 19, 2023, via U.S. Mail. Also, Aristotle staff duties changed since the final orders, and the Compliance Officer was unaware of the need to file a report of the investigation. Aristotle now has a process in place to provide such reports should there be other investigations in the future. A copy of the Order of the Public Service Commission of the State of Missouri issued on January 24, 2024, is attached hereto.
2. FCC Case No. EB-FD-23-00035945. Notification of this investigation was submitted to the designation Dockets on January 16, 2024.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

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<sup>1</sup> "AUC should submit a notice within 30 days of the initiation of any ETC-related formal or informal investigation (including revocation or enforcement action) by the FCC, Universal Service Administrative Company ("USAC"), National Lifeline Accountability Database ("NLAD"), the National Verifier or any other regulatory body (including State Commissions) into the ETC or any affiliates (or immediately upon the ETC learning of the investigation if more than 30 days since the initiation of that investigation). AUC should commit to provide upon request by the Commission or its Staff any and all documents related to those investigations as well as quarterly updates to these reports." Final Order, Docket No. 18-1710, Feb. 21, 2019, at 9-10.

"To submit a report within 30 days of the initiation of any ETC-related formal or informal investigation into the ETC or any affiliates or immediately upon the ETC learning of the investigation if more than 30 days since the initiation of the investigation. An ETC-related formal or informal investigation shall include, without limitation, any revocation or enforcement action by the FCC, Universal Service Administrative Company ("USAC"), National Lifeline Accountability Database ("NLAD"), the National verifier, and/or any other regulatory body, including State Commissions. Any such report should include a list of all correspondence on the matter and is to be supplemented with quarterly updates on these proceedings;" Final Order, Docket No. No. 21-0359, May 27, 2021, at 10.

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE STATE OF MISSOURI



In the Matter of the Investigation of )  
Aristotle Unified Communications, LLC )  
Related to the Connect America Fund )  
Phase II Auction )

**File No. TO-2023-0436**

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## REPORT AND ORDER

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**Issue Date:** January 24, 2024

**Effective Date:** February 3, 2024

**BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MISSOURI**

In the Matter of the Investigation of Aristotle )  
Unified Communications, LLC Related to )  
the Connect America Fund Phase II Auction )

**File No. TO-2023-0436**

**APPEARANCES**

**ARISTOTLE UNIFIED COMMUNICATIONS, LLC:**

**Carl J. Lumley**, 130 S. Bemiston, Suite 200, St. Louis, MO 63105.

**STAFF OF THE MISSOURI PUBLIC SERVICE COMMISSION:**

**Whitney Scurlock**, Chief Deputy Staff Counsel, Post Office Box 360, Governor  
Office Building, 200 Madison Street, Jefferson City, Missouri 65102.

**REGULATORY LAW JUDGE:** Ronald D. Pridgin, Deputy Chief

## REPORT AND ORDER

### I. Procedural History

On June 22, 2023, the Staff of the Commission (Staff) filed a Motion to Open an Investigative Docket and Staff Memorandum. Staff asserted that Aristotle Unified Communications, LLC (Aristotle) has not met its build-out milestones required by 47 C.F.R. § 54.320(d)(1) to continue to receive Connect America Fund II (CAF II) funding. Staff also asserted that Aristotle has repeatedly failed to accurately explain tower progress, Aristotle is unable to adequately explain how its funding is being used, Aristotle has failed to disclose lobbying efforts for broadband deployment relief, and Aristotle is not complying with the eligible telecommunications carrier (ETC) requirement to advertise its services.

The Commission convened an evidentiary hearing on December 12, 2023.<sup>1</sup> During that hearing, the Commission admitted the testimony of two witnesses, and received two exhibits into evidence. Post-hearing briefs were filed on December 26, 2023 and January 3, 2024, and the case was deemed submitted for the Commission's decision on that date.<sup>2</sup>

The parties have identified the issue as follows:

1. Should the Commission certify Aristotle under rule 47 CFR 54.314 to receive federal Connect America Fund Phase II funding for 2024?

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<sup>1</sup> Transcript Volume 2.

<sup>2</sup> "The record of a case shall stand submitted for consideration by the commission after the recording of all evidence or, if applicable, after the filing of briefs or the presentation of oral argument." Commission Rule 20 CSR 4240-2.150(1).

a. Is Aristotle using federal Connect America Fund Phase II support for the provision, maintenance, and upgrading of facilities and services for which the support is intended?

## **II. Findings of Fact**

In making its Findings of Fact, the Commission finds that any given witness' qualifications and overall credibility are not dispositive as to each and every portion of that witness' testimony. The Commission gives each item or portion of a witness' testimony individual weight based upon the detail, depth, knowledge, expertise, and credibility demonstrated with regard to that specific testimony. Consequently, the Commission will make additional specific weight and credibility decisions throughout this order as to specific items of testimony as is necessary.<sup>3</sup> Any finding of fact reflecting that the Commission has made a determination between conflicting evidence is indicative that the Commission attributed greater weight to that evidence and found the source of that evidence more credible and more persuasive than that of the conflicting evidence.<sup>4</sup>

1. Aristotle is a privately held company headquartered in Little Rock, Arkansas.<sup>5</sup>

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<sup>3</sup> Witness credibility is solely a matter for the fact-finder, "which is free to believe none, part, or all of the testimony". *State ex rel. Public Counsel v. Missouri Public Service Comm'n*, 289 S.W.3d 240, 247 (Mo. App. 2009).

<sup>4</sup> An administrative agency, as fact finder, also receives deference when choosing between conflicting evidence. *State ex rel. Missouri Office of Public Counsel v. Public Service Comm'n of State*, 293 S.W.3d 63, 80 (Mo. App. 2009).

<sup>5</sup> Tr. Vol. 2, p 43.

2. Aristotle is a broadband internet service provider that offers broadband over a hybrid fiber/fixed wireless network. It also offers email, hosting, and Voice over Internet Protocol (VoIP) communications services.<sup>6</sup>

3. The Commission granted Aristotle ETC status on February 2, 2019.<sup>7</sup>

4. Designation as an ETC enabled Aristotle to receive federal universal support funds, including CAF II funding.<sup>8</sup>

5. The Federal Communications Commission (FCC) awarded Aristotle CAF II funding in September 2018 for certain census blocks in Howell, Oregon, and Ozark Counties, Missouri.<sup>9</sup>

6. A total of \$3,001,550.90 of CAF II funding was allocated to Aristotle. Those funds are to be disbursed monthly over 120 months, from July 2019 to July 2029, provided Aristotle receives annual ETC certification from the Commission.<sup>10</sup>

7. The Commission certified Aristotle to the FCC as eligible to receive CAF II funding from 2019 to 2023.<sup>11</sup>

8. The Universal Service Administrative Co. (USAC) administers the Universal Service Fund for the FCC. The USAC database shows the Commission did not certify Aristotle to receive CAF II funds for 2024.<sup>12</sup>

9. Aristotle loses approximately \$833 per day of CAF II funding for every day it is not certified to receive it.<sup>13</sup>

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<sup>6</sup> Ex. 200, p. 3.

<sup>7</sup> File No. TA-2019-0147; *see also* Ex. 200, p. 3.

<sup>8</sup> Ex. 200, p. 3.

<sup>9</sup> Ex. 100, p. 3; Ex. 200, p. 4.

<sup>10</sup> Ex. 200, p. 4.

<sup>11</sup> Ex. 200, p. 5.

<sup>12</sup> Ex. 200, pp. 5-6; Tr. p. 53.

<sup>13</sup> Tr. Vol. 2, pp. 31, 62-63.

10. Aristotle also conducts business in Illinois, Arkansas, Oklahoma, and Mississippi. Aristotle has been certified to receive CAF II funds for 2024 in those states.<sup>14</sup>

11. USAC is auditing Aristotle.<sup>15</sup>

12. Aristotle is required to make broadband available to a certain portion of its Missouri census blocks by the following milestones: 40% of the targeted locations by December 31, 2022, 60% of the targeted locations by December 31, 2023, 80% of the targeted locations by December 31, 2024, and 100% of the targeted locations by December 31, 2025.<sup>16</sup>

13. If Aristotle has failed to meet its milestones under the CAF II grant, then USAC is responsible for monitoring Aristotle's progress, or lack thereof.<sup>17</sup>

14. Aristotle is able to serve Missouri customers by subleasing spectrum from two companies. Aristotle can use that data service to deliver a fixed wireless broadband service.<sup>18</sup>

15. Aristotle has met its milestones thus far, and is on track to meet its 2023 milestones.<sup>19</sup>

16. Aristotle is able to serve Missouri customers by subleasing spectrum from two companies. Aristotle is using that data service to deliver a fixed wireless broadband service.<sup>20</sup>

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<sup>14</sup> Ex. 200, pp. 3, 7.

<sup>15</sup> Ex. 200, p. 9.

<sup>16</sup> Ex. 100, 4; Ex. 200, p. 8.

<sup>17</sup> Ex. 200, pp. 8-9.

<sup>18</sup> Tr. **Vol 2**, p. 36, 39, 46.

<sup>19</sup> Ex. 200, pp. 8-9.

<sup>20</sup> Tr. **Vol. 2**, p. 36, 39, 46.

17. Aristotle is in negotiations with another carrier to take over the Missouri census blocks for which Aristotle received CAF II funding.<sup>21</sup>

18. Aristotle initially planned to install its own towers. However, Aristotle has not installed towers because it plans to transfer its census blocks to another carrier.<sup>22</sup>

19. Aristotle is using other carriers' towers to be able to serve Missouri customers.<sup>23</sup>

20. Aristotle has been in negotiations with another carrier to take its Missouri census blocks since 2019.<sup>24</sup>

21. Aristotle has not installed any equipment in Missouri. It plans to transfer its Missouri census blocks to another carrier. Aristotle did not want to invest money in constructing a tower if the other carrier already had a tower to serve those census blocks.<sup>25</sup>

22. Aristotle currently has contracts with other carriers to allow Aristotle to provide service in Missouri.<sup>26</sup>

23. Aristotle has spent CAF II funds on distribution equipment, backhaul equipment, customer premises equipment, routers, cabinet and ground equipment, and steel for tower construction for Missouri.<sup>27</sup>

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<sup>21</sup> Ex. 200, pp. 9-10.

<sup>22</sup> Tr. Vol. 2, p. 38.

<sup>23</sup> Tr. Vol 2, p. 46.

<sup>24</sup> Tr. Vol 2, p. 38.

<sup>25</sup> Tr. Vol 2, p. 35, 38-39, 81, 84-85, 87.

<sup>26</sup> Tr. Vol 2, p. 85.

<sup>27</sup> Tr. Vol. 2, p. 29.



24. Aristotle has purchased equipment to be used solely in Missouri. This equipment is segregated from non-Missouri equipment, and the equipment used for fixed Long-Term Evolution (LTE) in Missouri can only be used in Missouri.<sup>28</sup>

25. Aristotle has not advertised in Missouri.<sup>29</sup>

26. Aristotle has explained its lack of advertising due to the expectation that another carrier would soon be serving Aristotle's Missouri census blocks.<sup>30</sup>

### **III. Conclusions of Law**

47 C.F.R. § 54.314(a) states:

*(a) Certification.* States that desire eligible telecommunications carriers to receive support pursuant to the high-cost program must file an annual certification with the Administrator and the (FCC) stating that all federal high-cost support provided to such carriers within that State was used in the preceding calendar year and will be used in the coming calendar year only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. High-cost support shall only be provided to the extent that the State has filed the requisite certification pursuant to this section.

The Commission is charged with certifying that a carrier is using the CAF II funding appropriately.<sup>31</sup>

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<sup>28</sup> Tr. Vol. 2, pp. 42-43.

<sup>29</sup> Tr. Vol 2, p. 22, 64, 112.

<sup>30</sup> Ex. 100, Sch. JVE d2, p. 6.

<sup>31</sup> *State ex rel. BPS Telephone Co. v. Missouri P.S.C.*, 285 S.W.3d 395, 399 (Mo.App. W.D. 2009).

#### **IV. Decision**

The CAF II fund is meant to financially assist carriers to provide broadband service in high-cost areas. The Commission believes that this funding is important to provide broadband service in high-cost areas such as Aristotle's Missouri census blocks. The Commission expects carriers to use these funds appropriately, and that advertising should be used to educate customers about broadband expansion in their area.

Aristotle has spent CAF II funds on telecommunications equipment dedicated for use solely in Missouri. In fact, due to the fixed LTE Aristotle is using only in Missouri, this equipment cannot be used elsewhere. Thus, the Commission concludes Aristotle has used the CAF II funding for the provision, maintenance, and upgrading of facilities and services for which the support is intended.

While Aristotle has used the CAF II funds as authorized, the Commission notes that without advertising the availability of broadband services, the customers intended to receive the services may be unaware of them. The Commission encourages Aristotle to be more aggressive in advertising to potential customers.

The Commission notes that at Staff's request, USAC is currently auditing Aristotle. If USAC believes Aristotle is not using CAF II funds properly, then USAC can choose to withhold further funding. The Commission anticipates that Staff will continue to monitor the audit of Aristotle and its use of CAF II funds, and update the Commission as necessary. The Commission will certify Aristotle as eligible to continue to receive CAF II funding.

In making this decision, as described above, the Commission has considered the positions and arguments of all of the parties. Failure to specifically address a piece of

evidence, position or argument of any party does not indicate that the Commission has failed to consider relevant evidence, but indicates rather that the material was not dispositive of this decision.

The Commission further notes that on January 22, 2024, Staff filed a Motion to File USAC Audit Results. In that motion, Staff asks that the Commission order Aristotle to file the results of the current USAC audit. Aristotle responded on January 23, 2024, stating it does not object. Thus, the Commission will grant Staff's motion.

In addition, the Commission notes that Aristotle is losing about \$833 in CAF II funding each day the Commission does not certify Aristotle as eligible to receive that funding.<sup>32</sup> Due to this loss of funding, the Commission finds it reasonable to make this order effective in less than 30 days.

**THE COMMISSION ORDERS THAT:**

1. Pursuant to 47 C.F.R. § 54.314, Aristotle is certified to continue to receive CAF II funding.
2. Staff shall notify the FCC of Aristotle's certification.
3. Aristotle shall file the results of the USAC audit of Aristotle within 30 days of receipt of those results.
4. All other requests for relief are denied.

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<sup>32</sup> Tr. Vol. 2, pp. 31, 62-63.

5. This Report and Order shall become effective on February 3, 2024.



**BY THE COMMISSION**

*Nancy Dippell*

Nancy Dippell  
Secretary

Rupp, Chm., Coleman, Holsman, Kolkmeier  
and Hahn CC., concur and certify compliance  
with the provisions of Section 536.080, RSMo (2016).

Pridgin, Deputy Chief Regulatory Law Judge

**STATE OF MISSOURI**

**OFFICE OF THE PUBLIC SERVICE COMMISSION**

I have compared the preceding copy with the original on file in this office and I do hereby certify the same to be a true copy therefrom and the whole thereof.

WITNESS my hand and seal of the Public Service Commission, at Jefferson City, Missouri, this 24<sup>th</sup> day of January 2024.



*Nancy Dippell*  
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Nancy Dippell  
Secretary

**MISSOURI PUBLIC SERVICE COMMISSION**

**January 24, 2024**

**File/Case No. TO-2023-0436**

**MO PSC Staff**

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**Aristotle Unified  
Communications LLC**

Carl Lumley  
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**MO PSC Staff**

Whitney Scurlock  
200 Madison Street  
Jefferson City, MO 65101  
whitney.scurlock@psc.mo.gov

**Enclosed find a certified copy of an Order or Notice issued in the above-referenced matter(s).**

*Sincerely,*



**Nancy Dippell  
Secretary**

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Recipients listed above with a valid e-mail address will receive electronic service. Recipients without a valid e-mail address will receive paper service.

DAS-2.02 Please explain why Aristotle has not received any CAF-II funding in Illinois since March 2023. If the funding was terminated or suspended, please explain fully, and provide any correspondence between Aristotle and USAC and/or the FCC concerning Aristotle's CAF-II funding.

DAS-2.02 Company Response:

Aristotle Unified Communications and New Wave Net Corp created a CAF Phase II Auction bidding consortium in 2018. The parties agreed that New Wave Net would bid primarily in Illinois and surrounding states, while Aristotle would bid in Arkansas and surrounding states. Following the conclusion of the auction, the consortium won roughly \$12.2 million in CAF II funds in 5 states, of which, ~\$145K was in Illinois. Because the award in Illinois was a small percentage of the total, New Wave Net Corp asked Aristotle to take all the won blocks — including those in Illinois — to get certified as an ETC in Illinois, and to take responsibility for all compliance, including audited financials and reporting. In return, New Wave Net Corp would enter into an operating agreement with Aristotle and would take responsibility for deploying facilities, installing customers, maintaining the standby letter of credit, maintaining their good standing in Illinois, and providing any data Aristotle needed to comply with FCC and USAC reporting requirements.

In spite of the agreement between the parties, New Wave Net Corp has refused to maintain the Letter of Credit, which was slated to renew in May of 2023. Because Aristotle did not receive an amended Letter of Credit from New Wave Net Corp in May, it was unable to provide that required Letter of Credit to USAC, and USAC paused the Illinois disbursement. Once the letter of credit facility is replaced and/or rendered unnecessary by verification of 100% completion of the CAF Phase II Auction build, USAC will restart funding and will reimburse Aristotle for all funding withheld to date. Aristotle anticipates certifying 100% completion of the CAF Phase II Auction build in Illinois by March 1, 2024.

Because of the lack of responsiveness of New Wave Net Corp regarding the Letter of Credit, data reporting, and other requirements, Aristotle has decided to sever its contract with New Wave Net Corp. Pursuant to the contract with New Wave Net Corp, Aristotle may take over operations of the portions of New Wave Net Corp's infrastructure necessary to serve CAF II areas. Additionally, in anticipation that Aristotle would need to take back over the Illinois CAF II areas, it contracted with U.S. Cellular in October of 2023 to use U.S. Cellular spectrum to deploy Fixed Wireless over licensed LTE in Illinois and elsewhere. The U.S. Cellular network covers 100% of Aristotle's CAF II locations in Illinois and will enable Aristotle to serve every Illinois consumer in those census blocks with speeds of at least 25 Mbps download/3 Mbps upload or greater. Aristotle has conducted tests of the U.S. Cellular spectrum with Aristotle fixed wireless equipment and has determined that that combination is capable of delivering speeds that meet or exceed both the latency and speed requirements of the CAF Phase II Auction award.

Aristotle is committed to discharging its responsibilities pursuant to the CAF Phase II Auction and will ensure that every location it won in Illinois receives the services for which Aristotle has received CAF II funds. Upon filing locations to the HUBB for 2023 certification, Aristotle will work with USAC to verify full coverage of the census blocks in Illinois and to meet the requirement to no longer carry the letter of credit. Once this happens, as stated above, USAC will reinstate the Illinois disbursements.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.



DAS-2.03 Please explain why Aristotle has not reported any locations in Illinois on the FCC Broadband Map as of June 30, 2023 (the most recent data), despite receiving both CAF-II and RDOF funding in Illinois and having passed the CAF-II 3-year 40% rollout requirement.

DAS-2.03 Company Response:

Aristotle did not report any locations in Illinois to the FCC Broadband map in its own name because of the operating agreement in place with New Wave Net Corp. Locations related to Aristotle's CAF Phase II Auction award are on the FCC Broadband Map under New Wave Net Corp's name. In the March 1, 2024, BDC submission, Aristotle will ensure the Illinois locations are accurately attributed to Aristotle.

Aristotle will not report coverage of RDOF funded service areas until service meeting the RDOF requirements has been deployed.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

DAS-2.04 For each calendar year in which CAF-II funding was received for Illinois, please provide the total amount of spending in Illinois. Please also provide the number of poles constructed or leased during each year.

DAS-2.04 Company Response:

2020:

Amount of CAF II Auction funding received: \$9,813.12

Amount of CAF II Auction funding spent: \$40,458.34

Number of poles constructed: 0

Number of poles leased: 0

2021:

Amount of CAF II Auction funding received: \$14,719.68

Amount of CAF II Auction funding spent: \$35,576.03

Number of poles constructed: 0

Number of poles leased: 0

2022:

Amount of CAF II Auction funding received: \$14,413.03

Amount of CAF II Auction funding spent: \$14,959

Number of poles constructed: 0

Number of poles leased: 0

2023:

Amount of CAF II Auction funding received: \$4,398.11

Amount of CAF II Auction funding spent: \$486

Number of poles constructed: 0

Number of poles leased: 0

It is our understanding that New Wave Net Corp did not build or establish new pole or tower leases to service the 40 customers reported to the HUBB; however, it did install additional equipment. Through the US Cellular agreement, Aristotle has access to approximately 50 existing towers to provide broadband to additional customers in the awarded CAF II census blocks and surrounding areas.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

DAS-2.05 Please state whether Aristotle intends to continue to serve as an ETC as of December 31, 2023, in its service area for which it was so designated by the ICC in Docket No. 18-1710.

DAS-2.05 Company Response:

Aristotle intends to continue to serve as an ETC as of December 31, 2023, in its service area for which it was so designated by the ICC in Docket No. 18-1710.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

DAS-2.06 Please state the number of Lifeline customers Aristotle is serving as of December 31, 2023 in the service area for which it received ETC designation in Docket No. 18-1710.

**DAS-2.06 Company Response:**

As of December 31, 2023, Aristotle is serving zero Lifeline customers in the service area for which it received ETC designation in Docket No. 18-1710.

New Wave Net Corp is not designated an ETC and, therefore, cannot service Lifeline customers. In order to serve Lifeline customers, New Wave Net Corp goes through Aristotle. As of the date of this response, New Wave Net Corp has not referred any Lifeline customers to Aristotle.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President – Aristotle Unified Communications, 501-374-4638.

DAS-2.07 Please state the number of broadband Internet service customers Aristotle is serving as of December 31, 2023, in the service area for which it received ETC designation in Docket No. 18-1710.

DAS-2.07 Company Response:

As of December 31, 2023, Aristotle is serving 40 broadband customers in the service area for which it received ETC designation in Docket No. 18-1710.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President – Aristotle Unified Communications, 501-374-4638.

DAS-2.08 Please state the number of voice-over-Internet-protocol customers Aristotle is serving as of December 31, 2023 in the service area for which it received ETC designation in Docket No. 18-1710.

DAS-2.08 Company Response:

As of December 31, 2023, Aristotle is serving zero VOIP customers in the service area for which it received ETC designation in Docket No. 18-1710.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President – Aristotle Unified Communications, 501-374-4638.

DAS-2.09 Please state whether Aristotle has received any RDOF funding in Illinois. If so, please state the amount of such funding and the date(s) upon which it was received. If the funding was terminated or suspended, please explain fully the basis for such termination or suspension, and provide true and correct copies of any correspondence between Aristotle and USAC and/or the FCC concerning Aristotle's RDOF funding.

DAS-2.09 Company Response:

Aristotle has received RDOF funding in Illinois in the following amounts on the following dates:

<u>Amount of Remittance</u>	<u>Date of Remittance</u>
\$ 22,054.14	06/28/22
\$ 22,054.14	07/27/22
\$ 22,054.14	08/29/22
\$ 22,054.14	09/28/22
\$ 22,054.14	10/27/22
\$ 22,054.14	11/28/22
\$ 22,054.14	12/28/22
\$ 22,054.14	01/27/23
\$ 22,054.14	02/24/23
\$ 22,054.14	03/29/23
\$ 22,054.14	04/26/23
\$ 22,054.14	05/26/23
\$ 22,054.14	06/28/23
\$ 22,054.14	07/27/23
\$ 22,054.14	08/29/23
\$ 22,054.14	09/27/23
\$ 22,054.14	11/02/23
\$ 22,054.14	11/27/23
\$ 22,054.14	12/27/23

Aristotle's RDOF funding in Illinois has not been terminated or suspended.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

DAS-2.10 For each calendar year in which RDOF funding was received for Illinois, please provide the total amount of spending in Illinois. Please also provide the number of poles constructed or leased during each year.

DAS-2.10 Company Response:

2022:

Amount of RDOF funding received: \$154,378.98

Amount of RDOF Auction funding spent: \$5,292.99. The remaining funds are currently being held in a bank account to support the mandatory RDOF letter of credit. The FCC considers funds being held in a bank account to be spent per the terms of the RDOF program.

Number of poles constructed: 0

Number of poles leased: 0

2023:

Amount of RDOF Auction funding received: \$264,649.68

Amount of RDOF Auction funding spent: \$7939.50. The remaining funds are currently being held in a bank account to support the mandatory RDOF letter of credit. The FCC considers funds being held in a bank account to be spent per the terms of the RDOF program.

Number of poles constructed: 0

Number of poles leased: 0

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.



DAS-2.11 Please state whether Aristotle intends to continue to serve as an ETC as of December 31, 2023 in its service area for which it was so designated by the ICC in Docket No. 21-0359.

DAS-2.11 Company Response:

Aristotle intends to continue to serve as an ETC as of December 31, 2023, in its service area for which it was so designated by the ICC in Docket No. 21-0359.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

DAS-2.12 Please state the number of Lifeline customers Aristotle is serving as of December 31, 2023 in the service area for which it received ETC designation in Docket No. 21-0359.

**DAS-2.12 Company Response:**

As of December 31, 2023, Aristotle is serving zero Lifeline customers in the service area for which it received ETC designation in Docket No. 21-0359.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

DAS-2.13 Please state the number of broadband Internet service customers Aristotle is serving as of December 31, 2023 in the service area for which it received ETC designation in Docket No. 21-0359.

**DAS-2.13 Company Response:**

As of December 31, 2023, Aristotle is serving zero broadband customers in the service area for which it received ETC designation in Docket No. 21-0359.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

DAS-2.14 Please state the number of voice-over-Internet-protocol customers Aristotle is serving as of December 31, 2023 in the service area for which it received ETC designation in Docket No. 21-0359.

**DAS-2.14 Company Response:**

As of December 31, 2023, Aristotle is serving zero VOIP customers in the service area for which it received ETC designation in Docket No. 21-0359.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

Verification from the Company indicating the genuineness and completeness of the responses and documents provided:



L. Elizabeth Bowles, President  
Aristotle Unified Communications Inc  
2100 Broadway Street  
Little Rock, AR 72206  
501-374-4638  
[ebowles@aristotlebroadband.com](mailto:ebowles@aristotlebroadband.com)

SUP-2 Also provide the Audit mentioned in the attached Order.

SUP-2 Company Response:

USAC's audit of Aristotle's 40% milestone in Missouri has not concluded. Our understanding is that USAC plans to complete and send findings around February 23, 2024; once we receive a copy of it, we will provide it to Staff.

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

SUP-4 Next, DAS-2.02 requests, "Please explain why Aristotle has not received any CAF-II funding in Illinois since March 2023. If the funding was terminated or suspended, please explain fully, and provide any correspondence between Aristotle and USAC and/or the FCC concerning Aristotle's CAF-II funding. However, there is no correspondence between AUC and USAC for the FCC provided. Please provide any such correspondence.

**SUP-4 Company Response:**

Copies of the following documents are attached hereto:

1. Email 20230125-20230330 - LOC Increase Notice
2. Email 20230125-20230426 - LOC Increase Notice

Name, job title, and phone number of the person or persons responsible for providing the information requested for this data request item: L. Elizabeth Bowles, President, 501-374-4638.

**From:** [Joshua Levitats](mailto:Joshua.Levitats@usac.org)  
**To:** [jschumacher@aristotle.net](mailto:jschumacher@aristotle.net); [Patrice Clarke](mailto:Patrice.Clarke@usac.org)  
**Cc:** [Stephen Snowman](mailto:Stephen.Snowman@usac.org); [OGC-LOC](mailto:OGC-LOC@usac.org); [HC Info](mailto:HCInfo@usac.org); "[Elizabeth Bowles](mailto:Elizabeth.Bowles@aristotle.net)"; "[Kathleen McDonald](mailto:Kathleen.McDonald@aristotle.net)"; [Nina Janne](mailto:Nina.Janne@usac.org); [Daniel Havivi](mailto:Daniel.Havivi@usac.org); [Kevin Case](mailto:Kevin.Case@usac.org)  
**Subject:** RE: Aristotle Unified Communications - LOC Increase Notice  
**Date:** Thursday, March 30, 2023 3:26:35 PM  
**Attachments:** [winmail.dat](#)

---

We just need an amendment updating the amount of the LOC as was previously done.

Josh Levitats  
Manager and Associate General Counsel | Office of General Counsel  
Universal Service Administrative Company  
(202) 916-3619 (o)  
(305) 496-9665 (m)  
[Joshua.Levitats@usac.org](mailto:Joshua.Levitats@usac.org) | [www.usac.org](http://www.usac.org)

-----Original Message-----

From: [jschumacher@aristotle.net](mailto:jschumacher@aristotle.net) <[jschumacher@aristotle.net](mailto:jschumacher@aristotle.net)>  
Sent: Thursday, March 30, 2023 3:45 PM  
To: Joshua Levitats <[Joshua.Levitats@usac.org](mailto:Joshua.Levitats@usac.org)>; Patrice Clarke <[Patrice.Clarke@usac.org](mailto:Patrice.Clarke@usac.org)>  
Cc: Stephen Snowman <[Stephen.Snowman@usac.org](mailto:Stephen.Snowman@usac.org)>; OGC-LOC <[OGC-LOC@usac.org](mailto:OGC-LOC@usac.org)>; HC Info <[hcinfo@usac.org](mailto:hcinfo@usac.org)>; 'Elizabeth Bowles' <[ebowles@aristotle.net](mailto:ebowles@aristotle.net)>; 'Kathleen McDonald' <[kmcdonald@aristotlebroadband.com](mailto:kmcdonald@aristotlebroadband.com)>  
Subject: RE: Aristotle Unified Communications - LOC Increase Notice

Which we only need to do with the bank, correct? Or do you still need an updated amendment?

Jill

-----Original Message-----

From: Joshua Levitats <[Joshua.Levitats@usac.org](mailto:Joshua.Levitats@usac.org)>  
Sent: Thursday, March 30, 2023 1:47 PM  
To: [jschumacher@aristotle.net](mailto:jschumacher@aristotle.net); Patrice Clarke <[Patrice.Clarke@usac.org](mailto:Patrice.Clarke@usac.org)>  
Cc: Stephen Snowman <[Stephen.Snowman@usac.org](mailto:Stephen.Snowman@usac.org)>; OGC-LOC <[OGC-LOC@usac.org](mailto:OGC-LOC@usac.org)>; HC Info <[hcinfo@usac.org](mailto:hcinfo@usac.org)>; 'Elizabeth Bowles' <[ebowles@aristotle.net](mailto:ebowles@aristotle.net)>; 'Kathleen McDonald' <[kmcdonald@aristotlebroadband.com](mailto:kmcdonald@aristotlebroadband.com)>  
Subject: RE: Aristotle Unified Communications - LOC Increase Notice

Hi Jill,

The original LOC we have on file does contain the evergreen language.  
Therefore, you only need to increase the LOC amount. Thanks.

Best,  
Josh

Josh Levitats  
Manager and Associate General Counsel | Office of General Counsel Universal Service Administrative Company  
(202) 916-3619 (o)  
(305) 496-9665 (m)  
[Joshua.Levitats@usac.org](mailto:Joshua.Levitats@usac.org) | [www.usac.org](http://www.usac.org)

-----Original Message-----

From: [jschumacher@aristotle.net](mailto:jschumacher@aristotle.net) <[jschumacher@aristotle.net](mailto:jschumacher@aristotle.net)>  
Sent: Thursday, March 30, 2023 12:28 PM



To: Patrice Clarke <Patrice.Clarke@usac.org>  
Cc: Stephen Snowman <Stephen.Snowman@usac.org>; OGC-LOC <OGC-LOC@usac.org>; HC Info <hcinfo@usac.org>; 'Elizabeth Bowles' <ebowles@aristotle.net>; 'Kathleen McDonald' <kmcdonald@aristotlebroadband.com>  
Subject: RE: Aristotle Unified Communications - LOC Increase Notice  
Importance: High

Hi Patrice,

Will you please confirm that the IL LoC doesn't have the evergreen language needed for automatic renewal?

I apologize for asking. We are working with several different banks, and I thought the draft I gave them last year included the automatic renewal, but my version from the bank doesn't have it.

Thanks!

Jill

-----Original Message-----

From: Patrice Clarke <Patrice.Clarke@usac.org>  
Sent: Wednesday, March 29, 2023 1:51 PM  
To: jschumacher@aristotle.net  
Cc: Stephen Snowman <Stephen.Snowman@usac.org>; OGC-LOC <OGC-LOC@usac.org>; HC Info <hcinfo@usac.org>; 'Elizabeth Bowles' <ebowles@aristotle.net>; 'Kathleen McDonald' <kmcdonald@aristotlebroadband.com>  
Subject: RE: Aristotle Unified Communications - LOC Increase Notice

Hi Jill!

The LOC increase notices that you have attached are for RDOF which has a separate deadline. The below notices are in reference to the CAF II Auction LOC and so, the due date, 4/1/2023 is correct. I will be sure to add CAF II Auction in the title of the notices to avoid confusion in the future.

Thank you for checking!

Best,  
Patrice

-----Original Message-----

From: jschumacher@aristotle.net <jschumacher@aristotle.net>  
Sent: Wednesday, March 29, 2023 1:21 PM  
To: Patrice Clarke <Patrice.Clarke@usac.org>  
Cc: Stephen Snowman <Stephen.Snowman@usac.org>; OGC-LOC <OGC-LOC@usac.org>; HC Info <hcinfo@usac.org>; 'Elizabeth Bowles' <ebowles@aristotle.net>; 'Kathleen McDonald' <kmcdonald@aristotlebroadband.com>  
Subject: RE: Aristotle Unified Communications - LOC Increase Notice

Patrice,

We confirmed with Stephen on February 3rd that our LoC is not due until 5/1/2023. He also sent out updated notices with the corrected due the same day. Will you please review and confirm?

I attached the corrected notices as a reference.

Thank you!  
Jill Schumacher

-----Original Message-----

From: Patrice Clarke <Patrice.Clarke@usac.org>  
Sent: Wednesday, March 29, 2023 12:04 PM  
To: jschumacher@aristotle.net  
Cc: Stephen Snowman <Stephen.Snowman@usac.org>; OGC-LOC <OGC-LOC@usac.org>; HC Info <hcinfo@usac.org>  
Subject: RE: Aristotle Unified Communications - LOC Increase Notice  
Importance: High

Please review the below notice and send an amended LOC as soon as possible to avoid suspension of support.

Best,  
Patrice Clarke  
Program Analyst |High Cost Division  
USAC  
www.usac.org<<http://www.usac.org/>>

From: Patrice Clarke  
Sent: Tuesday, February 28, 2023 12:15 PM  
To: jschumacher@aristotle.net  
Cc: Stephen Snowman <Stephen.Snowman@usac.org>; OGC-LOC <OGC-LOC@usac.org>; HC Info <hcinfo@usac.org>  
Subject: RE: Aristotle Unified Communications - 30 Day Notice  
Importance: High

This email is to notify Aristotle Unified Communications that in approximately 30 days you must increase the amount of the letter(s) of credit (LOC) with USAC for the study area code(s) (SAC) listed below. The deadline to increase LOC coverage for SAC # 349041 is 4/1/2023.

Your LOC, as approved and current, contains an evergreen provision that automatically renews the LOC for one-year periods from the expiration date, unless the bank provides conditional notice. Carriers participating in the CAF Phase II Auction must maintain LOCs valued at the amount required by program rules. While the evergreen provision renews the LOC generally, an evergreen clause does not cover the required annual increases in the coverage amount of the LOC, as discussed in the Connect America Fund Phase II Auction (CAF II) Order. Therefore, each year, you must ensure that your LOC has coverage sufficient to satisfy program rules, which may require that you annually submit an amendment increasing the LOC amount to cover the next year's support disbursement(s).

Note: in most instances, an amendment to the LOC is sufficient to increase the coverage amount; therefore, you need not file a new LOC and opinion of counsel. An amendment to the LOC MUST include the date, the study area code (SAC), the Universal Service Administrative Company's address, the address of the winning bidder, and the statement: "Amendment to Irrevocable Standby Letter of Credit" somewhere on the document. Additionally, please ensure that you submit the LOC Amendment on official bank letterhead, and that at least one individual at your bank signs the document, noting his/her name and title.

Furthermore, please see Skybeam Waiver Order, in which the FCC's Wireline Competition Bureau (WBC) waived section 54.315(c) of its rules, allowing CAF II Auction support recipients to comply with the letter of credit requirements in section 54.804(c) (applicable to the Rural Digital Opportunity Fund). Accordingly, CAF II Auction support recipients may increase their Year 4 letter of credit coverage to 36 months (instead of 48 months, as required under 54.315(c)). Your 36-month support amount is \$44,159.04.

Please Note: In the most recent Letter of Credit Waiver Order (DA 12-1304), WCB extended the limited waiver of LOC rules for CAF II Auction support recipients with some notable exceptions, including: (1) CAF II Auction support recipients that fail to meet their 40% deployment obligations; and (2) CAF II Auction support recipients that miss the March 1, 2023 reporting certification deadline. In the event either of these exceptions apply, CAF II Auction support recipients LOCs will revert back to complying with the

CAF II Auction LOC rules and will not be afforded the relief from maintaining a LOC under RDOF rules under the Skybeam Waiver Order.

WCB is allowing recipients requiring a new LOC as a result of these new rules to wait until their current LOCs expire to obtain a new LOC. As a reminder, support recipients are not required to wait until the end of a specific support year to meet their deployment milestones, and may request that USAC complete their verification process at any time. See <https://www.usac.org/high-cost/resources/fund-verification-reviews/> and email [HCVerifications@usac.org](mailto:HCVerifications@usac.org) <<mailto:HCVerifications@usac.org>> to begin the verification on demand review process.

Lastly, WCB noted that, in the event a support recipient's LOC expires after the recipient has certified that it has met its deployment obligations but before USAC has completed its verification review, the CAF II Auction support recipient may obtain a new LOC in accordance with the RDOF LOC rules. If the CAF II Auction support recipient fails verification, it must obtain a new LOC in accordance with the CAF II Auction LOC rules.

Please find sample language for extending the date of the letter of credit and increasing the amount of the letter of credit below:

We hereby amend irrevocable standby letter of credit number [xxx] dated [insert date] issued by [Bank Name] in favor of [Winning Bidder], as follows:

This letter of credit will automatically increase on [insert date] by USD \$xxxxxx to a new balance of USD \$xxxxxx.

All other terms and conditions remain unchanged.

Pursuant to program requirements, please send the original letters to:  
Universal Service Administrative Company (USAC) High Cost Program  
ATTN: Stephen Snowman  
CAF Phase II Auction  
700 12th Street, NW, Suite 900  
Washington, D.C. 20005

PLEASE NOTE: In response to actions taken as a result of the COVID-19, to timely review your submission, in addition to submitting the original CAF II Auction (Auction 903) letter(s) of credit and amendment(s), please submit an electronic copy via email to: [hcinfo@usac.org](mailto:hcinfo@usac.org) <<mailto:hcinfo@usac.org>>, [OGC-LOC@usac.org](mailto:OGC-LOC@usac.org) <<mailto:OGC-LOC@usac.org>>, [stephen.snowman@usac.org](mailto:stephen.snowman@usac.org) <<mailto:stephen.snowman@usac.org>>, [cleona.irvin@usac.org](mailto:cleona.irvin@usac.org) <<mailto:cleona.irvin@usac.org>>, [joshua.levitats@usac.org](mailto:joshua.levitats@usac.org) <<mailto:joshua.levitats@usac.org>>.

Best,  
Patrice Clarke  
Program Analyst | High Cost Division  
USAC  
[www.usac.org](http://www.usac.org) <<http://www.usac.org/>>

From: Patrice Clarke  
Sent: Wednesday, January 25, 2023 11:22 AM  
To: 'jschumacher@aristotle.net'  
<[jschumacher@aristotle.net](mailto:jschumacher@aristotle.net)> <<mailto:jschumacher@aristotle.net>>>  
Cc: Stephen Snowman  
<[Stephen.Snowman@usac.org](mailto:Stephen.Snowman@usac.org)> <<mailto:Stephen.Snowman@usac.org>>>; OGC-LOC <[OGC-LOC@usac.org](mailto:OGC-LOC@usac.org)> <<mailto:OGC-LOC@usac.org>>>; HC Info <[hcinfo@usac.org](mailto:hcinfo@usac.org)> <<mailto:hcinfo@usac.org>>>  
Subject: Aristotle Unified Communications - 60 Day Notice  
Importance: High

This email is to notify Aristotle Unified Communications that in approximately 60 days you must increase the amount of the letter(s) of credit (LOC) with USAC for the study area code(s) (SAC) listed below. The deadline to increase LOC coverage for SAC # 349041 is 4/1/2023.

Your LOC, as approved and current, contains an evergreen provision that automatically renews the LOC for one-year periods from the expiration date, unless the bank provides conditional notice. Carriers participating in the CAF Phase II Auction must maintain LOCs valued at the amount required by program rules. While the evergreen provision renews the LOC generally, an evergreen clause does not cover the required annual increases in the coverage amount of the LOC, as discussed in the Connect America Fund Phase II Auction (CAF II) Order. Therefore, each year, you must ensure that your LOC has coverage sufficient to satisfy program rules, which may require that you annually submit an amendment increasing the LOC amount to cover the next year's support disbursement(s).

Note: in most instances, an amendment to the LOC is sufficient to increase the coverage amount; therefore, you need not file a new LOC and opinion of counsel. An amendment to the LOC MUST include the date, the study area code (SAC), the Universal Service Administrative Company's address, the address of the winning bidder, and the statement: "Amendment to Irrevocable Standby Letter of Credit" somewhere on the document. Additionally, please ensure that you submit the LOC Amendment on official bank letterhead, and that at least one individual at your bank signs the document, noting his/her name and title.

Furthermore, please see Skybeam Waiver Order, in which the FCC's Wireline Competition Bureau (WBC) waived section 54.315(c) of its rules, allowing CAF II Auction support recipients to comply with the letter of credit requirements in section 54.804(c) (applicable to the Rural Digital Opportunity Fund). Accordingly, CAF II Auction support recipients may increase their Year 4 letter of credit coverage to 36 months (instead of 48 months, as required under 54.315(c)). Your 36-month support amount is \$44,159.04.

Please Note: In the most recent Letter of Credit Waiver Order (DA 12-1304), WCB extended the limited waiver of LOC rules for CAF II Auction support recipients with some notable exceptions, including: (1) CAF II Auction support recipients that fail to meet their 40% deployment obligations; and (2) CAF II Auction support recipients that miss the March 1, 2023 reporting certification deadline. In the event either of these exceptions apply, CAF II Auction support recipients LOCs will revert back to complying with the CAF II Auction LOC rules and will not be afforded the relief from maintaining a LOC under RDOF rules under the Skybeam Waiver Order.

WCB is allowing recipients requiring a new LOC as a result of these new rules to wait until their current LOCs expire to obtain a new LOC. As a reminder, support recipients are not required to wait until the end of a specific support year to meet their deployment milestones, and may request that USAC complete their verification process at any time. See <https://www.usac.org/high-cost/resources/fund-verification-reviews/> and email [HCVerifications@usac.org](mailto:HCVerifications@usac.org)<<mailto:HCVerifications@usac.org>> to begin the verification on demand review process.

Lastly, WCB noted that, in the event a support recipient's LOC expires after the recipient has certified that it has met its deployment obligations but before USAC has completed its verification review, the CAF II Auction support recipient may obtain a new LOC in accordance with the RDOF LOC rules. If the CAF II Auction support recipient fails verification, it must obtain a new LOC in accordance with the CAF II Auction LOC rules.

Please find sample language for extending the date of the letter of credit and increasing the amount of the letter of credit below:

We hereby amend irrevocable standby letter of credit number [xxx] dated [insert date] issued by [Bank Name] in favor of [Winning Bidder], as follows:

This letter of credit will automatically increase on [insert date] by USD \$xxxxxx to a new balance of USD \$xxxxxx.

All other terms and conditions remain unchanged.

Pursuant to program requirements, please send the original letters to:  
Universal Service Administrative Company (USAC) High Cost Program  
ATTN: Stephen Snowman  
CAF Phase II Auction  
700 12th Street, NW, Suite 900  
Washington, D.C. 20005

PLEASE NOTE: In response to actions taken as a result of the COVID-19, to timely review your submission, in addition to submitting the original CAF II Auction (Auction 903) letter(s) of credit and amendment(s), please submit an electronic copy via email to: [hcinfo@usac.org](mailto:hcinfo@usac.org)<<mailto:hcinfo@usac.org>>, [OGC-LOC@usac.org](mailto:OGC-LOC@usac.org)<<mailto:OGC-LOC@usac.org>>, [stephen.snowman@usac.org](mailto:stephen.snowman@usac.org)<<mailto:stephen.snowman@usac.org>>, [cleona.irvin@usac.org](mailto:cleona.irvin@usac.org)<<mailto:cleona.irvin@usac.org>>, [joshua.levitats@usac.org](mailto:joshua.levitats@usac.org)<<mailto:joshua.levitats@usac.org>>.

Best,  
Patrice Clarke  
Program Analyst |High Cost Division  
USAC  
[www.usac.org](http://www.usac.org)<<http://www.usac.org>/>

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The information contained in this electronic communication and any attachments and links to websites are intended for the exclusive use of the addressee(s) and may contain confidential or privileged information. If you are not the intended recipient, or the person responsible for delivering this communication to the intended recipient, be advised you have received this communication in error and that any use, dissemination, forwarding, printing or copying is strictly prohibited. Please notify the sender immediately and destroy all copies of this communication and any attachments.

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**From:** [Patrice Clarke](#)  
**To:** [jschumacher@aristotle.net](mailto:jschumacher@aristotle.net)  
**Cc:** [Stephen Snowman](#); [OGC-LOC](#); [HC Info](#)  
**Subject:** RE: Aristotle Unified Communications - CAF II Auction LOC Increase Notice - FINAL  
**Date:** Wednesday, April 26, 2023 9:53:03 AM  
**Importance:** High

---

Please review the below notice and submit an amendment by **Monday 5/8/23**. Failure to do so will result in immediate support suspension.

Best,  
Patrice Clarke  
*Program Analyst | High Cost Division*  
USAC  
[www.usac.org](http://www.usac.org)

---

**From:** Patrice Clarke  
**Sent:** Wednesday, March 29, 2023 1:04 PM  
**To:** [jschumacher@aristotle.net](mailto:jschumacher@aristotle.net)  
**Cc:** Stephen Snowman <[Stephen.Snowman@usac.org](mailto:Stephen.Snowman@usac.org)>; OGC-LOC <[OGC-LOC@usac.org](mailto:OGC-LOC@usac.org)>; HC Info <[hcinfo@usac.org](mailto:hcinfo@usac.org)>  
**Subject:** RE: Aristotle Unified Communications - LOC Increase Notice  
**Importance:** High

Please review the below notice and send an amended LOC as soon as possible to avoid suspension of support.

Best,  
Patrice Clarke  
*Program Analyst | High Cost Division*  
USAC  
[www.usac.org](http://www.usac.org)

---

**From:** Patrice Clarke  
**Sent:** Tuesday, February 28, 2023 12:15 PM  
**To:** [jschumacher@aristotle.net](mailto:jschumacher@aristotle.net)  
**Cc:** Stephen Snowman <[Stephen.Snowman@usac.org](mailto:Stephen.Snowman@usac.org)>; OGC-LOC <[OGC-LOC@usac.org](mailto:OGC-LOC@usac.org)>; HC Info <[hcinfo@usac.org](mailto:hcinfo@usac.org)>  
**Subject:** RE: Aristotle Unified Communications - 30 Day Notice  
**Importance:** High

This email is to notify **Aristotle Unified Communications** that in approximately **30 days** you must increase the amount of the letter(s) of credit (LOC) with USAC for the study area code(s) (SAC) listed

below. The deadline to increase LOC coverage for **SAC # 349041** is **4/1/2023**.

Your LOC, as approved and current, contains an evergreen provision that automatically renews the LOC for one-year periods from the expiration date, unless the bank provides conditional notice. Carriers participating in the CAF Phase II Auction must maintain LOCs valued at the amount required by program rules. While the evergreen provision renews the LOC generally, an evergreen clause **does not** cover the required annual increases in the coverage amount of the LOC, as discussed in the *Connect America Fund Phase II Auction (CAF II) Order*. Therefore, each year, you must ensure that your LOC has coverage sufficient to satisfy program rules, which may require that you annually submit an amendment increasing the LOC amount to cover the next year's support disbursement(s).

Note: in most instances, an amendment to the LOC is sufficient to increase the coverage amount; therefore, you need not file a new LOC and opinion of counsel. An amendment to the LOC **MUST** include the date, the study area code (SAC), the Universal Service Administrative Company's address, the address of the winning bidder, and the statement: "Amendment to Irrevocable Standby Letter of Credit" somewhere on the document. Additionally, please ensure that you submit the LOC Amendment on official bank letterhead, and that at least one individual at your bank signs the document, noting his/her name and title.

Furthermore, please see Skybeam Waiver Order, in which the FCC's Wireline Competition Bureau (WCB) waived section 54.315(c) of its rules, allowing CAF II Auction support recipients to comply with the letter of credit requirements in section 54.804(c) (applicable to the Rural Digital Opportunity Fund). Accordingly, CAF II Auction support recipients may increase their Year 4 letter of credit coverage to 36 months (instead of 48 months, as required under 54.315(c)). Your 36-month support amount is **\$44,159.04**.

**Please Note:** In the most recent *Letter of Credit Waiver Order* (DA 12-1304), WCB extended the limited waiver of LOC rules for CAF II Auction support recipients with some notable exceptions, including: (1) CAF II Auction support recipients that fail to meet their 40% deployment obligations; and (2) CAF II Auction support recipients that miss the March 1, 2023 reporting certification deadline. In the event either of these exceptions apply, CAF II Auction support recipients LOCs will revert back to complying with the CAF II Auction LOC rules and will not be afforded the relief from maintaining a LOC under RDOF rules under the *Skybeam Waiver Order*.

WCB is allowing recipients requiring a new LOC as a result of these new rules to wait until their current LOCs expire to obtain a new LOC. As a reminder, support recipients are not required to wait until the end of a specific support year to meet their deployment milestones, and may request that USAC complete their verification process at any time. See <https://www.usac.org/high-cost/resources/fund-verification-reviews/> and email [HCVerifications@usac.org](mailto:HCVerifications@usac.org) to begin the verification on demand review process.

Lastly, WCB noted that, in the event a support recipient's LOC expires after the recipient has certified that it has met its deployment obligations but before USAC has completed its verification review, the CAF II Auction support recipient may obtain a new LOC in accordance with the RDOF LOC rules. If the CAF II Auction support recipient fails verification, it must obtain a new LOC in

accordance with the CAF II Auction LOC rules.

Please find sample language for extending the date of the letter of credit and increasing the amount of the letter of credit below:

*We hereby amend irrevocable standby letter of credit number [xxx] dated [insert date] issued by [Bank Name] in favor of [Winning Bidder], as follows:*

*This letter of credit will automatically increase on [insert date] by USD \$xxxxxx to a new balance of USD \$xxxxxx.*

*All other terms and conditions remain unchanged.*

Pursuant to program requirements, please send the original letters to:

Universal Service Administrative Company (USAC)  
High Cost Program  
ATTN: Stephen Snowman  
CAF Phase II Auction  
700 12<sup>th</sup> Street, NW, Suite 900  
Washington, D.C. 20005

**PLEASE NOTE:** In response to actions taken as a result of the COVID-19, to timely review your submission, in addition to submitting the original CAF II Auction (Auction 903) letter(s) of credit and amendment(s), please submit an electronic copy via email to: [hcinfo@usac.org](mailto:hcinfo@usac.org), [OGC-LOC@usac.org](mailto:OGC-LOC@usac.org), [stephen.snowman@usac.org](mailto:stephen.snowman@usac.org), [cleona.irvin@usac.org](mailto:cleona.irvin@usac.org), [joshua.levitats@usac.org](mailto:joshua.levitats@usac.org).

Best,  
Patrice Clarke  
Program Analyst | High Cost Division  
USAC  
[www.usac.org](http://www.usac.org)

---

**From:** Patrice Clarke  
**Sent:** Wednesday, January 25, 2023 11:22 AM  
**To:** 'jschumacher@aristotle.net' <[jschumacher@aristotle.net](mailto:jschumacher@aristotle.net)>  
**Cc:** Stephen Snowman <[Stephen.Snowman@usac.org](mailto:Stephen.Snowman@usac.org)>; OGC-LOC <[OGC-LOC@usac.org](mailto:OGC-LOC@usac.org)>; HC Info <[hcinfo@usac.org](mailto:hcinfo@usac.org)>  
**Subject:** Aristotle Unified Communications - 60 Day Notice  
**Importance:** High

This email is to notify **Aristotle Unified Communications** that in approximately **60 days** you must increase the amount of the letter(s) of credit (LOC) with USAC for the study area code(s) (SAC) listed below. The deadline to increase LOC coverage for **SAC # 349041** is **4/1/2023**.



Your LOC, as approved and current, contains an evergreen provision that automatically renews the LOC for one-year periods from the expiration date, unless the bank provides conditional notice. Carriers participating in the CAF Phase II Auction must maintain LOCs valued at the amount required by program rules. While the evergreen provision renews the LOC generally, an evergreen clause **does not** cover the required annual increases in the coverage amount of the LOC, as discussed in the *Connect America Fund Phase II Auction (CAF II) Order*. Therefore, each year, you must ensure that your LOC has coverage sufficient to satisfy program rules, which may require that you annually submit an amendment increasing the LOC amount to cover the next year's support disbursement(s).

Note: in most instances, an amendment to the LOC is sufficient to increase the coverage amount; therefore, you need not file a new LOC and opinion of counsel. An amendment to the LOC **MUST** include the date, the study area code (SAC), the Universal Service Administrative Company's address, the address of the winning bidder, and the statement: "Amendment to Irrevocable Standby Letter of Credit" somewhere on the document. Additionally, please ensure that you submit the LOC Amendment on official bank letterhead, and that at least one individual at your bank signs the document, noting his/her name and title.

Furthermore, please see Skybeam Waiver Order, in which the FCC's Wireline Competition Bureau (WCB) waived section 54.315(c) of its rules, allowing CAF II Auction support recipients to comply with the letter of credit requirements in section 54.804(c) (applicable to the Rural Digital Opportunity Fund). Accordingly, CAF II Auction support recipients may increase their Year 4 letter of credit coverage to 36 months (instead of 48 months, as required under 54.315(c)). Your 36-month support amount is **\$44,159.04**.

**Please Note:** In the most recent *Letter of Credit Waiver Order* (DA 12-1304), WCB extended the limited waiver of LOC rules for CAF II Auction support recipients with some notable exceptions, including: (1) CAF II Auction support recipients that fail to meet their 40% deployment obligations; and (2) CAF II Auction support recipients that miss the March 1, 2023 reporting certification deadline. In the event either of these exceptions apply, CAF II Auction support recipients LOCs will revert back to complying with the CAF II Auction LOC rules and will not be afforded the relief from maintaining a LOC under RDOF rules under the *Skybeam Waiver Order*.

WCB is allowing recipients requiring a new LOC as a result of these new rules to wait until their current LOCs expire to obtain a new LOC. As a reminder, support recipients are not required to wait until the end of a specific support year to meet their deployment milestones, and may request that USAC complete their verification process at any time. See <https://www.usac.org/high-cost/resources/fund-verification-reviews/> and email [HCVerifications@usac.org](mailto:HCVerifications@usac.org) to begin the verification on demand review process.

Lastly, WCB noted that, in the event a support recipient's LOC expires after the recipient has certified that it has met its deployment obligations but before USAC has completed its verification review, the CAF II Auction support recipient may obtain a new LOC in accordance with the RDOF LOC rules. If the CAF II Auction support recipient fails verification, it must obtain a new LOC in accordance with the CAF II Auction LOC rules.

Please find sample language for extending the date of the letter of credit and increasing the amount of the letter of credit below:

*We hereby amend irrevocable standby letter of credit number [xxx] dated [insert date] issued by [Bank Name] in favor of [Winning Bidder], as follows:*

*This letter of credit will automatically increase on [insert date] by USD \$xxxxxx to a new balance of USD \$xxxxxx.*

*All other terms and conditions remain unchanged.*

Pursuant to program requirements, please send the original letters to:

Universal Service Administrative Company (USAC)  
High Cost Program  
ATTN: Stephen Snowman  
CAF Phase II Auction  
700 12<sup>th</sup> Street, NW, Suite 900  
Washington, D.C. 20005

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**PLEASE NOTE:** In response to actions taken as a result of the COVID-19, to timely review your submission, in addition to submitting the original CAF II Auction (Auction 903) letter(s) of credit and amendment(s), please submit an electronic copy via email to: [hcinfo@usac.org](mailto:hcinfo@usac.org), [OGC-LOC@usac.org](mailto:OGC-LOC@usac.org), [stephen.snowman@usac.org](mailto:stephen.snowman@usac.org), [cleona.irvin@usac.org](mailto:cleona.irvin@usac.org), [joshua.levitats@usac.org](mailto:joshua.levitats@usac.org).

Best,  
Patrice Clarke  
*Program Analyst | High Cost Division*  
USAC  
[www.usac.org](http://www.usac.org)

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