January 16, 2017 HIGHLIGHTS

- The FCC issued a tentative agenda for its Open Meeting on January 31, 2017. The FCC will consider a Report and Order that would eliminate the requirement for commercial broadcast stations to retain copies of letters and emails from the public in their public inspection file and the requirement for cable operators to retain the location of the cable system’s principal headend in their public inspection file.

- Comments are due February 13, 2017 on the FNPRM on whether to expand the A–CAM budget for rate-of-return carriers to provide additional funding with an associated increase in broadband deployment obligations. Replies due February 27. Federal Register Notice

- NTCA filed an Application for Review of the Wireline Competition Bureau’s Public Notice that provided guidance to CAF recipients regarding their obligation to report geo-located broadband information and make service milestone certifications to USAC.

- Allband filed an Emergency Petition for an interim partial waiver of the high-cost $250 per line cap and for increased per line support above the cap.

- Senators representing New Mexico asked Commissioners Clyburn, O’Rielly, and Pai to act swiftly to approve the item addressing the lack of broadband on Tribal lands.

- The House of Representatives advanced HR 288, which extends the small business ISP exemption from the FCC’s Open Internet Order’s reporting requirements for providers with fewer than 250,000 subscribers for five years. Press release

- The Wireless Telecommunications Bureau issued a Report presenting the results of its staff review of sponsored data and zero-rating practices in the mobile broadband market and proposing a draft framework for evaluating mobile zero-rated data offerings. Chairman Wheeler sent letters to seven Senators in response to their concerns about the potential negative impact of zero-rating services on consumers and competition. Commissioner Pai issued a statement on the zero-rating Report.

- The FCC seeks PRA comments on a new information collection on data breach reporting requirements for BIAS and interconnected VoIP providers. PRA comments are due by March 13, 2017.

- The Consumer and Governmental Affairs Bureau released a report detailing a plan for the FCC to better understand barriers to digital inclusion and to examine how it can facilitate ongoing efforts to address them.

- The Consumer and Governmental Affairs Bureau announced it will hold a webinar on January 24, 2017, to provide an overview of the FCC’s Universal Service programs for state and local government offices, agencies, and public officials.

- The FCC announced SIC filed a Petition for Reconsideration of the Order that found SIC improperly received payments from the federal high-cost support mechanisms from 2002 to June 2015. Oppositions are due 15 days after publication in the Federal Register.

- Comments were filed on the FCC’s Solutions 2020 Call to Action Plan. Public Notice

- Verizon discussed its Petition for limited waiver of the call-signaling rules, and said it still seeks the relief because technical infeasibilities and challenges remain.

Other Key Upcoming Dates

- Jan. 17 - Replies due on Smart City Telecommunications’ Petition for Reconsideration of the Order denying its Petition for Waiver of section 51.917, the ICC Eligible Recovery rule. FR
- Feb. 3 - Comments due on Sandwich Isles’ continued applicability of the study area waiver granted to SIC in 2005, which provided it status as an ILEC for purposes of receiving high-cost support. PN

Editor: Teresa Evert  |  Assistant Editor: Shawn O’Brien
USF Reform

- The FCC published a Federal Register Notice on January 13, 2017, seeking comments on whether to expand the A-CAM budget for rate-of-return carriers to provide additional funding with an associated increase in broadband deployment obligations, pursuant to the December 20, 2016 FNPRM. It noted RoR carriers that accept the second offer of model-based support will do so on the condition that they commit to meet the deployment obligations of their original offers if additional funding equivalent to the original offer is authorized by December 31, 2017. Comments are due February 13, 2017; reply comments are due February 27, 2017.

- NTCA filed an Application for Review on January 9, 2016, of the Wireline Competition Bureau’s December 8, 2016 Public Notice that provided guidance to CAF recipients regarding their obligation to report geo-located broadband information and make service milestone certifications to USAC. NTCA seeks reconsideration and modification of three of the categorical exclusions from the definition of “location:” certain business locations; connections to wireless infrastructure sites; and community anchor institutions. NTCA urged the Commission to treat connections as connections without arbitrary distinction or explicit exclusion for purposes of counting customers served.

- Allband Communications filed an Emergency Petition for an interim partial waiver of section 54.302 and for increased per line support above the $250 per line cap on January 12, 2017. Allband requested the Commission increase its per-line support to $375 pending completion of USAC’s review and what it claimed will be subsequent Commission approval of a further waiver and increase in per-line support above the $375 per-line based on Allband’s costs. It claimed the $375 covers only “fixed” costs.

- Senators Tom Udall (D-NM) and Martin Heinrich (D-NM) and Reps. Steve Pearce (R-NM), Ben Ray Lujan (D-NM), and Michelle Lujan Grisham (D-NM) sent letters to Commissioners Clyburn, O’Rielly, and Pai on January 9, 2017, requesting that they act swiftly to approve the item Chairman Wheeler circulated on December 15, 2016, to address the lack of broadband on Tribal lands. They noted that 80 percent of those who live on Tribal lands in New Mexico lack access to fixed broadband. They said while they understand the Commission has halted action on controversial items during the Presidential transition period, they do not believe this should hinder consideration of the current Order to address the digital divide on Tribal lands.

- NARUC sent a letter to Chairman Wheeler and the Commissioners on January 9, 2017, noting NARUC’s November 2016 resolution that urged the FCC to ensure that State, Tribal, and territorial authorities have timely access to CAF ETCs’ reporting data and thanking the Commissioners and relevant staff at the FCC and USAC for reaching out directly to NARUC to discuss State access to USAC HUBB data and for the construction of the data portal. NARUC suggested the FCC create a process for States to dispute the accuracy of carrier-reported information and consider specifying that carriers must provide the same data directly with the certificating authority.

- The American Cable Association met with Commissioner Pai’s Legal Advisor on January 10, 2017, to discuss the issue of assigning weights to different performance tiers in the CAF Phase II auction. ACA recommended that a key objective of any method should be to maximize participation in the process, including by smaller, experienced wireline providers, who would be bidding to provide higher performance service in areas where they had no infrastructure.

- In addition to reply comments carried in previous edition of REGScan, Chugachmiut filed reply comments on January 5, 2017, on the FNPRM on the process to eliminate duplicative high-cost funding in areas where more than one carrier is receiving support for the provision of 4G LTE service in Alaska. Chugachmiut agreed the Commission should end duplicative support where it exists and reallocate the monies to new, previously unfunded facilities. It asked that the monies be spent on an unserved, statewide middle-mile network. List of all replies available to date

- Empire State Development and the Washington D.C. Office of New York Governor Andrew Cuomo held a conference call with Commissioner O’Rielly’s Legal Advisor on January 6, 2017, to discuss New
York’s Petition for Expedited Waiver of the CAF Phase II auction rules. They asserted grant of the waiver would coordinate the expenditure and use of federal and State broadband funding in New York and would likely decrease the total federal CAF funding allocated to New York. They confirmed that New York would at least match or exceed CAF funding made available to ensure that State broadband funding exceeds the federal funding allocated pursuant to the waiver, and also confirmed that phase three of New York’s reverse auction will be technologically neutral and open to wireline, fixed wireless, and satellite broadband providers.

- The Massachusetts Department of Telecommunications and Cable and the Massachusetts Broadband Institute filed a letter on January 9, 2017, to urge the Commission to dedicate to each state CAF funding that matches or exceeds the state-level amounts of CAF model-based support rejected by the price cap carriers in those states. They also said to the extent the Commission approves New York’s Petition regarding CAF Phase II funding, it should do so broadly so as to permit states like Massachusetts that similarly dedicate state funds to broadband expansion to receive dedicated CAF support.

- The American Cable Association filed a letter on January 13, 2017, addressing “Access to Appropriate Phase II Levels for All States,” which was raised in the May 26, 2016 FNPRM. It agreed that coordinating Phase II and state broadband deployment programs has the potential to bring higher-performance and less expensive broadband service sooner to unserved areas, but said only where requesting states can demonstrate their programs are consistent with Phase II processes and standards and exceed the Phase II public interest requirements. It proposed “additional” requirements to ensure enhanced Phase II objectives are achieved. It said subsequent discussions with New York broadband officials have allowed ACA to better appreciate the timing and funding challenges presented by the overlapping New York and CAF auction processes, and it urged the Commission to quickly approve New York’s Petition for Expedited Waiver of the CAF Phase II auction rules.

- Hughes Network Systems met with Commissioner O’Rielly’s Legal Advisor on January 12, 2017, to discuss the CAF Phase II competitive bidding rules. It urged the Commission to make finalizing rules for the CAF Phase II auction a goal for its first 100 days following the Administration change, and claimed the record supports a bid-ranking system that maximizes participation and breadth of broadband coverage.

- FairPoint filed a letter on January 11, 2017, to submit additional clarifications and changes to latitude and longitude coordinates and census blocks for its CAF Phase 1 Round 2 support in four study areas identified on the attached spreadsheet in Florida, Kansas, New York and Washington states. It said the total locations and eligibility for funding in SACs 1500084, 210339, 411835 and 522412 remain unchanged.

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ICC

- Aureon Network Services and JSI spoke with Commissioner Pai’s Legal Advisor on January 10, 2017, to discuss its opposition to AT&T’s Petition for Forbearance from certain tariffing rules. Aureon claimed it has never engaged in access stimulation, and said it does not know the business practices of the subterminating LECs nor does it have any arrangements with the LECs which would allow it to engage in such practices. Aureon said the issues raised by AT&T should be handled in a notice and comment proceeding rather than in the context of a forbearance petition, and asserted it would be unreasonable to require intermediate carriers to analyze the business practices or to police traffic of each subterminating local exchange carrier.

- No oppositions were filed to Smart City Telecommunications’ Petition for Reconsideration of the Order denying its Petition for Waiver of section 51.917, the ICC Eligible Recovery rule. Replies due January 17. FR

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Open Internet

- Chairman Wheeler spoke at the Aspen Institute on January 13, 2017, saying in the year after the Open Internet rules were adopted, venture investment in Internet-specific businesses was up 35 percent and a recent report pegged overall network investment at $76 billion for 2015. He said tampering with the Open Internet rules means taking away protections consumers and the online world enjoy today, and overturning the rules would jeopardize the legal underpinnings of the broadband privacy rules. He also discussed IP transition, CAF, E-rate, Lifeline, spectrum for broadband, and privacy protections for consumers.

- The House of Representatives advanced HR 288 on January 10, 2017, which extends the small business ISP exemption from the FCC’s Open Internet Order’s reporting requirements for providers with fewer than 250,000 subscribers for five years. It said this would allow small businesses to focus on building networks, deploying broadband, improving connectivity for rural consumers, and creating jobs. Press release

- The Wireless Telecommunications Bureau issued a Report on January 11, 2017, presenting the results of its staff review of sponsored data and zero-rating practices in the mobile broadband market and proposing a draft framework for evaluating mobile zero-rated data offerings. The WTB said the Report expresses no concern with retail zero-rating per se, but did find AT&T’s and Verizon’s plans present significant risks to consumers and competition in downstream industry sectors because of network operators’ potentially unreasonable discrimination in favor of their own affiliates. AT&T and Verizon sent letters to the WTB in December 2016 on the WTB’s findings on their zero-rating plans.

- Chairman Wheeler sent letters to seven U.S. Senators on January 11, 2017, in response to their letter expressing concerns about the potential negative impact of zero-rating services on consumers and competition. He attached the Wireless Telecommunications Bureau staff Report on sponsored data and zero-rating practices in the mobile broadband market.

- Commissioner Pai issued a statement on January 11, 2017, on the WTB Report on zero-rating practices. He said it is “disappointing that the FCC’s current leadership has yet again chosen to spend its last days in office the same way it spent the last few years - cutting corners on process, keeping fellow Commissioners in the dark, and pursuing partisan, political agendas that only harm investment and innovation.” He said this Report does not reflect the views of the majority of Commissioners.

- The Rural Wireless Association spoke with Legal Advisors to Chairman Wheeler and Commissioners Clyburn, O’Rielly, and Pai on January 6, 9, and 10, 2017, to discuss the status of its Petition for a waiver of the enhanced transparency requirements adopted by the Commission in its 2015 Open Internet Order for all ISPs with 100,000 or fewer broadband connections.

- AT&T met with Commissioner Pai’s Legal Advisors and Chief of Staff on January 10, 2017, to discuss the status of a number of proceedings, including those on the Open Internet, special access, and broadband privacy, as the Commission prepares for the transition to a new Administration.

Broadband

- The FCC issued a Notice in the Federal Register on January 11, 2017, seeking Paperwork Reduction Act comments on a new information collection on data breach reporting. The FCC said the October 2016 Broadband Privacy Order required, among other things, telecommunications carriers, including BIAS providers and interconnected VoIP providers, to notify customers, the FCC, and the FBI and the Secret Service under certain circumstances, when customer proprietary information is breached and maintain records of breaches and breach notifications. The FCC also said the recordkeeping requirements about breaches of customer information are necessary to ensure continued protection of customer information through, inter alia, the identification of possible security vulnerabilities. PRA comments are due by March 13, 2017.
• The Consumer and Governmental Affairs Bureau released a report on January 11, 2017, entitled *Strategies and Recommendations for Promoting Digital Inclusion*, which contains a plan for the Commission to better understand barriers to digital inclusion and to examine how it can facilitate ongoing efforts to address them. The plan seeks to promote digital inclusion initiatives generally and those that leverage the modernized Lifeline program to bring broadband access to more Americans. The plan also explores how the Bureau can engage consumer groups, community groups, philanthropic organizations, local governments, and corporations to increase broadband adoption and digital literacy among those who remain offline.

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**IP Transition**

• Cohen, Dippell and Everist, P.C. filed comments on January 6, 2017, on Verizon’s Request for Clarification or, in the alternative, Petition for Waiver of the Commission’s copper retirement notification rules. CDE opposed Verizon’s request to replace paper copies of the list of copper retirement locations with a hyperlink to the lists, saying if Verizon wishes to complement the notice by mail of copper retirements with other modem communication venues, then Verizon is free to do so. CDE asserted cybersecurity is an on-going issue and hacking should foreclose Verizon from being able to pick and choose how it should notify its customers. Replies are due January 13. Public Notice

**USF**

• The Consumer and Governmental Affairs Bureau issued a Public Notice on January 10, 2017, announcing it will hold a webinar to provide an overview of the Commission’s Universal Service programs that is particularly tailored to the needs and interests of state and local government offices, agencies, and public officials. The webinar will be held on January 24, 2017, and will introduce participants to each of the components of the Federal USF and explain how the programs are funded and how the funds are distributed.

• The Wireline Competition Bureau issued a Memorandum Opinion and Order on January 13, 2017, remanding to USAC five appeals involving resellers seeking a credit for contributions to the USF that the resellers claim were made by their underlying providers or seeking an adjustment to their revenue reporting for revenue they claim was reported by their underlying providers. Petitions were filed by American Telecommunications Systems, Value-Added Communications, Eureka Broadband, InComm Solutions, and Five9.

• The FCC released its Nineteenth Universal Service Monitoring Report on January 13, 2017, for data received through September 2016. The Report includes: an update on industry revenues; universal service program funding requirements and contribution factors; the latest data on the low-income, high-cost, schools and libraries, and rural health care support mechanisms; recent Census and Bureau of Labor Statistics data on voice telephony subscribership and expenses from the Current Population Survey; the American Community Survey and the Consumer Expenditure Survey; data on telephone penetration by income by state; and updated Consumer Price Index data. The report also includes an appendix with additional information regarding the high-cost program.

• The FCC issued a Public Notice on January, 13, 2017, announcing Sandwich Isles Communications filed a Petition for Reconsideration of the Order that found SIC improperly received payments in the amount of $27,270,390 from the federal high-cost support mechanisms from 2002 to June 2015. Oppositions are due 15 days after publication in the Federal Register; replies due 10 days after the time for filing oppositions has expired.

• Comments were filed on January 11, 2017, on the Public Notice seeking comment on the FCC’s Solutions 2020 Call to Action Plan. NTCA said a properly functioning and properly sized High-Cost
Universal Service Fund is the cornerstone to solving for the economics of deploying and operating broadband networks in areas where the cost of doing so far exceeds what any consumer could afford to pay. It also claimed this program must work hand-in-hand with the USF Lifeline and Schools and Libraries programs, ensuring that once networks become available and affordable for rural consumers that low-income consumers and Community Anchor Institutions can have access as well to everything that a broadband connection can deliver. CTIA urged the Commission to streamline the permitting process for wireless infrastructure siting, including by adopting the proposals outlined in the recently released Small Cell Notice and encourage state and local governments to adopt pole attachment and right-of-way policies that ensure nondiscriminatory access, mandatory timelines for action, just and reasonable rates, and an effective complaint process. The Competitive Carriers Association said it is imperative the FCC establish policies to advance 5G and beyond for all Americans, ensure affordable communications by facilitating deployment of next generation service, promote technologies that further innovations for consumers with disabilities, and argued broadband should be used as a driver of improved health services. Lifeline Connects Coalition, Leadership Conference on Civil and Human Rights, US Cellular, and Starry also filed comments.

- The South Dakota State E-Rate Coordinator spoke with Wireline Competition Bureau staff on January 4, 2017, to discuss concerns with the FY 2017 Eligible Services List and two scenarios it says may confuse applicants. It asked about when different schools are located adjacent to each other on the same piece of property, would the connections between the schools be able to qualify for C2 if the District defines the schools as located on a single campus. It also asked when different schools are located in the same physical building and do not share classrooms, would the internal communications wiring be able to qualify for C2 by defining the schools to be located on a single campus.

- AT&T filed a supplement on January 11, 2017, to its request for forbearance from the Lifeline BIAS requirements. The supplement includes a list of counties that cover the AT&T CLEC and Mobility ETC service areas referenced in its initial request.

- Infiniti Mobile filed a letter on January 11, 2017, notifying the FCC it intends to avail itself of forbearance from the obligation to offer Lifeline-supported broadband Internet access services in Vermont, Maryland, and Georgia.

- Applied Research Designs filed a letter on January 11, 2017, supplementing its Petition seeking designation as a Lifeline broadband provider. AR Designs provided information on the types of services it will provide.

- Shentel and CenturyLink filed supplements to their requests seeking forbearance from the requirement for Lifeline-only ETCs to offer Lifeline-supported BIAS services. Shentel provided a list of census blocks and associated Federal Information Processing Standards codes in which it seeks forbearance, and CenturyLink provided a list of ETCs for which it has elected the forbearance. List of all forbearance requests available to date.

- SHOIT filed a Petition on January 6, 2017, requesting streamlined designation as a Lifeline Broadband Provider ETC for the sole purpose of receiving universal service Lifeline support for the provision of broadband internet access service. SHOIT requests the designation in the non-tribal areas in all 50 states and the District of Columbia.

- Liberty Cablevision of Puerto Rico filed a letter on January 11, 2017, correcting its request to be designated as a Lifeline Broadband Provider. Liberty said there was an error in section G of its initial request discussing usage allowance.

- Infiniti Mobile filed a supplement on January 13, 2017, to its request to forbear from the Lifeline BIAS requirements. Infiniti said this filing expands the requested forbearance service area. List of all Petitions available to date.

- ASTAC and GVNW met with Legal Advisors to Commissioners Pai, Clyburn, and O’Rielly on January 12, 2017, to discuss ASTAC Wireless’s Petition for Waiver of the high-cost support line count filing
deadlines for the second and third quarters of 2015 and its Application for Review of the Bureau’s Order denying that Petition. It also discussed public safety implications and the USF funding required for wireless operations in remote territory.

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Misc.

- The FCC issued a tentative agenda on January 10, 2017, for its Open Meeting on January 31, 2017. The FCC will consider a Report and Order that would eliminate the requirement for commercial broadcast stations to retain copies of letters and emails from the public in their public inspection file and the requirement for cable operators to retain the location of the cable system’s principal headend in their public inspection file.

- Verizon met with Wireline Competition Bureau and Office of Strategic Planning & Policy Analysis staff on January 11, 2017, to discuss Verizon's February 10, 2012 Petition for limited waiver of the call-signaling rules. Verizon said although the number of network facilities for which it needs the waiver has decreased, it still seeks the relief because technical infeasibilities and challenges remain. Verizon said for the legacy SS7 and MF equipment, the costs of upgrading or replacing the network elements to comply with the Commission’s rules as written would far outweigh the benefits, and said these network elements, over time, would phase out of the network.

- The Wireline Competition Bureau issued a Public Notice on January 9, 2017, listing Acknowledgements of Confidentiality filed by parties seeking access to confidential information filed in the special access data collection proceeding since the October 28, 2016 Public Notice. Parties that submitted confidential information in response to the collection have until January 17, 2017, to object to the disclosure of their data and information to any of the parties listed in the attachment to this Public Notice.

- The FCC issued a Public Notice on January 10, 2017, announcing the first meeting of the FCC’s recently reauthorized Intergovernmental Advisory Committee will be held on March 16-17, 2017. In addition, Chairman Wheeler named Dannel P. Malloy, Governor of Connecticut, as Chair of the 2017-2019 IAC. Elin Swanson Katz, Connecticut Consumer Counsel, will represent Governor Malloy on the IAC. Andy Huckaba, City Councilmember, Lenexa, Kansas, has been named Vice Chair of the IAC. The IAC provides guidance, expertise, and recommendations to the Commission on a range of issues for which local, state, and Tribal governments explicitly or inherently share responsibility or administration with the Commission. IAC meetings are not open to the public.

- The Wireline Competition Bureau issued a Public Notice on January 12, 2017, announcing the 12th LNP Administrator Transition Outreach and Education Plan webcast is scheduled for January 18, 2017, and will be hosted by PriceWaterhouseCoopers, the Transition Oversight Manager. The objectives for the webcasts are to provide transparent communications regarding the LNPA Transition; to serve as an open forum to gather and understand needs and concerns; and to incorporate feedback to improve future communications.

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Upcoming Filing Dates

- Jan. 17 - PRA comments due on changes to an information collection resulting from the Commission’s new rules on notices of planned copper retirements. Notice

- Jan. 17 - Replies due to oppositions to Smart City Telecommunications’ Petition for Reconsideration of the Order denying its Petition for Waiver of section 51.917, the ICC Eligible Recovery rule. FR
• Jan. 23 - Comments due on Onvoy Spectrum’s Petition for Waiver of section 52.15(g)(2) to allow it to directly obtain pseudo-Automatic Number Identifications for use in its 911 solution for data-only devices using over-the-top VoIP. Replies are due February 6. Public Notice

• Jan. 30 - Comments due on a new information collection addressing the requirement that certain carriers with high cost reporting obligations must file information about their locations which meet their broadband deployment public interest obligations via an electronic portal. Notice

• Feb. 3 - Comments due on Sandwich Isles’ continued applicability of the study area waiver granted to SIC in 2005, which provided it status as an ILEC for purposes of receiving high-cost support. PN

• Feb. 6 - Replies due on Onvoy Spectrum’s Petition for Waiver to allow it to directly obtain pseudo-Automatic Number Identifications for use in its 911 solution for data-only devices using over-the-top VoIP. Public Notice

• Feb. 13 - Comments due on whether to expand the A–CAM budget for rate-of-return carriers to provide additional funding with an associated increase in broadband deployment obligations, pursuant to the December 20, 2016 FNPRM. Replies due February 27. Federal Register Notice

• Feb. 14 - PRA comments due on an extension of a currently approved information collection associated with section 69.123, on density pricing zone plans. Notice

• Feb. 27 - PRA comments due on a revision to a currently approved information collection associated with Form 481 and its instructions to provide clarification for some reporting items and to reflect certain updates. Notice

• Feb. 27 - Comments due on whether to expand the A–CAM budget for rate-of-return carriers to provide additional funding with an associated increase in broadband deployment obligations, pursuant to the December 20, 2016 FNPRM. Federal Register Notice

• Mar. 13 - PRA comments due on a new information collection on data breach reporting, as required by the October 2016 Broadband Privacy Order. Notice