The FCC adopted items at its March 15, 2019 Open Meeting, including: a Fourth Report and Order to implement the Improving Rural Call Quality and Reliability Act of 2017 that will establish service quality standards for intermediate providers; a Report and Order on reimbursing certain low power television, television translator, and FM broadcast stations for broadcast television spectrum incentive auction costs; an NPRM on how potential changes to the partitioning, disaggregation, and leasing rules might better close the digital divide and increase spectrum access by small and rural carriers; a First Report and Order to make available 21.2 GHz of spectrum above 95 GHz for unlicensed operations; and a Fourth FNPRM on wireless E911 location accuracy requirements.

Comments were filed on the FNPRM proposing to implement an auction mechanism for support in legacy areas that are overlapped by an unsubsidized competitor, measures to address budgetary impacts as carriers transition to broadband-only lines, and applying the Tribal Broadband Factor from the A-CAM II offer to legacy carriers. Replies are due April 8, 2019.

The Wireline Competition Bureau announced the legacy USF support amounts available for price cap carriers and fixed competitive ETCs after the authorization of CAF Phase II auction support. It said carriers declining this phase-down support will have until April 11, 2019, to provide, on a state-by-state basis, notice of such election to the Bureau.

CenturyLink seeks partial reconsideration of the Wireline Competition Bureau’s February 22, 2019 noncompliance letter on 2017 CAF deployment milestones. CenturyLink also seeks a stay of the enforcement of the FCC’s withholding penalties and reporting requirements for missing its 40 percent interim deployment milestone.

North-Eastern Pennsylvania Telephone filed a Petition for Expedited Waiver of section 54.316(c)’s March 1 HUBB reporting deadline to allow NEP to update its March 1, 2018 filing.

Reply comments were filed on the FNPRM on ending ex ante pricing regulation for the lower speed TDM-based transport services of RoR carriers opting into the incentive regulation framework for their BDS services and on the Second FNPRM proposing to remove pricing regulation of the TDM transport services of price cap carriers pursuant to the remand in the Eighth Circuit Court’s decision on the 2017 price cap BDS rules.

The FCC announced the proposed universal service contribution factor for the second quarter of 2019 will be 18.8 percent, down from the previous quarter’s 20 percent.

The Wireline Competition Bureau issued a Public Notice seeking to assess the continuing interest of several parties who filed petitions for waiver between 2006 and 2013 of various high-cost universal service filing deadlines. Responses are due April 26, 2019.

CenturyLink, Verizon, and USTelecom discussed the rural call completion draft Order and responded to NTCA’s ex parte.

Other Key Upcoming Dates

- Mar. 25 - Replies due on NECA’s December 20, 2018 proposed revisions to formulas used for average schedule interstate settlement disbursements.
- Apr. 8 - Replies due on the December 2018 RoR USF Reform FNPRM.
USF Reform

- In addition to comments listed in a previous edition of REGScan, comments were filed March 8, 2019, on the FNPRM proposing to implement an auction mechanism for support in legacy areas that are overlapped by an unsubsidized competitor, measures to address budgetary impacts as carriers transition to broadband-only lines, and applying the Tribal Broadband Factor from the A-CAM II offer to legacy carriers. ITTA opposed the competitive bidding process, saying it threatens to strand investments made by RoR carriers who have been serving the subject areas in many cases for decades. ITTA said, however, if the Commission is determined to utilize an auction mechanism going forward, the Commission should very narrowly construe the definition of “nearly” or “almost” entirely overlapped areas, only subjecting areas to competitive bidding where there is at least 99% overlap by unsubsidized competition, and should employ a challenge process to corroborate the extent of competitive overlap. ITTA suggested the Commission adopt a methodology that reasonably, but not excessively, limits broadband-only conversions such that each year, beginning with 2019, a legacy carrier receiving or wishing to receive CAF BLS support should be permitted to convert 10 percent of its lines to broadband-only and receive CAF BLS support for such converted lines. USTelecom supports only considering an auction if 99%+ of locations in a study area are competitively served. It suggested dual support should be provided until the new entrant has 100% coverage and the transition should provide recovery of prior investments made with the expectation of recovery under current systems over the remaining life of those investments. It stressed there absolutely has to be a challenge process. USTelecom proposed locking in CBOL conversions done prior to December 31, 2018, and allowing each company to recover based on a CBOL count no higher than the 12/31/18 count plus 10% of total voice and broadband lines annually. It suggested CBOL lines in excess of the limit would be treated as voice/data for USF purposes. Vantage Point Solutions said a challenge process is necessary to determine competitive overlap because Form 477 data alone is unreliable for this purpose and ramifications are significant to carriers and impacted end users. It said if the Commission plans to use Form 477 data to determine competitive overlap and reductions to A-CAM II model offers and legacy support, the Commission must take steps to improve the accuracy of 477 data, including establishing an audit mechanism to better validate the accuracy of 477 filings and increase the penalties for the erroneous filing and certification of the Form 477. Vantage Points Solutions filed a letter to correct its comments, saying Exhibit B had incorrectly identified Jefferson Tel. Co. as the holding company of Long Lines. All comments available to date. Replies are due April 8, 2019.

- The Wireline Competition Bureau issued a Public Notice on March 12, 2019, announcing the legacy USF support amounts available for price cap carriers and fixed competitive ETCs after the authorization of CAF Phase II auction support. It said carriers declining this phase-down support will have until Thursday, April 11, 2019, to provide, on a state-by-state basis, notice of such election to the Bureau. It said price cap carriers currently receive the legacy support amounts shown for each census block on this report, which notes the census blocks for which CAF Phase II auction support was awarded and may ultimately be authorized, after which, for price cap carriers that do not decline phase-down support, legacy support for those blocks will cease. In non-awarded, auction-eligible census blocks, a price cap carrier that does not decline phase-down support will continue receiving legacy phase-down support—in the amounts shown in the report—until further Commission action. CETCs offering service to fixed locations currently receive the legacy support amounts shown in this report, and if a fixed CETC does not decline phase-down support, it will begin receiving legacy support at a reduced level beginning the first day of the month after the first authorization of any CAF Phase II auction support nationwide.

- The Wireline Competition Bureau issued a Public Notice on March 13, 2019, seeking to assess the continuing interest of several parties who filed petitions for waiver between 2006 and 2013 of various high-cost universal service filing deadlines. The Bureau said no comments or ex parte submissions have been filed on these petitions for at least one year, and it plans to dismiss each petition listed in the public notice unless the petitioner states its intention to pursue the petition. Responses are due April 26, 2019.

- CenturyLink filed a Petition for Reconsideration on March 12, 2019, seeking partial reconsideration of the Wireline Competition Bureau’s February 22, 2019 Noncompliance Letter pertaining to the 2017 CAF milestones to the extent that the letter excludes from CenturyLink’s compliance totals for four
states those locations that USAC’s auditors declined to verify because of purported mismatches between the geocoordinate and address information in CenturyLink’s records and the coordinates and address information CenturyLink reported to USAC. CenturyLink said the Commission should reconsider the Noncompliance Letter to the extent necessary to count the Mismatch Locations (including the Census Block Locations) towards CenturyLink’s compliance total or permit CenturyLink to re-submit them based on the internal location information provided to USAC. It said the Commission also should take notice of the additional locations that CenturyLink submitted into the HUBB on February 27, 2019, and restore CenturyLink’s support. It argued the Commission should decline to impose penalties at this time based on MDU Locations or Unremovable Locations pending further Commission consideration of the industry-wide reporting issues.

- CenturyLink filed a Petition for Stay Pending Reconsideration on March 12, 2019, seeking a stay of the enforcement of the Commission’s withholding penalties and reporting requirements for the Bureau’s determination that CenturyLink missed its 40 percent interim deployment milestone for CAF Phase II locations in Arkansas, Kansas, Montana, and Wisconsin. It noted it has concurrently filed a Petition for Reconsideration of the Bureau’s determination and USAC’s noncompliance findings, which it claimed explains why USAC erred in finding that CenturyLink has not met its 40 percent milestone in the four States and why CenturyLink should not be subject to noncompliance penalties. CenturyLink said because USAC will begin withholding funds later this month, it respectfully requests expedited consideration of this Petition.

- North-Eastern Pennsylvania Telephone filed a Petition for Expedited Waiver on March 12, 2019, of section 54.316(c)’s March 1 HUBB reporting deadline to allow NEP to update its March 1, 2018 filing. It said the company recently learned that due to what appears to be mistakenly clicking on the incorrect filing prompt, rather than a full certification of uploaded 2017 locations within its HUBB submission, the certification was made for only a partial number of such locations. It asserted the company’s intent was to certify the full number of uploaded locations.

- Viasat met separately with Advisors to Chairman Pai and Commissioner O’Rielly, the FCC General Counsel and his staff, and staff from the Wireline Competition and International Bureaus on March 11, 12, and 13, 2019, to discuss the petitions for reconsideration of the Network Testing Order. Viasat reiterated its request for reconsideration of two aspects of the Order: the requirement that satellite broadband providers receiving CAF II support must retain third parties to conduct performance testing; and the reliance on laboratory testing procedures specified in ITU-T Recommendation P.800 to perform “real-world” tests of latency. Viasat claimed the relief it is seeking concerns compliance with testing obligations that will apply to future supported services and thus does not involve primary retroactivity.

- Hughes Network Systems filed a letter on March 11, 2019, to respond to Viasat’s February 25, 2019 letter regarding its Petition for Reconsideration of the Network Testing Order. Hughes said the Commission should not grant Viasat’s Petition of the MOS testing framework. Hughes argued it (and perhaps others) declined to bid in the CAF-II auction because an objective ITU-T estimator predicts that geostationary satellite broadband networks can achieve at best a MOS score of 3.72 using the conversational-opinion test, and this does not satisfy the MOS 4 requirement. Hughes said now that the auction is over and there is no further opportunity for other broadband providers to access the CAF-II subsidies, the Commission should not and, indeed may not, change the consequences of parties’ past actions by lowering a gating criterion for participation in the auction.

- The National Tribal Telecommunications Association, Mescalero Apache Telecom, Cheyenne River Sioux Tribe Telephone Authority, Tohono O’odham Utility Authority, Gila River Telecommunications, Saddleback Communications, Sovereign Council of Hawaiian Homestead Associations, and Alexicon met with Chairman Pai and his Special Counsel, Commissioners Carr and Starks and their Advisors, Commissioner Rosenworcel’s Advisor, and staff from the Office of Native Affairs and Policy and the Consumer Protection Bureau on March 11, 2019, to urge the Commission to adopt a Tribal Broadband Factor for the legacy support mechanisms. They also expressed support for giving Tribal nations a priority filing window in the 2.5 GHz Band proceeding and to make the Tribal window the first window the Commission opens. They discussed the importance of the Tribal Lifeline program and the need to ensure the National Verifier process does not hinder enrolling people residing on Tribal lands, urging
the Commission to reinstate the School Lunch Program as one of the programs for determining eligibility. They also discussed broadband mapping, operational expense relief, and infrastructure enhancement.

- Chairman Pai sent letters to Sens. Jeanne Shaheen (D-N.H.), Margaret Hassan (D-N.H.), Ann McLane Kuster (D-N.H.), and Chris Pappas (D-N.H.) on March 1, 2019, in response to their letter regarding the Mobility Fund II challenge process. Pai said to ensure the challenge process produced a high-quality map, the FCC made sure state, local, and Tribal governments were able to participate, and to this end, FCC staff held on-site training events in a number of states, including New Hampshire, and actively worked with localities there to ensure a clear understanding of the process. He noted the Wireline Competition and Wireless Telecommunications Bureaus granted a waiver request from New Hampshire State Senator Jeanne Dietsch (on behalf of the New Hampshire Public Utilities Commission) to include evidence challenging T-Mobile’s asserted coverage conducted on non-compliant handsets as part of the Mobility Fund II challenge process.

- VTel Wireless filed a Request for Limited Waiver and Extension of Deadline on March 12, 2019, for an extension of the three-year construction deadline for VTel to construct a 4G network and submit drive test data for the Essex, Vermont census tract (Tract No. T5000950200) for which VTel was the winning bidder in Auction 901 for Mobility Fund Phase I support. VTel requested the Commission waive sections 54.1006(b) and (c) and extend the construction and applicable reporting deadline until June 10, 2019, 90 days from the current March 12, 2019 construction deadline. VTel claimed it has experienced delays beyond its control in completing network deployment in the Essex tract.

- Nex-Tech and Chickasaw Telephone met with Commissioner Starks’ Legal Advisor on March 4, 2019, to discuss the changing revenue streams of their business, the general challenges with keeping up with the broadband demands of their customers, and what was driving the need for carrier broadband investment.

- Deere & Company met separately with Advisors to Chairman Pai and Commissioners Carr, Starks, Rosenworcel, and O’Rielly on March 6, 2019, to discuss the deployment of mobile and wireline broadband services and facilities that cover underserved rural areas of agricultural operations, including cropland. Deere said today’s high precision agriculture and smart farm technologies require broadband connectivity. They discussed the need for improved data collection and mapping techniques that accurately identify gaps in mobile broadband coverage in areas of agricultural operations, and discussed potential mapping tools that could be developed using Commission cell tower data in combination with publicly available U.S. Department of Agriculture nationwide crop information.

ICC

- CenturyLink spoke with Wireline Competition Bureau staff on March 7, 2019, to discuss its Petition for Declaratory Ruling that over-the-top VoIP providers and their LEC partners perform the functional equivalent of end office switching, and may tariff and collect end office local switching access reciprocal compensation. CenturyLink reiterated points made in its March 4, 2019 letter and December 6, 2018 letter, and claimed Verizon’s and AT&T’s proposed distinctions are unworkable for many forms of modern network traffic and require fine distinctions that Verizon and AT&T (and any other carrier) cannot implement. CenturyLink asserted the interpretation that Verizon suggests is both unworkable and yields arbitrary results, claiming it is fundamentally inconsistent with the Commission’s objectives in the Transformation Order’s VoIP provisions.

- To date, no replies were filed on Northeast Nebraska Telephone’s request for waiver of sections 51.909(a), 51.917(b)(1), and 51.917(b)(7) in order to merge two commonly-owned study areas and modify revenue requirements. Public Notice
Call Completion

- CenturyLink, Verizon, and USTelecom met separately with Advisors to Chairman Pai and Commissioners O’Rielly, Carr, Rosenworcel, and Starks on March 7, 2019, to discuss the rural call completion draft Order and to respond to NTCA’s March 7, 2019 ex parte. They asserted the record amply demonstrates that in addition to being a needless regulatory burden, the collected call completion data lacked any utility and was therefore never used by the Commission for its intended purposes. They urged the Commission to reject NTCA’s proposal to require Intermediate Providers to maintain records of how they are complying with the service quality standards and monitoring rules, suggesting instead, if the Commission believes there is a need for Intermediate Providers to document their processes, this requirement should mirror the Covered Provider rule. They also noted the Commission made clear that it will impose penalties for both single infractions and patterns of non-compliance or misconduct in connection with call completion failures.

Broadband

- The Trump Administration released its Fiscal Year 2020 budget on March 11, 2019. The budget, among other things, funds broadband mapping work to support ongoing efforts to increase the availability of affordable, reliable, and modern high-speed internet access in rural and underserved communities. The budget also supports continued implementation of the e-Connectivity Pilot Program to foster thriving agricultural economies, as well as $690 million in telecommunications loans.

- The Senate Subcommittee on Communications, Technology, Innovation, and the Internet held a hearing on March 12, 2019, on improving the quality and expanding the availability of rural broadband. The hearing also explored opportunities and investments to support carriers in rural America, efforts to prevent overbuilding among federal broadband programs, and closing the digital divide. Testimony was given by: Justin Forde, Midcontinent Communications; Dr. Mark Jamison, American Enterprise Institute; Denny Law, Golden West Telecommunications; and Carol Mattey, Mattey Consulting.

- Sens. Amy Klobuchar (D-Minn.), Shelley Moore Capito (R-W.Va.), Joe Manchin (D-W.Va.), and John Hoeven (R-N.D.) introduced bipartisan legislation on March 14, 2019, entitled the Improving Broadband Mapping Act, to improve the FCC’s broadband coverage maps. The bill directs the FCC to initiate a rulemaking to consider using consumer-reported data and state and local data from government entities to improve broadband mapping accuracy while also considering ways that both fixed and mobile coverage data can be challenged.

- The FCC filed a Reply with the Ninth Circuit Court on March 14, 2019, to its motion asking the court to consolidate 13 petitions for review of the FCC’s September 2018 Declaratory Ruling and Report and Order on wireless infrastructure deployment. The FCC also had asked the court to place these cases in abeyance pending the FCC’s disposition of a petition for reconsideration that raises the same issues raised by the local government petitioners in their petitions for review, and asked the court to defer any deadline for filing the administrative record. The FCC claimed those petitioners objecting to the motion have not shown any compelling reason for the court to proceed with judicial review while the underlying Order remains under reconsideration. The FCC asserted any such review would be premature, and could even prove unnecessary, because the rulings that petitioners seek to challenge are subject to change on reconsideration.

- Chairman Pai sent a letter to Rep. Jenniffer González-Colón (R-P.R.) on February 28, 2019, in response to her letter on USTelecom’s Petition for Forbearance from certain regulatory obligations imposed on ILECs. Pai said Commission staff are now reviewing the record in the proceeding and the FCC will take into consideration the issues and concerns presented by all stakeholders.

- AT&T, CenturyLink, Frontier, Verizon, and USTelecom met with Chairman Pai’s Senior Counsel and Wireline Advisor on March 11, 2019, to discuss USTelecom’s Petition for Forbearance from certain regulatory obligations imposed on ILECs. They discussed publicly available data and data in the record that they say supports the request for a finding that section 251(c) unbundling and resale mandates are no longer necessary to protect consumers and competition.
• INCOMPAS filed a letter on March 13, 2019, to respond to recent filings by USTelecom and AT&T on USTelecom’s Petition for Forbearance from certain regulatory obligations imposed on ILECs. INCOMPAS claimed USTelecom’s and AT&T’s filings demonstrate the Petition fails to meet the basic procedural requirement that forbearance petitions must be complete as-filed. INCOMPAS asserted the Petition did not consider even basic product and geographic market definitions, much less conduct the analysis required under the Commission’s precedent to establish that competition is sufficient to satisfy the statutory forbearance requirements. INCOMPAS said it spoke with Wireline Competition Bureau staff on March 12, 2019, to discuss the topics presented in this letter.

• Granite Telecommunications, Metropolitan Telecommunications, and Access One filed a letter on March 13, 2019, to respond to AT&T’s December 28, 2018 letter supporting USTelecom’s Petition for Forbearance from certain regulatory obligations imposed on ILECs. Granite, et al. claimed the avoided-cost resale requirement in section 251(c)(4), at least as it applies to TDM-based telephone service provided via copper loops, is both necessary to protect consumers and in the public interest. They asserted USTelecom has not met its burden of proof to demonstrate that the public in general and competition in particular will be advantaged by forbearance from that requirement, and asserted AT&T provides no basis for the Commission to conclude otherwise.

• WorldNet Telecommunications met separately with Chairman Pai, Commissioner Starks, Commissioner O’Rielly and his Legal Advisor, Advisors to Commissioners Rosenworcel and Carr, and Wireline Competition Bureau staff on March 12 and 13, 2019, to discuss its opposition to USTelecom’s Petition for Forbearance as applied to Puerto Rico.

• WISPA filed a letter on March 14, 2019, to offer suggestions on how the Commission can modernize its Over-the-Air Reception Devices (OTARD) rule to accelerate the deployment of competitive broadband services and accelerate the closing of the digital divide. WISPA discussed examples of where the limits of the existing OTARD rule are precluding the provision of fixed wireless broadband service to areas where access is limited or non-existent, or where existing service could be curtailed. WISPA also offered a definition of “rural area” where modernizing OTARD would be particularly beneficial for rural broadband deployment.

Back to Highlights

Open Internet

• Sens. Roger Wicker (R-Miss), Chairman of the Senate Committee on Commerce, Science, and Transportation, and Kyrsten Sinema (D-Ariz.) announced the formation of a Senate bipartisan net neutrality working group on March 12, 2019. The group will focus on crafting a net neutrality proposal to encourage innovation, boost investment, and close the digital divide. Sen. Wicker said clear rules that prohibit providers from blocking or throttling access to lawful content and provide transparency and consumer choice are needed.

• The House Committee on Energy and Commerce held a hearing on March 12, 2019, entitled Legislating to Safeguard the Free and Open Internet. Testimony was given by: Francella Ochillo of the National Hispanic Media Coalition; Matthew F. Wood of Free Press; Gregory Green of Fatbeam; and former FCC Commissioner Robert McDowell of the Hudson Institute. McDowell said while he does not think that additional legislation is needed to protect consumers, start-ups, or broadband investment, the effect of constantly-changing rules cannot be ignored, and the time has come for Congress to provide clarity and certainty by enacting new legislation.

Universal Service

• The FCC Office of Managing Director released a Public Notice on March 13, 2019, announcing the proposed universal service contribution factor for the second quarter of 2019 will be 18.8 percent, down from the previous quarter’s 20 percent.
• The Tenth Circuit Court issued an Order on March 12, 2019, dismissing Blanca Telephone’s Petition for Review of FCC orders that found Blanca improperly claimed millions of dollars in USF support. The court said Blanca’s Petition for Reconsideration remains pending before the FCC, and failing success at the agency level, Blanca may obtain review of FCC orders by filing a petition for review once the orders are final.

• CTIA, Sprint, and Tracfone met with Wireline Competition Bureau and USAC staff on March 11, 2019, to discuss the implementation of the National Lifeline Eligibility Verifier. They discussed the benefits of incorporating APIs between the NLEV and Lifeline providers’ websites to minimize duplicative burdens on eligible low-income consumers. They also said APIs to Lifeline providers’ websites could also facilitate the application process, reduce burdens on USAC, and enhance program integrity.

• Viya filed comments on March 14, 2019, on Broadband VI’s Petition for a waiver of the Lifeline minimum service standards for its fixed broadband service. Viya said it supports the issuance of appropriate waivers by the Commission in connection with devastating natural disasters, but encouraged the Commission to seek additional information from Broadband VI before acting on its request, claiming the facts offered in support of the request may no longer be accurate. Replies are due March 21, 2019. Public Notice

• ViaSat Carrier Services filed reply comments on March 13, 2019, to Hughes Network Services’ opposition to its petition seeking ETC designation as a winning bidder of CAF Phase II auction support. ViaSat claimed Hughes’ arguments fundamentally misconceive the Commission’s requirements for ETC applicants and the testing obligations for CAF II-supported services. Viasat also asserted the Commission does not require that an ETC applicant provide the supported service at the time of its ETC application, or that an ETC applicant engage in testing of a current service to assess whether the future supported service will comply with the conditions of that support. Public Notice

• HolstonConnect filed a supplement on March 12, 2019, to its January 2019 Petition for Designation as an ETC as a winning bidder of CAF Phase II auction support. HolstonConnect clarified that any support applies to these census blocks for which it was awarded CAF Phase II auction support, and excludes any other additional areas. HolstonConnect said it commits to serving the entire census block and understands it must offer Lifeline service throughout the ETC designated service area.

• No comments were filed on Tombigbee Communication’s Petition for ETC designation for a service area containing 100 census blocks in Alabama as a winning bidder in the CAF Phase II Auction. Replies are due March 19, 2019. Public Notice

• Redwire filed a letter on March 13, 2019, to withdraw its petition seeking ETC designation as a winning bidder of CAF Phase II auction support in its proposed service area within the tribal trust lands of the Otoe-Missouria Tribe of Oklahoma. Redwire said after completing a comparison of census blocks it does not appear that any census blocks awarded to Redwire are located within the Otoe-Missouria Tribal lands.

• The Benton Foundation and EducationSuperHighway met separately with Wireline Competition Bureau staff and Legal Advisors to Chairman Pai and Commissioners Rosenworcel and Starks on March 7, 2019, to discuss a white paper on E-rate. They said the paper identified three implementation areas that are preventing schools and students from taking full advantage of E-rate-enabled special construction projects: the use of an undisclosed cost-model to review a market-based competitive bidding process; the use of an un-vetted questionnaire to review applications; and the ambiguity around use of the cardinal change rule to force denial or reinstatement of bidding processes.

• A notice was published in the Federal Register on March 14, 2019, seeking Paperwork Reduction Act comments on a revision of a currently approved information collection associated with Rural Health Care Program Forms 460, 461, 462, 463, 465, 466, and 467. The FCC stated this information collection is being revised to eliminate the requirements for the Pilot Program and extend the existing information collection requirements for the Healthcare Connect Fund and Telecom Programs. PRA comments are due May 13, 2019.
**ACS filed a letter on March 13, 2019, to offer comments on the February 15, 2019 Public Notice intended to provide “guidance regarding the Commission’s rules for determining rural rates in the Rural Health Care Telecommunications Program.” ACS said the Public Notice appears to overlook some of the pragmatic realities of the program as it currently is being administered and the business realities of furnishing rural services. ACS claimed notwithstanding the Public Notice, support under the RHC Program has become unpredictable, and the current program rules are difficult and sometimes impossible to comprehend and satisfy. It urged the Commission to adopt new rules and procedures that are practical from an operational standpoint, capable of implementation by healthcare providers as well as service providers, ensure greater transparency, and provide more effective Commission oversight of USAC.**

**Tri-County Telephone filed a letter on March 15, 2019, to supplement its comments on restoration of service in Puerto Rico and the Virgin Islands. TCT asserted because the FCC requires covered common carriers like TCT to contribute to the USF sufficient moneys to cover the distributions from the USF, TCT will bear a portion of the multi-hundred million dollar relief grant to Puerto Rico even if the Puerto Rico/USVI Funds are set up separately so as not to impact the availability of funds for high cost carriers elsewhere. TCT said it will be aggrieved by the Commission’s distribution of the proposed funds and the forgiveness of the credit due against funds already provided to Puerto Rico and VI carriers.**

**Huawei filed ex parte comments on March 12, 2019, in the telecommunications supply chain proceeding. Huawei said the overriding goal in telecommunications policy should be to promote the deployment of the most advanced mobile technology, and it included a recent statement made by President Trump on deployment of 5G. Huawei asserted the FCC should terminate this rulemaking proceeding, and instead support the efforts of other agencies of government to implement a more comprehensive, holistic approach to supply chain security. Huawei provided a copy of a complaint it filed in U.S. District Court for the Eastern District of Texas seeking to overturn provisions of the 2019 National Defense Authorization Act.**

**Misc.**

- The FCC released the following items that were adopted at its March 15, 2019 Open Meeting: a Fourth Report and Order to implement the Improving Rural Call Quality and Reliability Act of 2017 that will establish service quality standards for intermediate providers; a Report and Order that implements Congress’s directive in the Reimbursement Expansion Act for the Commission to reimburse certain low power television, television translator, and FM broadcast stations for broadcast television spectrum incentive auction costs; and an NPRM on how potential changes to the partitioning, disaggregation, and leasing rules might better close the digital divide and increase spectrum access by small and rural carriers. The FCC also adopted, but did not yet release, a First Report and Order to make available 21.2 GHz of spectrum above 95 GHz for unlicensed operations and create a new class of experimental licenses for the 95 GHz to 3 THz spectrum range and a Fourth FNPRM proposing a vertical, or z-axis, location accuracy metric in connection with wireless E911 calls.

- The FCC released an updated list of members on the Federal State Joint Board on Separations on March 12, 2019.

- Reply comments were filed on March 11, 2019, on the FNPRM on creating a pathway to ending ex ante pricing regulation for the lower speed TDM-based transport services of RoR carriers opting into the incentive regulation framework and on the Second FNPRM proposing to remove pricing regulation of the TDM transport services of price cap carriers pursuant to the remand in the Eighth Circuit Court’s decision on the 2017 price cap BDS rules. NTCA expressed support for ITTA/USTelecom’s recommendation that the same policy considerations that the Commission found justified moving price cap carriers’ TDM transport services to incentive regulation equally apply to RLECs’ TDM transport services. It suggested the next logical step would be to use that same market analysis to allow RLECs to elect price cap regulation of their TDM transport services. USTelecom and ITTA supported
elimination of ex ante pricing regulation of TDM transport and other transport special access services offered by price cap ILECs. They also said the Commission should provide the same deregulatory treatment for transport services provided by rate-of-return carriers that currently receive model-based or other forms of fixed high-cost USF support and that elect to transition their BDS offerings out of rate-of-return regulation. Frontier said the Commission should reinstate its 2017 decision eliminating the ex ante pricing regulation of TDM transport services offered by price cap carriers. Verizon said the Commission should reaffirm its findings that TDM transport services for price-cap LECs are sufficiently competitive in all areas to justify eliminating ex ante pricing regulation and tariff requirements for those services, and said the Commission’s prior findings are supported by an extensive factual record. CenturyLink said the Commission should adopt its proposal to not impose ex ante pricing regulation on price cap carriers’ TDM transport services. AT&T asserted the Commission correctly concluded that nationwide elimination of ex ante price cap regulation is supported by evidence of deployment of competitive transport by numerous competitors, and the Commission should re-adopt the BDS Order rules that eliminate ex ante price cap regulation from BDS transport services and grant forbearance from tariffing requirements. All replies available to date. FR

• Chairman Pai sent a letter to Sen. Jeffrey Merkley (D-Ore.) on March 1, 2019, in response to his letter on robocalls. Pai said during his tenure as FCC Chairman, he has had the opportunity to set the agenda for 25 monthly meetings, and at almost half of those meetings, the Commission has voted on measures to fight unlawful robocalls and caller ID spoofing. He noted the Commission has taken action to cut off robocalls and spoofing at the source, including authorizing carriers to stop certain spoofed robocalls, pursued the creation of a reassigned numbers database, and pushed industry to establish a robust call-authentication framework. Pai indicated if industry does not act promptly, the Commission stands ready to take regulatory action to ensure widespread deployment to meet this important technological milestone.

• Reply comments were filed on March 11, 2019, on the 2018 Biennial Review of Telecommunications Regulations, which included rules in Parts 1, 8, 32, 36, 42, 43, 51, 52, 53, 54, 59, 61, 63, 64, 68 and 69. The North Carolina Utilities Commission, Pennsylvania PUC, Michigan PSC, California PUC, and Indiana Utility Regulatory Commission opposed NCTA’s request that the FCC repeal section 52.15(g)(3)(iv)(C), which requires interconnected VoIP providers to provide state commissions a 30-day notification before applying for numbering resources from the applicable numbering administrator. The VON Coalition supported: repeal of the requirement in section 9.5(e)(2) that VoIP providers obtain and retain an affirmative acknowledgement by every subscriber of circumstances under which E911 service may not be available; repeal of the requirement in section 52.15(g)(3)(iv)(C) that VoIP providers provide state commissions a 30-day notification prior to applying for numbering resources; and repeal of the section 64.2009(e) CPNI collection and certification requirements. VON also supported revising the USF contribution safe harbor for VoIP providers. AT&T said the FCC should initiate a proceeding to enhance Forms 603 and 608 to support spectrum transactions in a 5G world. All replies available to date. PN

• The FCC deleted the following items from the March 15, 2019 Open Meeting agenda: the NPRM proposing to reconfigure the 900 MHz band to create a broadband segment to facilitate technologies and services for a wide variety of businesses, including critical infrastructure; and the Report and Order that streamlines the reauthorization process for television satellite stations when they are assigned or transferred. The FCC said the items have been adopted.

• The Consumer & Governmental Affairs Bureau issued an Order on March 13, 2019, terminating, as dormant, the proceedings listed on the Order’s attachment. The Bureau noted it received no comments on the proposed termination of these proceedings and therefore finds no justification for keeping open any of the dockets.

Back to Highlights
Upcoming Filing Dates

- Mar. 18 - Comments due on the NPRM on whether the amortization suspension has encouraged the deployment of high-speed, low-cost connections, and the effect of the amortization suspension on applicants and on USF expenditures. Replies are due April 1, 2019. FR

- Mar. 19 - Replies due on Tombigbee’s Petition for ETC designation for a service area containing 100 census blocks in Alabama as a winning bidder in the CAF Phase II Auction. Public Notice

- Mar. 21 - Replies due on Broadband VI’s Petition for a waiver of the Lifeline minimum service standards for its fixed broadband service. Public Notice

- Mar. 25 - Replies due on NECA’s December 20, 2018 proposed revisions to formulas used for average schedule interstate settlement disbursements. The revisions are proposed to become effective for a one-year period beginning July 1, 2019. Public Notice

- Mar. 25 - Comments due on two applications for transfers of control: NTS Communications, NTS Telephone, PRIDE Network, and XFone seek approval for transfer of control to Clarity Telecom, d/b/a Vast Broadband; and Clarity Holdings seeks approval for transfer from PC III Holdings to Python Intermediate II. Replies are due April 9, 2019. Public Notice

- Apr. 1 - Replies due on the NPRM on whether the amortization suspension has encouraged the deployment of high-speed, low-cost connections, and the effect of the amortization suspension on applicants and on USF expenditures. FR

- Apr. 3 - Comments due on the NPRM proposing to amend its Truth in Caller ID rules to implement the anti-spoofing provisions of the RAY BAUM’S Act. Reply comments are due May 3, 2019. FR

- Apr. 8 - Replies due on the FNPRM on implementing an auction mechanism for support in legacy areas that are overlapped by an unsubsidized competitor, addressing budgetary impacts as carriers transition to broadband-only lines, and applying the Tribal Broadband Factor from the A-CAM II offer to legacy carriers. FR

- Apr. 8 - PRA comments due on an extension of a currently approved information collection pursuant to section 69.605, Reporting and Distribution of Pool Access Revenues, Part 69-Access Charges. FR

- Apr. 9 - Replies due on two applications for transfers of control: NTS Communications, NTS Telephone, PRIDE Network, and XFone seek approval for transfer of control to Clarity Telecom, d/b/a Vast Broadband; and Clarity Holdings seeks approval for transfer from PC III Holdings to Python Intermediate II. Public Notice

- Apr. 12 - PRA comments due on a request for extension of an information collection associated with Mobility Fund I support. FR

- Apr. 22 - PRA comments due on a revision to an existing information collection in FCC Form 481. FR

- Apr. 26 - Responses due from parties filing petitions for waiver between 2006 and 2013 of various high-cost universal service filing deadlines that intend to pursue their petition. Public Notice

- May 3 - Replies due on the NPRM proposing to amend its Truth in Caller ID rules to implement the anti-spoofing provisions of the RAY BAUM’S Act. FR

- May 13 - PRA comments due on a revision of a currently approved information collection associated with Rural Health Care Program Forms 460, 461, 462, 463, 465, 466, and 467. FR

Back to Highlights

Editor: Teresa Evert  |  Assistant Editor: Shawn O'Brien