March 20, 2017 HIGHLIGHTS

- The FCC issued the agenda for its March 23, 2017 Open Meeting, and will consider: an NPRM and NOI on robocalls; a Report and Order and FNPRM to combat contraband wireless devices in correctional facilities; a Report and Order, NOI, FNPRM and Order on VRS; a Second Report and Order, Report and Order, and Second FNPRM on mobile broadband deployment; an NPRM proposing to eliminate the international Traffic and Revenue Reports and streamline the Circuit Capacity Reports; and a Report and Order authorizing channel sharing outside the context of the incentive auction.

- The FCC corrected errors in the supplementary information and final rules portions of the RoR Reform Order, published in the April 25, 2016 Federal Register.

- The FCC issued an Order establishing the procedures for the 2017 filing of annual access charge tariffs and Tariff Review Plans for price cap and rate-of-return ILECs.

- The FCC announced the proposed universal service contribution factor for the second quarter of 2017 will be 17.4 percent, up from the current 16.7 percent.

- Chairman Pai spoke at Carnegie Mellon on "Bringing the Benefits of the Digital Age to All Americans."

- Commissioner Clyburn spoke at WTA’s Spring Conference, discussing the progress towards 5G, continued USF reform, and other issues.

- NTCA discussed the continuing adverse effects on consumers of the local service rate floor policy, and urged the Commission to act on the Application for Review and Petition for Reconsideration filed by NTCA, NECA, ERTA and WTA. It also raised the need for clarifications of, or corrections to, certain aspects of the capital expense limits. NTCA discussed similar issues in a separate meeting and discussed the treatment of certain expenses for purposes of cost recovery via the USF. Moss Adams, NTCA, et al. discussed USAC’s calculation of RoR carriers’ reductions of HCLS under the per-line reduction component of the budget control mechanism for carriers subject to the “parent trap” rule.

- Adak Eagle filed a reply on its Petition for Reconsideration of the FCC’s decision to deny Adak Eagle a second offer of A-CAM support, noting no opposition or objection to the Petition was submitted.

- Reply comments were filed on petitions for reconsideration of the Broadband Privacy Order.

- NTCA urged the FCC to remain diligent in its pursuit of long term solutions to rural call completion problems while prosecuting originating providers who fail to complete calls, claiming rural call completion problems continue across rural America.

- The Wireline Competition Bureau issued an Order on March 13, 2017, adopting procedures to provide parties limited access to proprietary or confidential information regarding USAC’s investigation of SIC’s receipt of USF support and related proceedings. The Bureau also issued a Public Notice announcing the Bureau intends to place into the record certain items related to the investigation.

- Comments were filed on why the FCC should not initiate proceedings to revoke the Commission authorizations granted to SIC. Replies are due March 31. Public Notice

Other Key Upcoming Dates

- Mar. 28 - Replies due on NECA’s proposed modification of average schedule formulas.

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

- The FCC published a Notice in the Federal Register on March 20, 2017, to correct errors in the supplementary information and final rules portions of the April 25, 2016 Federal Register Notice that announced the effective dates for the rule changes made in the RoR Reform Order. These corrections are effective March 20, 2017.

- Chairman Pai sent a letter to Senator Roy Blunt (R-MO) on March 16, 2017, in response to his letter, which expressed concerns over CAF Phase II auction rules that might favor slower speeds or discourage cooperatives from bidding. Pai said the Commission adopted a CAF Phase II Auction Order at its February 23, 2017 Open Meeting that includes bidding weights that will encourage all technologies to compete.

- Commissioner Clyburn spoke at WTA’s Spring Conference on March 13, 2017, discussing the progress towards 5G, continued USF reform, the media landscape, and what she called the new era at the FCC and her role in it. She said it is critical that consumers have access to robust mobile voice and data services, regardless of where they live, work, or travel. She expressed concern about the affordability of rates in both rural and urban areas, and indicated she would support hitting the “pause” button on rate floor increases. She also indicated she would support fixing the rules on the per-location cap on the capital investment allowance, and would like to address some of the costs that carriers include in the rate base.

- NTCA met with Commissioner O’Rielly’s Legal Advisor on March 10, 2017, to discuss the continuing adverse effects on consumers of the local service rate floor policy. NTCA urged the Commission to act promptly on the Application for Review and Petition for Reconsideration filed by NTCA, NECA, ERTA and WTA. It also raised the need for prompt action on clarifications of, or corrections to, certain aspects of the capital expense limits adopted in the RoR Reform Order. NTCA also spoke separately with Legal Advisors to Commissioners Clyburn and O’Rielly on March 14 and 15, 2017, to discuss the same issues. NTCA also raised the treatment of certain expenses for purposes of cost recovery via universal service support.

- Moss Adams, NTCA, Nemont Telephone, and Strata Networks met with Chairman Pai’s Legal Advisor and Wireline Competition Bureau staff on March 9, 2017, to discuss USAC’s calculation of RoR carriers’ reductions of HCLS under the per-line reduction component of the budget control mechanism for carriers subject to the “parent trap” rule. They claimed USAC is improperly calculating this reduction, and estimated 14 RoR study areas with parent-trapped, HCLS-ineligible loops are affected by this improper calculation, which is reducing their collective annual support by approximately $280,000 more than it would be if the per-line reduction was applied only to their HCLS-eligible lines. They urged the Commission to take steps to restore fairness in the application of the per-line component of the BCM. They also discussed the unintended consequences the “Maximum Average Per Location Construction Project Loop Plant Investment Limitation” of the Capital Investment Allowance for RoR carriers may have on broadband investment and deployment. They also met with Commissioners Clyburn and O’Rielly’s Legal Advisors to discuss the same issues.

- Adak Eagle filed a reply to comments on March 14, 2017, on its Petition for Reconsideration of the FCC’s decision to deny Adak Eagle a second offer of A-CAM support. It said no opposition or objection to the PFR was submitted, and the only filing was a letter supporting its request. Adak Eagle requested the Commission grant the PFR, reconsider its instruction to the Wireline Competition Bureau to deny a second A-CAM offer to AEE, and promptly make such an offer. Notice

- Baraga Telephone filed a letter on March 14, 2017, to express support for allocating additional high-cost funding to the voluntary path to the model. Baraga said if the FCC does allocate additional model funding, it should take that opportunity to reconsider its earlier decisions to deny some companies access to the model path because of administrative oversights in the filing of Form 477 data. Baraga said the Bureau’s decision to deny model-based funding to BTC may well result in drastic
consequences, insofar as the same deployment that BTC could accomplish during the model term will be spread out over a much, much longer timeframe.

- **USTelecom** filed a letter on March 13, 2017, to provide a spreadsheet identifying CAF Phase II supported census blocks that have been assigned to a price cap carrier and claimed by another. It said correcting these census block assignments will not affect the obligations or funding of any of the carriers involved.

- **Windstream** met with Chairman Pai and his Legal Advisor on March 13, 2017, to discuss the CAF. It also expressed concern that small businesses will be harmed by steps to scale back or eliminate existing last-mile access “guardrails,” including regulation of TDM-based special access and the Technology Transitions requirement that ILECs, as a condition of discontinuing a TDM-based service, provide competitive carriers reasonably comparable wholesale access to the IP-based replacement service on reasonably comparable rates, terms, and conditions.

- **ACS** filed a Petition for Clarification on March 14, 2017, or, in the alternative, petition for limited waiver of the requirement to provide geocoded location information for CAF Phase I deployments. ACS said it does not have geocodes for remote locations where it used the Phase I incremental support, nor was this requirement in effect when Round 1 deployment began. It asked the FCC to clarify that it may supply this information on a rolling basis, over the next two construction seasons, as it visits these areas for maintenance and other ordinary business purposes, or, alternatively, the FCC should temporarily waive the rule for the same two-season period, until October 2018.

Empire State Development also met with Chairman Pai’s Senior Counsel on March 9, 2017, to discuss the New York CAF Phase II Auction Order. It provided an overview of how the State intends to comply with the conditions in its broadband funding program, and outlined a number of potential auction structures New York could implement in the CAF-eligible territories to satisfy the conditions. It also reviewed certain proposals regarding the rules that would govern the next phase of the State’s ongoing broadband auction. Empire State Development also met with Wireline Competition Bureau staff on March 10, 2017, to discuss similar issues.

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### Broadband

- Chairman Pai sent a letter to Reps. Michelle Lujan Grisham (D-N.M.), Steve Pearce (R-N.M.), and Ben Ray Lujan (D-N.M.) and Sens. Tom Udall (D-N.M.) and Martin Heinrich (D-N.M.) on March 7, 2017, in response to their letter on the lack of broadband on Tribal lands. Pai noted the FCC recently adopted the Tribal Mobility Fund Phase II at the Commission’s February 23, 2017 Open Meeting, which will direct about $340 million to build out 4G LTE coverage on Tribal lands. He also said he circulated in February an Order that would assist carriers serving Tribal lands in deploying, upgrading, and maintaining modern high-speed networks, and directed USAC to give additional time to Tribal families living in the remote reaches of the Navajo Nation to comply with a certification deadline for the Lifeline program.

- Chairman Pai sent letters to Sens. Richard Blumenthal (D-Conn.), Al Franken (D-Minn.), Edward J. Markey (D-Mass.), and Elizabeth Warren (D-Mass.) on March 7, 2017, in response to their letter, which expressed concern with the Commission's decision to partially grant, on an interim basis, the petition submitted by nine trade associations for a stay of the Broadband Privacy Order. Pai said the stay pertained only to the data security requirement and will remain in effect only until the FCC is able to rule on pending petitions for reconsideration. Pai said there should be a comprehensive and consistent framework for protecting digital privacy, and there should not be one standard for Internet service providers and another for other online companies.

- Reply comments were filed on March 16, 2017, on petitions for reconsideration of the Broadband Privacy Order. NTCA urged the Commission to be guided by FTC policies that govern edge and
application providers, and claimed that approach will ensure a consistent standard of care across the broadband marketplace. USTelecom said the oppositions to its petition do not address the social costs, including higher broadband prices, of imposing overbroad opt-in rules on broadband providers, and asserted the Commission should conduct a genuine cost-benefit analysis and revise its rules to avoid unfounded inconsistency with the FTC’s well-established and generally applicable framework. WTA said the FCC failed to consider arguments that section 222 rules may lawfully apply only to CPNI of existing customers. WTA also claimed the record demonstrates the Order adopted data security and breach notification requirements that are unduly burdensome, and agreed the clock for providing notification to the FCC should start upon the determination of harm, not discovery of the breach. CTIA claimed the FCC failed to consider and, in some instances, mischaracterized certain facts and arguments in the record, and cited authorities and evidence that did not support adoption of the rules. CTIA also said the FCC introduced new concepts for the first time in the Order, without giving stakeholders an opportunity to comment. ACA asserted the Order contains material errors regarding the FCC’s legal authority to adopt the sweeping, prescriptive broadband privacy rules set forth in the Order or to apply its rules to categories of data beyond CPNI. The Free State Foundation said the Commission should find it is in the public interest to withdraw its new privacy rules in their entirety; or, at the very least, amend its privacy rules to conform them to the FTC framework for privacy protections. The Internet Association suggested the FCC not disturb its conclusion that section 222 does not apply to providers of edge services and other non-Title II offerings. It also said the FCC should seek to more closely align its ISP privacy and security rules with the FTC time-tested data privacy and security framework, and said any continued departure from the FTC’s framework should be grounded exclusively in the regulatory, policy, and economic factors that actually distinguish ISP and edge markets.

List of all replies filed to date | Public Notice

- Chairman Pai spoke at Carnegie Mellon University’s Software Engineering Institute on March 15, 2017, on “Bringing the Benefits of the Digital Age to All Americans.” He outlined his guiding principles as Chairman, including: the importance of digital empowerment; the need for ubiquitous Internet access; the power of competitive free markets; and light-touch regulation. He also detailed proposals he will pursue, and said he instructed all of the Commission’s bureaus to identify FCC rules that are raising the costs of broadband buildout and if the benefits of those rules do not outweigh their costs, the rules should be repealed. He said any direct funding for broadband infrastructure appropriated by Congress as part of a larger infrastructure package should be administered through the FCC’s USF and targeted to areas that lack high-speed Internet access. He indicated the FCC will enforce section 7 of the Communications Act and will respond with an answer within a year to any petition or application filed with the FCC proposing a new technology or service.

- Sens. Amy Klobuchar (D-Minn.) and Shelley Moore Capito (R-W.V.) introduced bipartisan legislation entitled the Measuring the Economic Impact of Broadband Act on March 15, 2017, which would require the Bureau of Economic Analysis to conduct a study of the effects of broadband deployment and adoption on the U.S. economy. They stated accurate, reliable data on the economic impact of broadband is a valuable tool for policymakers and business leaders, and many research institutions, state broadband offices, and trade associations have highlighted the need for this data.

- The Senate Committee on Indian Affairs, Committee on Environment and Public Works, and the House Committee on Natural Resource will hold a bicameral roundtable on “Building Native America Together: Infrastructure Innovation and Improvements for Indian Country” on March 15, 2017. The agenda includes connectivity and broadband.

- The Competitive Carriers Association met with Legal Advisors to Chairman Pai and Commissioner Clyburn on March 9, 2017, to discuss its Petition for Reconsideration of the Broadband Privacy Order. CCA asserted the FCC’s privacy rules create an unwarranted regulatory disparity between broadband and edge providers that will harm competition and consumers and would injure small providers. CCA also discussed ongoing Congressional activity regarding privacy.

- Oracle sent a letter to Chairman Pai on March 13, 2017, to suggest the Commission: reconsider the broadband privacy rules to ensure a consistent and fair approach to online privacy and the digital advertising market; reclassify broadband Internet access as an information service; and close the set
Call Completion

- NTCA met with Wireline Competition Bureau staff on March 9, 2017, to urge the Commission to remain diligent in its pursuit of long term solutions to rural call completion problems while prosecuting originating providers who fail to complete calls, claiming rural call completion problems continue across rural America. NTCA said any sunset of the record keeping and reporting requirements is grossly premature and should not be considered, and if any exception were to be made to the two intermediate providers limit, it should be created under only extremely limited circumstances and be very narrowly defined. NTCA also said the safe harbor certification should apply to all calls destined to complete at known rural carriers, whether ILEC or CLEC.

IP Transition

- Granite Telecommunications met with Legal Advisors to Chairman Pai and Commissioner O’Rielly on March 13, 2017, to discuss the importance of maintaining a reasonable transition timeframe for the interim rule that ILECs seeking section 214 authority to discontinue a TDM-based commercial wholesale platform voice service that is currently used as a wholesale input by competitive carriers must provide competitive carriers with reasonably comparable access on reasonably comparable rates, terms, and conditions.

USF

- The FCC Managing Director issued a Public Notice on March 13, 2017, announcing the proposed universal service contribution factor for the second quarter of 2017 will be 17.4 percent, up from the current 16.7 percent.

- The Wireline Competition Bureau issued a Public Notice on March 13, 2017, announcing the E-rate program funding cap for funding year 2017 is $3,990,207,000. The new cap represents a 1.3 percent inflation-adjusted increase in the $3,939,000,000 cap from funding year 2016.

- Chairman Pai sent a letter to Sen. Bill Nelson (D-Fla.) on March 7, 2017, to respond to his letter, which expressed concern over the decision to rescind the E-rate Modernization Progress Report. Pai said the report was released in the last days of the previous administration and none of the Commissioners were given the traditional 48 hours to review it, nor was it shown to Commissioners before being released. Pai said the report will, however, remain available on the agency’s website for public review.

- Chairman Pai sent letters to six members of Congress on March 9, 2017, to respond to their letter, which expressed concern about the lack of access of healthcare providers to affordable broadband. Chairman Pai said he asked Commission staff to look closely at the RHC program and to consider ways to better allocate funds within the existing program cap.

- Chairman Pai sent a letter to Senator Bill Nelson (D-Fla.) on March 7, 2017, in response to his letter, which expressed concern with the Commission’s decision to retract the E-rate Modernization Progress Report. Pai said the report was released in the last days of the previous Administration, and not only were Commissioners not given the traditional 48 hours to review it, but it was not shown at all to Commissioners before being released. He said revocation simply affirms that a report issued improperly has no legal or other effect going forward and does not necessarily reflect the views of a majority of Commissioners. He noted the report will remain available on the agency’s website for public review.
Comments were filed on March 16, 2017, on a request filed by 40 entities for the FCC to rescind the Order on Reconsideration that revoked the Order that previously granted Lifeline Broadband Provider ETC status to nine carriers. NARUC said the FCC should reject requests to reverse the Order on Reconsideration and expeditiously reconsider the March 2016 Lifeline Order to eliminate the illegal bypass of State designation procedures included in the LBP designation procedure. Public Knowledge and the Benton Foundation said reinstating LBP designations will not compromise the integrity of the Lifeline program and withholding LBP designations is inconsistent with the record and Commission precedent. The Lifeline Connects Coalition expressed support for the request and urged the FCC to reverse the Order on Reconsideration and grant the other pending LBP petitions. NTTA opposed the request and claimed the LBP's in the application and approval process did not meet their obligations to notify affected Tribal governments of their intention to provide federal Lifeline-supported services, and claimed the applications were approved before any meaningful public input was received. The Public Utility Division of the Oklahoma Corporate Commission asserted the Order takes an appropriate first corrective step by revoking the granted LBP ETC designations and placing them back in pending status. Q Link Wireless urged the Commission to move forward to designate additional Lifeline ETCs in those states in which the FCC has the exclusive authority to grant such designations, and said it could do so either under the LBP process or through the pre-existing ETC designation process. Replies are due March 23. Public Notice | List of all comments available to date

NARUC filed comments on Spot On Networks’ Application for Review of the Order on Reconsideration that revoked its Lifeline Broadband Provider ETC designation. NARUC said the Commission should reject the Petition, but requested that if the FCC determines the Spot On argument has any merit, the full Commission should deem this comment cycle as a separate proceeding. Replies are due March 23, 2017. Public Notice

Life Wireless, Karma Mobility, Red Pocket, Assist Wireless, Blue Jay Wireless, Easy Telephone Services, and TX Mobile filed letters on March 16, 2017, asking the Commission to grant their separate requests for designation as ETCs and/or Lifeline Broadband Providers. They each asked the Commission either to limit the petition to request ETC designation in specific states and/or remove certain states, or reconcile states and service areas where authority is sought to provide LBP services, based on what each petitioner requested, and clarify the proposed Lifeline service plans for which each seeks approval from the Commission.

Boomerang Wireless met with Commissioner O’Rielly’s Legal Advisor on March 10, 2017, to ask the Commission to reconsider the Order that revoked the LBP designations for nine providers and returned the petitions for LBP designation to their status as pending petitions. Boomerang asked the FCC to delay the effective date of the revocation of Boomerang’s LBP designation until either Boomerang’s ETC designation is granted by the state (or the Commission) or 60 days after Boomerang’s ETC designation is denied by the state (or the Commission).

Global Reconnect and TerraCom met with Chairman Pai's Legal Advisor on March 9, 2017, to discuss GRI’s recent acquisition of TerraCom and the negative impact on companies like TerraCom of the Order revoking previously granted LBP ETC designations. They urged the Commission to allow the Bureau to continue to designate LBP ETCs as the Commission ordered in the Lifeline Modernization Order, and introduced the idea of a uniform state-ETC petition that a provider could utilize to apply for ETC designation across multiple states at once.

The Consortium for School Networking, et al., filed comments on March 15, 2017, to express support for Free Press, et al.’s request for the FCC to rescind the Order on Reconsideration that revoked previously granted Lifeline Broadband Provider ETC status to nine carriers. CoSN, et al. claimed the revocation Order undermines the Commission’s efforts to address the Homework Gap and is against the public interest, and suggested all the issues raised by the Order are better addressed through other means. They also said there is no indication in the Order that concerns of fraud and abuse relate to any of the pending LBP's.

Hot Springs Telephone, Zona Communications, and ENMR Telephone Coop, West Texas Rural Telephone Coop, Project Mutual Telephone Coop Association, Five Area Telephone Coop, Yelcot
Telephone and Mountain View Telephone and Brazos Telephone Coop filed requests for forbearance from the requirement for Lifeline-only ETCs to offer Lifeline-supported BIAS services. List of all requests filed to date.

State Actions

- The City of New York filed a complaint with the Supreme Court of New York on March 13, 2017, alleging Verizon breached its franchise agreement to deploy its FIOS service throughout the City by a date certain in 2014 by “passing” every residential building in the city and to install fiber optic in front of (or behind) each residential building. The agreement also obligated Verizon to undertake the steps necessary to provide television service over its fiber optic network to any residence requesting such service. NYC alleged Verizon defaulted on its obligations both to build out its network and to undertake the process for providing service where requested by potential subscribers.

- The New York PSC issued an Order on March 9, 2016, authorizing recovery of access charge revenue losses for nine small ILECs due to the phased reduction of terminating access charges mandated by the FCC’s 2011 Transformation Reform Order. The PSC said the companies’ revenue recovery requests are the result of an FCC directive to reduce terminating access charges and are similar to revenue recovery requests previously allowed by the PSC in the context of PSC-mandated originating access charge reductions.

Misc.

- The FCC issued the agenda for its March 23, 2017 Open Meeting, and will consider: an NPRM and NOI on robocalls; a Report and Order and FNPRM to combat contraband wireless devices in correctional facilities; a Report and Order, NOI, FNPRM, and Order on video relay services; a Second Report and Order, Report and Order, and Second FNPRM on mobile broadband deployment; an NPRM proposing to eliminate the international Traffic and Revenue Reports and streamline the Circuit Capacity Reports; and a Report and Order that would authorize channel sharing outside the context of the incentive auction. The FCC will also receive an update from the Public Safety & Homeland Security Bureau on the status of its inquiry into the AT&T Mobility 911 outage that occurred on March 8, and will consider three items as consent agenda.

- The Pricing Policy Division of the Wireline Competition Bureau issued an Order on March 16, 2017, establishing the procedures for the 2017 filing of annual access charge tariffs and Tariff Review Plans for price cap and rate-of-return ILECs subject to sections 61.38 and 61.39. The Order sets an effective date of July 1, 2017, for the 2017 annual access charge tariff filings. The Division continues to grant a sua sponte waiver of section 61.49(k) for price cap ILECs, and permits the short form TRP to be filed approximately 45 days prior to the annual access charge tariff effective date. ILEC tariffs are due June 16, 2017, for those filing on 15 days’ notice, and June 26, 2017, for those filing on seven days’ notice. Comments on the short form TRP are due May 31, 2017; replies due June 7, 2017. Petitions to suspend or reject tariff filings made on 15 days’ notice are due June 23, 2017; replies due June 27, 2017. Petitions to suspend or reject tariff filings made on seven days’ notice are due June 29, 2017; replies due June 30, 2017.

- Chairman Pai sent a letter to Rep. David Young (R-Iowa) on March 7, 2017, in response to his letter asking about the status of Panora Communications and Prairie Telephone’s Petition for Waiver of the Part 51 access charge and CAF-ICC calculations filed in July 2015. Pai noted: the Wireline Competition Bureau released a Public Notice seeking comment on the carriers’ petition; the Commission staff is carefully reviewing the record in the proceeding; and staff has been in discussions with representatives of Panora and Prairie. He said Commission staff is making every effort to conclude its review as quickly and equitably as possible.
Chairman Pai sent a letter to nine Senators on March 7, 2017, in response to their letter, which encouraged the FCC to take action to protect consumers from robocalls, robotexts, and telemarketing calls and to reconsider the exemption for government contractors. Pai said he is circulating an NPRM and NOI that would allow service providers to block illegal and fraudulent robocalls under certain circumstances, both of which are on the tentative agenda for the Commission’s March Open Meeting.

No comments were filed on NECA’s December 22, 2016, proposed modification of average schedule formulas. The revisions are proposed to become effective for a one-year period beginning on July 1, 2017. Replies due March 28. Public Notice

The Wireline Competition Bureau issued an Order on March 13, 2017, adopting procedures to provide parties limited access to proprietary or confidential information that has been or may be filed with respect to the USAC investigation on Sandwich Isles Communications' receipt of USF support and related proceedings. The Bureau will make available to interested parties proprietary or confidential information filed in the USAC investigation proceeding or in any of the proceedings related to: the 2005 waiver SIC received to be treated as an ILEC serving the Hawaiian Home Lands for purposes of receiving universal service support; SIC’s Commission authorizations; and whether SIC’s exclusive license to serve the Hawaiian Home Lands conflicts with section 253(a).

The Wireline Competition Bureau issued a Public Notice on March 13, 2017, announcing the Bureau intends to place into the record in WC Docket No.s 10-90, 16-405, and CC Docket No. 96-45 the following items containing highly confidential information, subject to the SIC Protective Order: USAC’s May 13, 2016 Memorandum to the Bureau and SIC’s June 13, 2016 Response to USAC’s Final Audit Report. The Bureau also intends to make available the unredacted SIC Improper Payments Order pursuant to the SIC Protective Order. Affected parties have until March 20, 2017, to oppose disclosure of the unredacted SIC Improper Payments Order, USAC Report, or the Sandwich Isles Response to the USAC Report. Also, affected parties will have three business days after the filing of an Acknowledgment of Confidentiality to object to the release of the data to a particular person who requests permission to review it.

Comments were filed on March 16, 2017, on why the FCC should not initiate proceedings to revoke the Commission authorizations granted to Sandwich Isles Communications. SIC asserted the FCC’s delay in raising the section 253(a) issue, coupled with the tight and irregular timeframes imposed by the FCC for the filing of comments on that issue, confirm that this is nothing more than an attempt by the Commission to belatedly backfill the holes in the NAL and Order identified by SIC in order to keep its campaign against SIC going. The Hawaii PUC said while it does not object to the FCC’s initiation of proceedings to revoke the authorizations it has previously granted to SIC, the PUC shares the FCC’s commitment to maintain service to all customers on Hawaiian Home Lands and stands ready to work with the FCC to take appropriate action and coordinate efforts to ensure that said service will be provided. Waimana claimed there has been no showing of any wrongdoing on the part of SIC, nor anyone else, to warrant such a sanction, and asserted any careful examination of the facts of this matter clearly shows that this is a dispute among accountants. DHHL urged the FCC not to lose sight of the overriding goal in reviewing its enforcement options, and said should the Commission consider such action, DHHL urges the Commission to first incorporate or facilitate a transition plan that accommodates and provides service continuity while maintaining USF support of broadband and other telecommunications services throughout the Hawaiian home lands. All comments available to date. Replies are due March 31. Public Notice

The Wireline Competition Bureau released an Order on March 15, 2017, denying NCTA’s objection to a request from the California Public Utilities Commission seeking access to confidential and highly confidential data submitted in response to the data collection in the business data services rulemaking proceeding. The Bureau found the CPUC qualifies as a Participant, as that term is defined, and eligible to gain access to the collected data.
AT&T filed a letter on March 13, 2017, to offer suggestions on how the Commission should resolve its review of the pricing flexibility rules for business data services, and to recommend the Commission eliminate or relax price cap regulation of legacy services where the data show that facilities-based competition has taken hold. AT&T suggested the Commission: grant Phase II relief for all DSn transport services nationwide; expand Phase II relief for channel terminations; and maintain the current X-Factor or adopt Bureau of Labor Statistics KLEMS as the correct methodology for calculating the X-factor going forward, which it claimed would support a new X-Factor of no more than 2.0 percent. AT&T also suggested there is no basis for imposing any new regulations on Ethernet services. AT&T also met with Wireline Competition Bureau staff on March 9, 2016, to discuss its proposal for a BDS regime.

U.S. TelePacific spoke with Wireline Competition Bureau staff on March 8, 2017, to discuss the consequences of Comcast’s recommendation that the Commission deregulate ILEC TDM business data services. TelePacific discussed the importance of TDM rate certainty for its small and medium business, school, healthcare, and community anchor institution customers; the value of T-1s and copper loops in providing symmetrical broadband service to those customers; and the principle that no customer should lose their broadband service as the result of any Commission pricing reforms. TelePacific urged the FCC to ensure that ILECs do not increase the tariffed rate for any DS1 or DS3 service as a result of any BDS reform.

Comcast met with Chairman Pai’s Legal Advisor and Wireline Competition Bureau staff on March 10, 2017, to reiterate that as a new entrant in the increasingly competitive BDS marketplace, Comcast should not be subject to regulation. Comcast also responded to questions from Commission staff about how Comcast can use its existing hybrid fiber-coaxial network to bring additional competition to the BDS marketplace.

Charter Communications met with Wireline Competition Bureau staff on March 13, 2017, to reiterate its previous positions on private carriage and the competitive landscape faced by cable BDS providers.

Upcoming Filing Dates

- Mar. 20 - Replies due on the Public Notice seeking comment on whether certain docketed proceedings listed in the attachment to the Public Notice should be terminated as dormant. FR
- Mar. 23 - Replies due on a request filed by 40 entities for the FCC to rescind the Order on Reconsideration that revoked the Order that previously granted Lifeline Broadband Provider ETC status to nine carriers. Public Notice
- Mar. 23 - Replies due on Spot On Networks’ Application for Review of the Order on Reconsideration that revoked its Lifeline Broadband Provider ETC designation. Public Notice
- Mar. 24 - Replies due on Neustar’s request to approve its new owner, Aerial Investors LLC, formed by Golden Gate Private Equity. Public Notice
- Mar. 28 - Replies due on NECA’s December 22, 2016 proposed modification of average schedule formulas. The revisions are proposed to become effective for a one-year period beginning on July 1, 2017. Public Notice
- Mar. 31 - Replies due on why the Commission should not initiate proceedings to revoke the Commission authorizations granted to Sandwich Isles Communications. Public Notice
- Apr. 17 - PRA comments due on an extension of a currently approved information collection covering the conditional forbearance relief granted by the Commission from Cost Assignment Rules, Property

- May 1 - PRA comments due on an extension of a previously approved information collection related to the MAG Plan Order, Parts 54 and 69 filing requirements for regulation of interstate services of non-price cap ILECs and interexchange carriers. Notice

- May 1 - PRA comments due on an extension of a currently approved information collection associated with FCC Form 477, Local Telephone Competition and Broadband Reporting. Notice

- May 1 - PRA comments due on an extension of a currently approved information collection associated with monitoring the impact of USF support mechanisms. The Commission is reporting a 24-hour increase in the total hour burden based on updated information from NECA regarding the number of respondents/responses. Notice

- May 1 - PRA comments due on revisions to a currently approved information collection associated with the Lifeline National Verifier. Notice

- May 4 - Comments due on the Public Notice seeking comment on whether the rules adopted in 2001 – 2004 should be continued without change or should be amended or rescinded, consistent with the stated objective of section 610 of the Regulatory Flexibility Act. FR

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