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### March 27, 2017 HIGHLIGHTS

- The FCC adopted the following items at its March [Open Meeting](#): an [NPRM and NOI \(news\)](#) on robocalls; a [Report and Order and FNPRM \(news\)](#) to combat contraband wireless devices in correctional facilities; a [Report and Order, NOI, FNPRM and Order \(news\)](#) on video relay services; a [Second Report and Order, Report and Order, and Second FNPRM \(news\)](#) on mobile broadband deployment; an [NPRM \(news\)](#) proposing to eliminate the international Traffic and Revenue Reports and streamline the Circuit Capacity Reports; and a [Report and Order \(news\)](#) that would authorize channel sharing outside the context of the incentive auction. The [robocall item](#) proposes rules allowing providers to block spoofed caller ID numbers associated with phone lines that do not actually dial out, without running afoul of FCC rules requiring carriers to complete all calls. Comments are due 45 days after publication in the Federal Register.
- The FCC issued an [FNPRM](#) seeking comment on a further 18-month extension of the freeze of jurisdictional separations category relationships and cost allocation factors for rate-of-return ILECs while the FCC continues to work with the Joint Board to overhaul its separations rules. Comments are due 14 days after publication in the Federal Register; replies due 21 days after FR.
- The Wireline Competition Bureau issued an [Order](#) temporarily waiving the requirements to use the cost surrogate method, noting in some cases the surrogate cost method results in an unreasonable allocation of costs from the Special Access category to the new CBOL category.
- The FCC [announced](#) the OMB has approved, for a period of three years, information collections associated with the March 30, 2016 [RoR Reform Order](#), the May 26, 2016 CAF Phase II Auction [Order](#), and the October 31, 2016 ACS CAF [Order](#) related to reporting of broadband deployment locations via the USAC portal.
- The FCC [announced](#) April 20, 2017 is the effective date for the [CAF Phase II Auction Order](#).
- The Wireline Competition Bureau issued an [Order](#) denying requests by IAMO Telephone and Montrose Mutual Telephone for waiver of the November 1, 2016 deadline for submitting letters to elect to receive A-CAM support.
- NTCA [discussed](#) the negative impacts of continuing USF budget shortfalls on the availability and affordability of broadband for consumers and businesses in rural America, the impact on broadband investment of uncertainty arising out of the new capital investment allowance, and the adverse implications for rural consumers of the local voice rate floor policy.
- The Senate [passed](#) Sen. Jeff Flake's (R- Ariz.) resolution ([S.J. 34](#)), which stipulates that Congress disapproves the FCC's Broadband Privacy [Order](#) and that the rules have no force or effect. Commissioner Clyburn and FTC Commissioner Terrell McSweeney issued a [statement](#) on the vote.
- The D.C. Circuit Court [dismissed](#) NARUC's [Petition for Review](#) of the [Order](#) allowing interconnected VoIP providers to obtain telephone numbers directly from the Numbering Administrators.

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#### Other Key Upcoming Dates

- Mar. 28 - Replies [due](#) on NECA's proposed [modification](#) of average schedule formulas.
- Mar. 31 - Replies [due](#) on why the FCC should not initiate proceedings to revoke the FCC authorizations granted to SIC.
- Apr. 12 - Comments [due](#) on the Mobility Fund Phase II challenge process for determining eligibility of geographic areas for support. Reply comments due April 27, 2017. [Notice](#)

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## USF Reform

- The Wireline Competition Bureau issued an [Order](#) on March 20, 2017, temporarily waiving the requirements to use the cost surrogate method contained in sections 69.311 and 69.416 to avoid distortive pricing effects that result in certain limited circumstances. The Bureau noted in some cases the surrogate cost method results in an unreasonable allocation of costs from the Special Access category to the new Consumer Broadband-Only Loop category, and said this waiver is consistent with the cost surrogate waiver the Bureau granted prior to the December 2016 tariff filings. The Bureau noted to implement the new support mechanisms, the Commission, among other things, revised Part 69 rules to require RoR carriers to move the cost of consumer broadband-only loops from the Special Access category to a new CBOL category. The Bureau said the surrogate method was intended to identify and segregate the broadband-only loop investment and expenses from other special access costs currently included in the Special Access category, and also to preclude cross-subsidization. The waiver applies to circumstances in which subtraction of surrogate CBOL costs (as defined in Part 69) from a carrier's Special Access category would result in the need to reduce special access rates other than broadband transmission rates associated with provision of retail broadband Internet access service. In such cases, the carrier will have the option to limit the costs subtracted from the Special Access category to the amount only affecting those broadband transmission rates, pending further consideration of the surrogate cost rules. As a condition of this waiver, the Bureau required carriers electing this option to limit their CBOL revenue requirement reported to USAC for CAF BLS purposes to this amount.
- The FCC published [a Notice](#) in the Federal Register on March 22, 2017, to announce that OMB has approved, for a period of three years, information collections associated with the March 30, 2016 [RoR Reform Order](#), the May 26, 2016 CAF Phase II Auction [Order](#), and the October 31, 2016 ACS CAF [Order](#). This information collection addresses the requirement that certain carriers with high cost reporting obligations must file information about their locations which meet their broadband deployment public interest obligations, as well as associated certifications and quarterly reports, via an electronic portal created by USAC. The rules associated with the Orders are effective March 22, 2017.
- The FCC published a [Notice](#) in the Federal Register on March 21, 2017, announcing April 20, 2017, as the effective date for the [CAF Phase II Auction Order](#). In the Order, the Commission adopted procedures and rules for allowing service providers to compete for support of up to \$1.98 billion to offer voice and broadband service in unserved high-cost areas.
- The Wireline Competition Bureau issued an [Order](#) on March 24, 2017, denying requests by IAMO Telephone and Montrose Mutual Telephone for waiver of the November 1, 2016 deadline for submitting letters to elect to receive A-CAM support. The Bureau stated to grant these waivers would require adding funds to the A-CAM budget or reallocating funds that have now been committed to other carriers who timely filed their A-CAM election letters. It noted, however, as was the case with carriers precluded from electing A-CAM support because their requests for waiver of the FCC Form 477 filing deadline were denied, IAMO and Montrose will continue to receive support under the embedded cost support mechanisms.
- NTCA [met separately with](#) Commissioner O'Rielly and his Legal Advisor and Legal Advisors to Chairman Pai on March 20, 2017, to discuss universal service priorities for early 2017, including the negative impacts of continuing USF budget shortfalls on the availability and affordability of broadband for consumers and businesses in rural America, the chilling impact on broadband investment of uncertainty arising out of the new capital investment allowance, and the adverse implications for rural consumers of the local voice rate floor policy.
- AT&T filed [a letter](#) on March 22, 2017, to request Commission approval to remain an ETC in census blocks in Wisconsin where AT&T accepted CAF Phase II support, as well as certain extremely high-cost census blocks identified by AT&T Wisconsin. AT&T indicated it notified the Wisconsin PSC that it is relinquishing its ETC designation in all of its service territory except for census blocks where it accepted CAF II support, but the Wisconsin PSC is unsure whether Commission approval is necessary for it to remain an ETC in the identified census blocks. AT&T said it is unaware of any Commission

approval necessary; however, if the Commission concludes otherwise, AT&T requests that the Commission provide such approval promptly and so notify AT&T and/or Wisconsin PSC staff.

- New York State filed [a letter](#) on March 22, 2017, to submit a summary of the auction guidelines that will govern Phase III of its reverse broadband auction for the CAF-eligible territories. It said its auction guidelines fully comply with the requirements of the FCC Order as they provide no “absolute preference” for any technology or speed. It said bidders will submit applications in eligible CAF census blocks in one of three service tiers, which closely track the tiers adopted by the FCC for the CAF Phase II auction, and, consistent with the FCC’s approach, New York’s auction will also provide incentives for higher speed and lower latency services.
- Empire State Development [met with](#) Commissioner Clyburn’s Legal Advisor on March 20, 2017, to discuss the CAF Phase II Auction Order. It provided an overview of how New York intends to comply with the conditions in the Order, 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](#) Commissioner O’Rielly’s Legal Advisor on March 21, 2017, to discuss similar issues and an article regarding the New York Broadband Program that appeared in the March 21, 2017 New York Times.
- ViaSat [met with](#) International Bureau staff on March 17, 2017, to discuss the [CAF Phase II Auction Order](#), and the potential impact on satellite broadband bidders of the bid weighting mechanism.

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## Broadband

- The Senate [passed](#) Sen. Jeff Flakes’ (R- Ariz.) resolution ([S.J. 34](#)) on March 23, 2017, which stipulates that Congress disapproves the FCC’s Broadband Privacy [Order](#) and that the rules have no force or effect. Commissioner Clyburn and FTC Commissioner Terrell McSweeney issued a [joint statement](#) on the Senate vote.
- The New America’s Open Technology Institute [met with](#) Commissioner Clyburn’s Legal Advisor on March 20, 2017, to suggest the FCC should reject the petitions for reconsideration of the broadband privacy rules. It claimed the FCC has ample authority to enact the broadband privacy rules and did so based on strong support in the record. OTI also asserted the threats of full repeal or considerable modification of the rules by Congress and the FCC are creating substantial uncertainty.

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## IP Transition

- AT&T filed a [letter](#) on March 21, 2017, in response to Granite Telecommunications’ [ex parte](#) on maintaining beyond their expected termination date interim conditions that relate to wholesale platform services they purchase from ILECs. AT&T asserted that while it believes the Commission erred in prescribing how carriers should provide a voluntary, commercially negotiated service, there is no record evidence purporting to show that, absent an extension of the interim rules, Granite would be unable to obtain future wholesale agreements. AT&T said Granite’s proposal to extend the interim rules to some undetermined point in the future should be rejected.

## USF

- Reply comments were filed on March 23, 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. The [South Dakota Telecommunications Association](#) said the FCC's Lifeline broadband designation procedures should be revisited and the FCC should not reconsider the order and designate LBPs at this time. The [City of NY](#) said the Lifeline rescindments potentially limit consumer options for broadband in New York City. [Commnet](#) said tribal areas desperately need broadband and the Commission should grant LBP petitions that were properly filed. [Public Knowledge and Benton Foundation](#) said the record shows no evidence of, and minimal support for, the WCB's assertions that waste, fraud, and abuse would result from designating the service providers as LBPs. They also said withholding Lifeline provider designations would delay implementation of the Lifeline Modernization Order and undermine efforts to close the digital divide. The [Public Utility Division of Oklahoma Corp. Commission](#) expressed support for the Commission's decision to revoke the LBP status of the nine providers and does not support a reversal of this determination. [Voices for Internet Freedom Members](#) asked the Commission to reverse the revocation [Order](#) and commit to swiftly implementing the Lifeline Modernization Order while avoiding any future efforts to undermine it. [List of all replies available to date](#) | [Public Notice](#)
- Reply comments were filed on March 23, 2017, on Spot On Networks' [Application for Review](#) of the [Order on Reconsideration](#) that revoked its Lifeline Broadband Provider ETC designation. [Spot On](#) argued a separate proceeding is needed to remove its LBP status, and public interest favors reversal of the Order. The [South Dakota Telecommunications Association](#) said the Commission's Lifeline broadband designation procedures should be revisited, and the FCC should not reconsider the order and designate LBPs at this time. [Public Notice](#)
- The Lifeline Connects Coalition [met with](#) Commissioner Clyburn's Legal Advisor on March 17, 2017, to urge the Commission to act on its pending [Petition for Reconsideration](#) on the minimum service standards set for Lifeline services. The Coalition suggested consumers would be best served by leaving the December 2016 quantitative minimum service standards in place and letting consumers choose from competing ETCs for the services that best suit their needs. The Coalition also reiterated its support for delaying implementation of rolling recertification so that issues raised on reconsideration can be decided and the National Verifier can be implemented.
- [Totelcom Communications](#), [Central Texas Telephone Coop](#), [Dobson Telephone Company](#) and [McLeod Telephone Company](#), [Pioneer Telephone Coop](#), [TDS](#), [Arvig Enterprises](#), [Arkansas Telephone](#), [Empire Telephone Corp](#), [North Penn Telephone Company](#), [Smithville Telephone](#), [Valiant Telephone Company](#), and [Armstrong Telephone Company](#) filed requests for forbearance from the requirement for Lifeline-only ETCs to offer Lifeline-supported BIAS services. [All requests filed to date](#).
- ABILITY Network and IVANS filed a [letter](#) on March 21, 2017, withdrawing IVANS' [Request for Review](#) of a USAC decision and Petition for Declaratory Ruling on whether enterprise services using MPLS and Frame Relay are USF assessable. IVANS said USAC provided it with a Notice of Resolved Issue and withdrew the USAC letter, concluding that IVANS paid its USF contribution obligation in full and has no outstanding debt, pending debt, pending credits, or pending adjustment with USAC.
- SanoConnect [met with](#) Legal Advisors to Chairman Pai and Commissioners O'Rielly and Clyburn on March 20, 2017, to provide an overview of SanoConnect and discuss the legal and administrative hurdles for SanoConnect to obtain designation as an Eligible Telecommunications Carrier.
- Global Connection [met with](#) Ryan Palmer of the Wireline Competition Bureau on March 23, 2017, to discuss the proposed updates in its Lifeline Amended Compliance Plan to reflect the pending purchase of 75 percent of the shares of Global Connection by Odin Mobile. It urged the Commission to approve the plan by April 15, 2017.

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**Misc.**

- The FCC adopted the following items at its March 23, 2017 [Open Meeting](#): an [NPRM and NOI \(news\)](#) on robocalls; a [Report and Order and FNPRM \(news\)](#) to combat contraband wireless devices in correctional facilities; a [Report and Order, NOI, FNPRM and Order \(news\)](#) on video relay services; a [Second Report and Order, Report and Order, and Second FNPRM \(news\)](#) on mobile broadband deployment; an [NPRM \(news\)](#) proposing to eliminate the international Traffic and Revenue Reports and streamline the Circuit Capacity Reports; and a [Report and Order \(news\)](#) that would authorize channel sharing outside the context of the incentive auction. The FCC [deleted](#) the three consent agenda items before the meeting as they had already been adopted.
- The FCC [adopted](#) an [NPRM and NOI](#) at its March 23, 2017 Open Meeting proposing rules that would allow providers, on their customers' behalf, to block spoofed caller ID numbers associated with phone lines that do not actually dial out, without running afoul of FCC rules requiring carriers to complete all calls. It noted a test of this concept, conducted by the Robocall Strike Force members with the FCC's permission, reduced IRS scam calls by about 90 percent in the third quarter of 2016. The proposed rules would also allow carriers to continue to block calls upon the request of the subscriber and when the spoofed caller ID cannot possibly be valid, including numbers that have not been assigned to anyone yet or are purport to be from an area code that does not exist. The FCC is also seeking comment on how to address spoofed calls from international locations and how to create a safe harbor for providers from FCC call completion rules when they rely on objective criteria to identify and block calls that are highly likely to be fraudulent, illegal, or spoofed robocalls. Comments will be due 45 days after publication in the Federal Register; reply comments will be due 75 days after FR publication.
- The FCC issued an [FNPRM](#) on March 20, 2017, seeking comment on a further 18-month extension of the freeze of jurisdictional separations category relationships and cost allocation factors for rate-of-return ILECs while the FCC continues to work with the Federal-State Joint Board on Jurisdictional Separations to overhaul its separations rules. The current separations freeze will expire on June 30, 2017. The Commission seeks comment on, among other issues, the effect this proposal would have on small entities; whether any rules that it adopts should apply differently to small entities; and whether the extension would disproportionately affect specific types of carriers or ratepayers. Comments are due 14 days after publication in the Federal Register; replies due 21 days after Federal Register.
- The FCC issued an [Order](#) on March 20, 2017, appointing Wendy M. Moser, Commissioner, Colorado Public Utilities Commission, to serve on the Federal-State Joint Board on Jurisdictional Separations, to fill the recently vacated position held by Betsy Wergin, Commissioner, Minnesota Public Utilities Commission.
- Sandwich Isles Communications filed a [Motion](#) on March 22, 2017, seeking to revise the [Order](#) that adopted procedures to provide parties limited access to proprietary or confidential information with respect to the USAC investigation on SIC's receipt of USF support and related proceedings. SIC claimed the Order and the [Public Notice](#) announcing the Bureau intends to place into the record certain confidential information must be clarified because they fail to define the scope of materials subject to protection and involve materials that are no longer subject to the Commission's jurisdiction. SIC also asserted the Order establishes procedures that have no meaningful application in the present situation and sets up a process that makes it virtually impossible for SIC to object to the disclosure of particular documents.
- Sandwich Isles Communications [met with](#) Legal Advisors to Chairman Pai and Commissioner O'Rielly and Wireline Competition Bureau staff on March 16, 2017, to discuss what it says are the substantive and procedural defects of the [Order](#) finding SIC improperly received payments from the federal high-cost support mechanisms and the inconsistencies of that Order with the related [NAL for Forfeiture and Order](#) proposing a \$49 million fine on SIC, Waimana Enterprises, and its former controlling owner. SIC discussed the dual goals of ensuring continued telecommunications services in the Hawaiian Home

Lands and the integrity of USF, how to best benefit Native Hawaiians in the HHL, and SIC's role in continuing to provide high quality and reliable coverage in the HHL.

- CenturyLink and Frontier filed a [letter](#) on March 20, 2017, asking the Commission to declare that price-cap ILECs are non-dominant in the provision of business data services at all capacity levels. They asked the Commission to make clear that the following mandates no longer apply to ILEC-provided BDS offerings at any capacity level: dominant carrier tariff filing and price cap and rate-of-return regulations; those portions of the discontinuance requirements that apply only to dominant carriers; those portions of the domestic transfer of control requirements that apply only to dominant carriers; and obligations regarding proposed changes in depreciation rates and those portions of the contract filing requirements that apply only to dominant carriers.
- Sprint filed a [letter](#) on March 22, 2017, urging the Commission to reject [AT&T](#) and [CenturyLink and Frontier's](#) proposals to declare the BDS marketplace is almost uniformly competitive across all BDS services and in all, or nearly all, geographic markets and eliminate all BDS protections. Sprint asserted there is no lawful basis for the Commission to accept these ILEC efforts to remove protections for the thousands of American businesses that buy dedicated broadband services. Sprint said, at a minimum, if the Commission is considering a new proposal similar to the plans proposed by these ILECs, it must reveal its reasoning, conduct a new economic analysis that supports such a dramatic change, publish the details of its new proposal, and give the public an opportunity for notice and comment.
- BT [met with](#) Wireline Competition Bureau staff on March 16, 2017, to discuss business data services. It said the proposed BDS regulatory regime must comply with the United State's World Trade Organization commitments on international telecommunications services. BT said the U.S. made commitments requiring the U.S. Government and the Commission to ensure tariffs for Ethernet and TDM access are made publicly available and rates are reasonable and non-discriminatory, among other things.
- The FCC issued a [Public Notice](#) on March 23, 2017, seeking input on competition in the mobile wireless industry for its Twentieth Annual Report on the State of Competition in Mobile Wireless. The Communications Act requires the submission to Congress each year of reports analyzing competitive conditions with respect to commercial mobile services. Commenters seeking confidential treatment of their submissions should request that their submission, or a specific part thereof, be withheld from public inspection. Comments are due May 8; replies due June 7.
- No replies were filed 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](#)
- The D.C. Circuit Court issued a [Decision](#) on March 24, 2017, dismissing NARUC's [Petition for Review](#) of the FCC [Order](#) that authorized interconnected VoIP providers to obtain telephone numbers directly from the Numbering Administrators rather than through intermediary local phone service numbering partners. The court stated because NARUC failed to show that it has standing to challenge the Order, the court lacks jurisdiction and the petition is dismissed.
- NTCA filed a copy of a [letter](#) it sent to Betty Ann Kane, Chairman of the NANC and the D.C. PSC, on March 24, 2017, on the LNP Administrator transition from Neustar to Telcordia Technologies. NTCA stated its members have made great strides in executing the required nondisclosure agreement and initiating the process of "onboarding" with the new NPAC administrator. NTCA said if additional steps need to be taken by smaller providers to facilitate a successful transition, NTCA seeks the guidance of the NANC and/or additional feedback from the Transition Oversight Manager or NAPM with respect to any such matters.
- To date, no replies were filed on Neustar's request to approve its new owner, Aerial Investors LLC, formed by Golden Gate Private Equity. [Public Notice](#)

- The Wireline Competition Bureau issued a [Public Notice](#) on March 20, 2017, seeking comment on Telengy's [application for authorization](#) to obtain NANP telephone numbers directly from the Numbering Administrators for its iVoIP service. Comments are due April 4, 2017.

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## Upcoming Filing Dates

- 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. 4 - Comments due on Telengy's [application for authorization](#) to obtain NANP telephone numbers directly from the Numbering Administrators for its iVoIP service. [Public Notice](#)
- Apr. 12 - Comments due on the Mobility Fund Phase II challenge process for determining eligibility of geographic areas for support. Reply comments due April 27, 2017. [FNPRM](#) | [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 Record Rules, ARMIS Report 43-01, and the Structural Separation Requirement for price cap LECs in the May 17, 2013. [Notice](#)
- Apr. 27 - Replies due on the Mobility Fund Phase II challenge process for determining eligibility of geographic areas for support. [FNPRM](#) | [Notice](#)
- 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](#)
- May 8 - Comments due on competition in the mobile wireless industry for its Twentieth Annual Report on the State of Competition in Mobile Wireless. Replies due June 7. [Public Notice](#)
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