

NECA's Weekly Federal Regulatory Summary

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April 1, 2019 HIGHLIGHTS

- The FCC [announced](#) Petitions for Reconsideration of the December 13, 2018 RoR USF Reform Order have been filed by [Pineland Telephone](#) and [Silver Star Telephone](#). Oppositions are due 15 days after this notice is published in the Federal Register. Replies due 10 days after oppositions.
- NTCA [discussed](#) its support for elimination of the local service rate floor policy, and suggested a waiver of the rule may be necessary due to timing concerns.
- USTelecom, AT&T, CenturyLink, Consolidated, Frontier, and Windstream [discussed](#) USTelecom's proposal for a system for batch-updating USAC's HUBB portal.
- PRA comments [are due](#) May 28, 2019, on an extension of a currently approved information collection associated with study area boundary data reporting in Esri shapefile format.
- CenturyLink [claimed](#) the FCC intended in the Transformation Order for its VoIP-PSTN framework to encompass both fixed and nomadic VoIP, and the only reasonable conclusion is the FCC anticipated that LECs would not be prohibited from assessing end office switching charges on over-the-top traffic.
- The FCC [asked](#) the D.C. Court of Appeals to dismiss SIC's [Petition for Review](#) of the December 2016 [Order](#) that found SIC improperly received payments in the amount of \$27,270,390 from the USF high-cost support mechanisms from 2002 to June 2015 and the January 2019 [Order on Reconsideration](#) that denied SIC's [Petition for Reconsideration](#) of that [Order](#).
- The Wireline Competition Bureau released an [Order](#) designating eight providers as ETCs, conditioned upon and limited to petitioners' authorization to receive support awarded through the CAF Phase II auction.
- The [Second Report and Order](#) that created a comprehensive database to enable callers to verify whether a telephone number has been disconnected before calling that number [is effective](#) March 26, 2019. Compliance will not be required for sections 52.15(f)(1)(ii)(8), 52.103(d), and 64.1200(l)(1) until OMB approval.
- USDA Rural Development [will start to](#) accept applications for the Rural eConnectivity Pilot Program on April 23, 2019. Deadlines are May 31, 2019, for grants; June 21, 2019, for loan/grant combinations; and July 12, 2019, for low-interest loans.

Other Key Upcoming Dates

- Apr. 8 - Replies [due](#) on the December 2018 RoR USF Reform [FNPRM](#).

USF Reform

- The FCC released a [Public Notice](#) on March 29, 2019, stating two Petitions for Reconsideration of the December 13, 2018 RoR USF Reform Order have been filed. [Pineland Telephone](#) seeks reconsideration of the decision to preclude A-CAM I carriers from electing A-CAM II support and obligations, claiming the approach it is recommending would allow a portion of A-CAM I support (the amount received under A-CAM I prior to the A-CAM II election in excess of 2015 Legacy Support) to be netted against A-CAM II support. [Silver Star Telephone](#) seeks reconsideration of the Commission's decision to make no changes to the rural growth factor or the application of the HCLS cap. Oppositions will be due within 15 days of the date of publication of this Public Notice in the Federal Register; replies will be due within 10 days after the time for filing oppositions has expired.
- NTCA [spoke separately with](#) Legal Advisors to Chairman Pai and Commissioners Rosenworcel and Starks on March 26 and 27, 2019, to express support for elimination of the local service rate floor policy. NTCA said if the Commission does reach a decision on the rate floor on April 12, publication of a summary of that decision may not be published in the Federal Register before May 1, the date when USAC will announce the next iteration of the USF high-cost budget control mechanism. It noted in such case, USAC would be obligated to calculate and announce the budget control for the period of July 2019 through June 2020 premised upon the rate floor rising by \$8.98 per month as of July 1. NTCA recommended the Commission take similar action to what it did previously in the Separations Freeze Order and waive on its own motion the rate floor.
- USTelecom, AT&T, CenturyLink, Consolidated, Frontier, and Windstream [met with](#) staff from the Wireline Competition Bureau and USAC on March 26, 2019, to discuss USTelecom's proposal for a system for batch-updating USAC's High Cost Universal Broadband (HUBB) portal. They said USTelecom members report a substantial degree of geocoordinate variability based upon which mapping vendor the carrier uses, which is the cause of many of the edits that a CAF participant will submit as it endeavors to provide more accurate information regarding its program compliance. They noted USTelecom's proposal included means of modifying, deleting, and submitting new locations into the HUBB, and discussed defining and clarifying the processes for making a "modification" to a previously filed CAF-enabled location and for the "deletion" of such a location. USTelecom also affirmed its support for Cincinnati Bell's request for waiver to accept CAF II locations deployed in a year prior to the year in which it was reported.
- An FCC [notice](#) was published in the Federal Register on March 27, 2019, seeking Paperwork Reduction Act comments on an extension of a currently approved information collection associated with study area boundary data reporting in Esri shapefile format. The FCC said this data is used to implement certain universal service reforms, noting initial study area boundaries were submitted in 2013 through the FCC's web interface. The FCC said if there are study area boundary changes, filers are required to submit revised boundary data incorporating such changes by March 15 of the year following the change, and all filers are required to recertify their study area boundaries every two years. PRA comments are due May 28, 2019.
- Tribal leaders affiliated with the National Congress of American Indians [met with](#) Chairman Pai, the FCC Commissioners, and members of FCC staff on February 14, 2019, to discuss a number of issues, including access to spectrum, mapping and Tribal broadband deployment, USF programs, and recent changes in the National Historic Preservation Act. They detailed concerns about the data sets used for broadband mapping, expressing a need for more granular service data. They emphasized the need for the FCC to coordinate with other federal government agencies and programs that impact broadband deployment, and discussed the Commission's Connected Care efforts given the importance of telehealth to tribal communities and the E-rate program.

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Broadband

- USDA Rural Development [announced](#) on March 29, 2019, it will begin accepting the first round of applications for the Rural eConnectivity Pilot Program on April 23, 2019, through reconnect.usda.gov.

In March 2018, Congress provided \$600 million to the USDA to expand broadband infrastructure and services in rural America, and the USDA is making available up to \$200 million in grants, \$200 million in loan and grant combinations, and \$200 million in low-interest loans. The application deadlines are: May 31, 2019, for grants; June 21, 2019, for loan/grant combinations; and July 12, 2019, for low-interest loans.

- ACA Connects, Cable One, Liberty Puerto Rico, Armstrong Utilities, Armstrong Telephone Company, and Shentel [met separately with](#) Advisors to Chairman Pai and Commissioners Carr and Rosenworcel and Wireline Competition Bureau staff on March 21, 2019, to applaud the Commission for taking a number of actions over the past two years to accelerate broadband deployments by smaller broadband operators, including classifying broadband internet access service as a Title I service, facilitating pole attachments and access to public rights-of-way, and eliminating numerous regulations that imposed costs but no real benefits. They urged the Commission to: monitor compliance with and strictly enforce the new pole attachment rules; consider the New York CAF program as a potential model for the next phases of its CAF programs in price cap areas; and adhere to the principle that USF funding not subsidize overbuilds of unsubsidized networks. ACA Connects representatives also discussed the high and rising costs of video programming, including retransmission consent fees and demands for carriage of unwanted programming.

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ICC

- CenturyLink [met with](#) Commissioner O’Rielly’s Legal Advisor on March 25, 2019, to argue the Commission intended in the Transformation Order for its VoIP-PSTN framework to encompass both fixed and nomadic VoIP, and the only reasonable conclusion is the Commission anticipated that LECs would not be prohibited from assessing end office switching charges on over-the-top traffic. It claimed the rule proposed by Verizon, that end office access charges should depend on whether the specific device that has connected to the VoIP server connects over a facility purchased from the LEC or the VoIP partner or whether it was purchased separately, is untenable, and the precedent AT&T and Verizon rely on in support of their proposed rule in fact supports CenturyLink’s position. CenturyLink claimed AT&T and Verizon’s argument that “over the top” traffic cannot be subject to end office access charges cannot be reconciled with how ILEC tariffs, including AT&T’s and Verizon’s own tariffs, have applied for many years.

Universal Service

- The FCC filed a [motion](#) with the U.S. Court of Appeals for the District of Columbia on March 26, 2019, seeking to dismiss Sandwich Isles Communications’ [Petition for Review](#) of the December 2016 [Order](#) that found SIC improperly received payments in the amount of \$27,270,390 from the USF high-cost support mechanisms from 2002 to June 2015 and the January 2019 [Order on Reconsideration](#) that denied SIC’s [Petition for Reconsideration](#) of that [Order](#). The FCC asserted the Petition was not timely filed, noting the 60-day filing window closed on March 4, 2019, but SIC filed its petition on March 5, 2019. The FCC also asked the court to defer filing of the record until the court rules on its motion to dismiss.
- The Wireline Competition Bureau released an [Order](#) on March 28, 2019, designating eight providers as eligible telecommunications carriers, conditioned upon and limited to petitioners’ authorization to receive support awarded through the CAF Phase II auction. The Bureau said for those three petitioners (indicated in attachment) that also requested designation as ETCs outside of areas eligible for Auction 903 funding authorization, it designated the petitioners as ETCs only for the purpose of becoming eligible to receive Lifeline support. The Bureau also waived the requirement that petitioners submit proof of their ETC designation on or before February 25, 2019.
- The Wireline Competition Bureau released a [Public Notice](#) on March 29, 2019, granting, denying, and dismissing various petitions related to actions taken by USAC on E-rate and the Rural Health Care program. Petitions for reconsideration or applications for review of these decisions must be filed within 30 days of this Public Notice.

- Gabriela Goss of the Wireline Competition Bureau sent a [letter](#) to USAC on March 27, 2019, to state the Bureau has approved the Schools and Libraries Funding Year 2019 Program Integrity Assurance FCC Form 471 Review Procedures.
- NARUC [met separately with](#) Advisors to Chairman Pai and Commissioners Starks and Rosenworcel on March 27 and 28, 2019, to discuss Lifeline issues. NARUC asserted the FCC can and should immediately incorporate APIs into the National Lifeline Verifier. NARUC said the FCC should expeditiously approve its [2017 tentative decision](#) to eliminate the stand-alone Lifeline Broadband Provider designation and reverse its pre-emption of state regulatory authority to designate ETCs. NARUC also recommended the FCC continue to allow non-facilities-based carriers to receive Lifeline funds and help states defray any cost associated with making customer eligibility information available to the National Verifier.
- Sprint [met with](#) Wireline Competition Bureau staff on March 22, 2019, to discuss proposals to increase the reverification rate of subscribers during the National Lifeline Eligibility Verifier deployment process. Sprint discussed proposals designed to increase reverification rates, including: deferral of de-enrollments and maintaining soft launch status for the NV until USAC has automated access to SNAP and Medicaid databases; refining of database search criteria; and temporary suspension of annual recertification in the remaining states in which the NV has not yet been deployed.
- TracFone [met with](#) Wireline Competition Bureau staff on March 20, 2019, to discuss Lifeline and the National Verifier. TracFone proposed that in the states where the SNAP participant's name and account number is printed on the SNAP card, the SNAP card accompanied by a receipt of a SNAP purchase within the last 14 days would be proof of current enrollment in the SNAP program during the manual verification process for Lifeline eligibility. TracFone also reiterated its concern that many states do not have access to SNAP and Medicaid databases, and said because of this, there are significant Lifeline reverification failure rates.
- Smith Bagley Inc. filed a [letter](#) on March 26, 2019, to urge the Commission to delay the launch of the Lifeline National Verifier in Arizona until the Commission has secured access to the Supplemental Nutrition Assistance Program and Medicaid program databases, saying these two programs are essential to verifying Tribal Lifeline consumers. SBI asserted without access to at least the SNAP and Medicaid databases, the shift to the National Verifier will present extraordinary burdens for SBI and its Lifeline customers in Arizona.
- Q Link Wireless [spoke with](#) Chairman Pai's Advisor on March 25, 2019, to discuss its pending [Petition](#) for a waiver to permit it to transmit documents in batches to the National Lifeline Verifier pending the development of carrier APIs. Q Link said with the "hard launch" of the National Verifier in Pennsylvania and Missouri on March 5, 2019, it can no longer add or re-enroll consumers in five states: Colorado, Hawaii, Idaho, Missouri, Pennsylvania and Utah. Q Link said the Commission should not delay further in granting temporary emergency relief, claiming granting its waiver request would allow rural consumers to use Q Link's online enrollment to gain access to Lifeline, at no risk to the integrity of the USF.
- Hughes Network Systems filed a [letter](#) on March 21, 2019, to respond to Viasat's [reply](#) to Hughes' [opposition](#) to Viasat's [Petition](#) seeking ETC designation. Hughes asserted that contrary to Viasat's characterization, it does not argue that satellite broadband voice services are inadequate or are not a suitable substitute for terrestrial voice services. Hughes also said it does not take the position that there is any testing precondition to ETC designation.
- Conexon [met with](#) Wireline Competition Bureau staff on March 20, 2019, to discuss filings made by Viasat in support of its [pending Petition](#) for ETC designation in states that have deferred jurisdiction over Viasat's ETC Petition to the Commission. Conexon asked the Commission whether it planned to act on Viasat's request for a declaratory ruling or preemption of any state commission's consideration of a Viasat ETC petition that would test the quality of Viasat's voice service. Conexon expressed opposition to such a declaratory ruling or act of preemption by the Commission, especially without an opportunity for public comment.

- Broadband VI filed a [letter](#) on March 25, 2019, recommending a process for the Connect USVI Fund to determine the number and physical site of “locations” in the U.S. Virgin Islands without unduly delaying the Stage 2 application process and the award of Connect USVI Fund support. Broadband VI suggested the Commission establish an initial estimate of the number of “locations” based on the best available and publicly accessible information, claiming this is the number of occupied households estimated by the 2010 Census Bureau. Broadband VI also suggested the Commission require Connect USVI Fund recipients to undertake a comprehensive analysis of the number and location of locations using a multi-step methodology similar to the “Broadband Serviceable Location Fabric” pilot program described in [USTelecom’s letter](#).
- ATN International, on behalf of its subsidiary Viya, [met with](#) Wireline Competition Bureau staff on March 21, 2019, to discuss the proposed Connect USVI Fund Stage 2 funding. It said the difference between the markets in Puerto Rico and the Virgin Islands warrants different regulatory treatment in connection with post-hurricane USF funding. It also said providing Viya an ILEC ROFR is the most effective and efficient way to maximize the Connect USVI Fund’s benefits to the people and businesses of the USVI.
- Puerto Rico Telephone Company [met with](#) Wireline Competition Bureau staff on March 27, 2019, to discuss the Uniendo a Puerto Rico Fund. PRTC provided the Commission with an update of its restoration efforts, discussed the issue of orphaned areas, and discussed its proposal to adopt an additional annual budget for fixed providers of \$62M above the existing legacy frozen support for a total of \$98M per year. PRTC also said if the Commission declines to adopt a RoFR approach, it should award Stage 2 fixed support through a competitive RFP process.
- CenturyLink and the Utah Education and Telehealth Network [met with](#) Commissioner Starks and his Legal Advisor on March 20, 2019, to discuss rural telehealth. They discussed UETN’s role in connecting more than 70 healthcare locations in Utah, including remote rural facilities which CenturyLink enables through its network and services. UETN encouraged the FCC to develop methods to reduce administrative complexities and to increase efficiencies between the RHC and E-rate programs.
- Alaska Communications [met with](#) Advisors to Commissioners Starks, Rosenworcel, O’Rielly and Carr and Wireline Competition Bureau staff on March 26 and 27, 2019, to discuss rural health care reform. Alaska Communications asserted participants in the program are being subjected to unacceptable risks in the form of increasingly lengthy periods for processing requests for support and the unpredictability of finally obtaining support in the amounts that were competitively bid. It urged the Commission to finalize and release new rules prior to the end of June 2019 in order for them to take effect in Funding Year 2020.
- GCI [met with](#) Advisors to Commissioners Starks and Carr on March 22, 2019, to discuss rural telehealth. GCI discussed points summarized in its March 20, 2019 [ex parte](#), including calculation of permissible rural telecommunications rates in the Rural Health Care Program. GCI also asserted clarification of the going-forward rules for the Rural Healthcare Telecom Program is critical because, at present, neither GCI nor the rural healthcare providers that it serves can adequately plan for the future.

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Misc.

- The [Second Report and Order](#) that was issued on December 13, 2018, creating a comprehensive database to enable callers to verify whether a telephone number has been disconnected before calling that number has been [published](#) in the Federal Register on March 26, 2019. The Order is effective March 26, 2019. Compliance will not be required for sections 52.15(f)(1)(ii)(8) (Reports of Permanently Disconnected Numbers), 52.103(d) (Disconnect Status), and 64.1200(l)(1) and (2) (Reporting Requirements) as they require approval by the Office of Management and Budget.

- No replies were filed 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](#)
- The Wireline Competition Bureau issued a [Public Notice](#) on March 29, 2019, seeking comments on a 214 application filed by the shareholders of Price County Telephone and Chequamegon Communications, d/b/a Norvado, requesting consent to transfer control of PCTC and its wholly owned subsidiary, Price County Information Systems, d/b/a Price County Telcom, from PCTC's current shareholders to Norvado. Comments are due April 12, 2019; replies are due April 19, 2019.
- No comments were filed 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](#)
- The House Subcommittee on Financial Services and General Government will hold a [hearing](#) on the FCC's budget on April 3, 2019. Chairman Pai and Commissioner Rosenworcel are listed as witnesses.
- Senator Chris Coons (D-Del.) issued a [press release](#) on March 28, 2019, announcing he and Senators Cory Gardner (R-Colo.) and Ed Markey (D-Mass.) introduced a [Resolution](#) declaring, "Chinese telecommunications companies such as Huawei and ZTE pose serious threats to the national security of the United States and allies of the United States." The Resolution calls on the U.S. to reiterate to countries that are choosing to incorporate Huawei or ZTE products in their new telecommunications infrastructure that the U.S. will consider all necessary measures to limit the risks incurred by entities of the U.S. Government or Armed Forces from use of such compromised networks, and to continue to make allies of the U.S. aware of the ongoing and future risks to telecommunications networks shared between the U.S. and such allies.

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Upcoming Filing Dates

- Apr. 1 - Replies due on the [NPRM](#) on whether the amortization suspension in the E-rate program 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 the 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. 5 - Comments due on a 214 application filed by CP-TEL Holdings, Campti-Pleasant Hill Telephone, CP-TEL Network Services, and Epic Touch requesting consent to transfer control to Epic Touch. Replies are due April 12, 2019. [Public Notice](#)
- 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 TBF 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 - Replies due on a 214 application filed by CP-TEL Holdings, Campti-Pleasant Hill Telephone, CP-TEL Network Services, and Epic Touch requesting consent to transfer control to Epic Touch. [PN](#)

- Apr. 12 - Comments due on a 214 application filed by the shareholders of Price County Telephone to Norvado. Replies are due April 19, 2019. [Public Notice](#)
- Apr. 12 - PRA comments due on a request for extension of an information collection associated with Mobility Fund I support. [FR](#)
- Apr. 19 - Replies due on a 214 application filed by the shareholders of Price County Telephone to Norvado. [Public Notice](#)
- 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](#)
- May 20 - PRA comments due on an extension of a currently approved information collection associated with direct access to numbering resources. [Notice](#)
- May 28 - PRA comments are due on an extension of a currently approved information collection associated with study area boundary data reporting in Esri shapefile format. [FR](#)

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