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April 18, 2016 HIGHLIGHTS

- Comments [are due](#) May 12 on the FNPRM attached to the [Rate-of-Return USF Reform Order](#). Replies are due June 13. The FNPRM seeks comments on: allowable expenses and cost allocations for ratemaking and USF support purposes; methods for reducing support in competitive areas; increasing support for RoR carriers in Tribal lands and unserved areas; measures to improve the operation of the current rate-of-return system; and streamlining ETC annual reporting requirements.
- The FCC [released](#) a [data set](#) showing updates to the Form 477 filings made by non-incumbent providers between February 19 and March 30, 2016, for broadband deployment data as of June 2015.
- The FCC [extended](#) the time to file comments on Sandwich Isles' [Petition for Reconsideration](#) of the [2010 Declaratory Ruling](#) on Sandwich Isles' cable network lease costs, AT&T's [Application for Review](#) of the Declaratory Ruling, and NECA's [Petition for Clarification and/or Declaratory Ruling](#) of the provisions of the 2010 [Declaratory Ruling](#). Comments are now due April 28; replies due May 9.
- The FCC [announced](#) it authorized Frontier to receive CAF Phase II model-based support for California and Texas in the areas formerly served by Verizon.
- NTCA [asked](#) questions to better understand the implementation and operation of budget controls under the recently released RoR USF Reform Order.
- The Office of Management and Budget [stated](#) that if President Obama were presented with [H.R. 2666](#), the "No Rate Regulation of Broadband Internet Access Act," his senior advisors would recommend that he veto the bill. The bill was considered by the full House last week. Fifty organizations sent a [letter](#) to Congress opposing [H.R. 2666](#).
- Commissioners O'Rielly and Pai sent a [letter](#) to Congress expressing support for [HR 4884](#), the CURB Lifeline Act of 2016, which proposes to cap the Lifeline budget at \$1.5 billion annually and prevent the FCC's ability to adjust spending on the program.
- Commissioner Clyburn [announced](#) the launch of her "Connecting Communities: Bridging the Communications and Opportunities Divide" Tour.
- Chairman Wheeler [spoke](#) at the INCOMPAS Policy Summit, discussing special access, video competition, and Open Internet, and said his goal is to adopt a Business Data Services framework by April that would establish a new competition-triggered deregulation framework for BDS, and conclude the proceeding by the end of the year.
- The FCC issued an [Order](#) setting forth the Tariff Review Plans that are available for all ILECs to use to support the annual revisions to the rates in their 2016 interstate access service tariffs.

Other Key Upcoming Dates

- Apr. 18 - PRA comments [due](#) on Form 481 revisions to reflect reporting requirements for price cap carriers for CAF Phase II support, for recipients of RBE support, a reasonably comparable rate certification for broadband for high-cost support recipients, and an E-rate bidding certification for Phase II model-based support and RoR carrier high cost recipients.
- Apr. 22 – Replies [due](#) on Endeavor's [Petition for Clarification](#) on the separations freeze. Replies due April 22.
- Apr. 28 - Comments [due](#) to refresh the record on petitions and applications for review of the 2010 [Declaratory Ruling](#) on Sandwich Isles' cable network lease costs. Replies due May 9.

Editor: [Teresa Evert](#) | Assistant Editor: [Shawn O'Brien](#)

USF Reform

- The FCC [published](#) the FNPRM attached to the March 30, 2016 [Rate-of-Return USF Reform Order](#) in the Federal Register on April 12, 2016. The FNPRM seeks comments on proposed rule changes to the FCC's accounting and affiliate transaction rules for ratemaking and USF support purposes "to eliminate inefficiencies and provide guidance to rate-of-return carriers regarding the FCC's expectations for appropriate expenditures." The FNPRM also seeks comments on: methods for reducing support in competitive areas; increasing support for RoR carriers in Tribal lands and unserved areas; measures to improve the operation of the current rate-of-return system; and streamlining ETC annual reporting requirements. Comments are due May 12; replies due June 13.
- The Wireline Competition Bureau released [a Public Notice](#) on April 14, 2016, announcing the release of a data set showing updates to the Form 477 filings made by non-incumbent providers between February 19 and March 30, 2016, for broadband deployment data as of June 2015. The data set can be found at: [https://transition.fcc.gov/wcb/RORBlockChanges\(30Mar16\).xlsx](https://transition.fcc.gov/wcb/RORBlockChanges(30Mar16).xlsx).
- The Wireline Competition Bureau issued a [Public Notice](#) on April 11, 2016, to announce it has authorized Frontier Communications to receive CAF Phase II model-based support for the states of California and Texas in the areas formerly served by Verizon Communications. The Bureau indicated on April 1, 2016, Frontier and Verizon notified the Bureau that their transaction had closed, and Frontier also committed to satisfy the service obligations for CAF Phase II.
- NTCA [spoke via telephone](#) with Wireline Competition Bureau staff on April 8, 2016, to pose questions to better understand the implementation and operation of budget controls under the recently released RoR USF Reform Order. NTCA indicated that it may provide thoughts and suggestions as they are developed on such implementation details at a future time. NTCA also [spoke with](#) Legal Advisors to Chairman Wheeler and Commissioner O'Rielly on April 11 and 12, 2016, to discuss the same issues.
- The New York State Development authority and the New York PSC filed [a letter](#) on April 12, 2016, to urge the Commission to adopt CAF Phase II reverse auction rules that ensure the CAF Phase II funding declined by price cap carriers be dedicated to fund broadband deployment in the states where the funding was originally allocated. They requested the Commission reconsider its nationwide auction plan and instead directly allocate CAF Phase II funds to those states that are prepared to disburse broadband funding directly. In the alternative, they suggested the Commission structure the CAF Phase II reverse auction to include bidding credits for those carriers receiving state funds to deploy broadband to unserved and underserved communities and set an auction floor for each CAF-covered census block.
- ViaSat filed [a letter](#) on April 14, 2016, to respond to [the letter](#) submitted last month by the UTC, NRECA, and NTCA, which was responding to an earlier submission by Hughes Network Systems. ViaSat said the associations and HNS both advocate complex reverse auction schemes that would create opportunities for gaming the funding process and marginalizing particular technologies, including satellite broadband. ViaSat took issue with the associations' suggestion that satellite broadband technologies are incapable of supporting high quality broadband service offerings, and objected to their suggestion that CAF technical standards that accommodate such offerings necessarily would undermine CAF program objectives. ViaSat shared what it said was new information about the recently announced capabilities of its next-generation satellites, which it claimed underscored why satellite broadband technologies are ideally suited to help the Commission achieve its CAF objectives. ViaSat said the Commission and CAF II-covered households would benefit most from a competitive, technology neutral, unified reverse auction structure.
- The Rural Wireless Association filed a [letter](#) on April 13, 2016, to highlight certain proposals to modify the proposed Mobility Fund Phase II, which it claims deserve further consideration. RWA suggested the Commission seek comment on these alternative MF Phase II plans and solicit feedback on MF Phase I. RWA claimed the unreliability of Form 477 data must be addressed, and suggested coverage/area eligibility issues should be addressed through a robust challenge process. It also

discussed the incompatibility of GSM and CDMA networks and support for mobile broadband services in Alaska.

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Broadband

- Commissioner Clyburn [announced](#) on April 14, 2016, the launch of her “Connecting Communities: Bridging the Communications and Opportunities Divide” Tour. Over the next several months, Commissioner Clyburn will visit communities to discuss the opportunities and challenges of bringing robust, affordable communications services to all Americans. During the tour Commissioner Clyburn will: meet with rural and urban communities to hear their perspectives on the benefits and challenges of embracing 21st century communications services; visit health care facilities using broadband to improve patient care; tour Tribal lands to examine their unique communications challenges; and visit local 911 call centers to learn about their efforts to upgrade to Text-to-911 and Next Generation 911. After the tour, Commissioner Clyburn will share her observations and outline the policies she has advanced during her term to connect communities.
- The Office of Management and Budget issued a [Statement of Administration Policy](#) on [H.R. 2666](#), the “No Rate Regulation of Broadband Internet Access Act,” which was considered by the full House on April 15, 2016. The Statement said passage of this bill would undermine key provisions in the FCC Open Internet Order and harm the FCC's ability to protect consumers while facilitating innovation and economic growth. The Statement concluded if the President were presented with H.R. 2666, his senior advisors would recommend that he veto the bill.
- Fifty organizations sent a [letter](#) to Reps. Paul Ryan (R-Wis.) and Nancy Pelosi (D-Calif.) on April 12, 2016, opposing [H.R. 2666](#), the “No Rate Regulation of Broadband Internet Access Act.” The groups urged Congress to vote against H.R. 2666, claiming the bill's overly broad definitions and undefined language would create extreme regulatory uncertainty and would hamstring the FCC's ability to carry out its congressionally-mandated responsibilities. They asserted the bill is another attempt to undermine the FCC's Open Internet Order and the principles of net neutrality, and said stripping away FCC authority to review monopoly charges and other unjust and unreasonable business practices would harm everyone.
- The Congressional Research Service issued a [report](#) on April 6, 2016, on municipal broadband in the U.S. The report presents arguments for and against municipal broadband, the role of the FCC, the 2015 FCC Order granting the petitions to preempt state laws in North Carolina and Tennessee that restricted the expansion of community broadband services, and recent Congressional actions.

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USF

- Commissioners O'Rielly and Pai sent a [letter](#) to Rep. Greg Walden (R-Ore.) on April 13, 2016, expressing support for [HR 4884](#), the CURB Lifeline Act of 2016, which proposes to cap the Lifeline budget at \$1.5 billion annually and prevent the FCC's ability to adjust spending on the program. They said while an agreement had been reached to adopt a \$2 billion cap, this agreement was undermined by various individuals and groups and ultimately was abandoned after the Chairman postponed the Commission vote three times.
- American Teleconferencing Services, d/b/a Premiere Global Services, filed a [letter](#) on April 14, 2016, on its [Application for Review](#) of the [Order](#) that found USAC acted properly when it rejected ATS's late-filed second revised 2012 FCC Form 499-A. ATS provided additional information to demonstrate the timing of the availability of the new capabilities and information that led to the ministerial error on ATS's revised 2012 FCC Form 499-A was out of its control and the circumstances leading to ATS's ministerial error represent a wholly unique and one-time issue that is highly unlikely to recur.

- To date, no replies were filed on Interstate Telecom and CenturyLink's [Petition](#) seeking a study area waiver to permit CenturyLink to remove a portion of its Flandreau Exchange. [Public Notice](#)

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Misc.

- The Wireline Competition Bureau released an [Order](#) on April 15, 2016, granting in part, and denying in part, Sandwich Isles' Motion for Extension of Time to file comments to refresh the record on Sandwich Isles' October 2010 [Petition for Reconsideration](#) of the [2010 Declaratory Ruling](#) on Sandwich Isles' cable network lease costs, AT&T's October 2010 [Application for Review](#) of the Declaratory Ruling, and NECA's February 2015 [Petition for Clarification and/or Declaratory Ruling](#) of the provisions of the 2010 [Declaratory Ruling](#). Comments are now due April 28; replies due May 9.
- Chairman Wheeler [spoke](#) at the INCOMPAS Policy Summit on April 11, 2016, discussing special access, video competition, and competition for new services and innovation that flows from an Open Internet. Chairman Wheeler said he agreed with the views in Verizon and INCOMPAS' [letter](#) that urged the FCC to adopt a new approach to special access regulation, and said his goal is to adopt a Business Data Services framework by April that would establish a new competition-triggered deregulation framework for BDS, and conclude the proceeding by the end of the year. Chairman Wheeler said his plan would stop the traditional use of tariffs for BDS, discard the traditional classification of "dominant" and "non-dominant" carriers, and de-regulate competitive markets that are now subject to price regulations. He said with regard to net neutrality, the Commission must enforce the bright-line rules for no blocking, no throttling and no paid prioritization, ensure transparency, and apply the case-by-case standards in order to protect consumers from harm.
- The Pricing Policy Division of the Wireline Competition Bureau issued an [Order](#) on April 13, 2016, setting forth the Tariff Review Plans that are available for all ILECs to use to support the annual revisions to the rates in their 2016 interstate access service tariffs.
- Verizon and INCOMPAS [met with](#) Commissioners Pai, Clyburn, Rosenworcel and O'Rielly and their Legal Advisors on April 12-13, 2016, to discuss their [letter](#) outlining principles for the FCC to use as a guide for its policy on dedicated services.
- Verizon [met with](#) Legal Advisors to Commissioners Pai, Rosenworcel and O'Rielly on April 13, 2016, to explain the terms and conditions in Verizon's voluntary, generally available tariff discount plans, claiming their terms and the requirement to purchase demand from a single plan are just and reasonable. Verizon also asserted that any requirements to change the plans should not result in one party realizing benefits beyond those included as part of the original agreement.
- INCOMPAS [spoke with](#) Deena Shetler of the Wireline Competition Bureau on April 13, 2016, to express support for Commission efforts to resolve the special access proceeding based on the principles it agreed to with Verizon in their April 7, 2016 [letter](#). INCOMPAS also discussed the need for the Commission to fully explore in the next phase of its proceeding a methodology that will ensure that competitors have access to wholesale rates that will promote competition at the retail level.
- TDS Metrocom [met with](#) Legal Advisors to Chairman Wheeler and Commissioners Rosenworcel and Clyburn on April 12, 2016, to assert the Commission should adopt retail Ethernet pricing disclosure requirements for RBOCs that enable it and competitors to detect and deter what it says is unlawful RBOC discrimination against wholesale Ethernet customers. TDS claimed that without the availability of wholesale Ethernet last mile access priced meaningfully below RBOC retail, it will not be able to continue to offer a competitive choice to small and medium businesses in the second and third tier markets it serves.

- Frontier Communications and CenturyLink [met with](#) Chairman Wheeler's Legal Advisor and General Counsel and Wireline Competition Bureau staff, and [with](#) Legal Advisors to Commissioners Clyburn, Pai, Rosenworcel, and O'Reilly on April 13-14, 2016, to discuss what they say is the highly competitive nature of the marketplace for Ethernet offerings and the importance of refusing to re-impose regulation in this market segment. They claimed there has been a massive expansion of fiber and other Ethernet-capable facilities, deployed not only by ILECs but also by CLECs and cable providers, and asserted this deployment has spawned vigorous competition and produced dramatic price reductions, all absent rate regulation. They argued there is no basis for the re-imposition of price regulation, claiming it would distort competition and starve providers of all types of the capital necessary for promoting the migration to all-IP networks.
- CenturyLink filed a [letter](#) on April 8, 2016, on cable-generated competition for retail and wholesale business data services, cable-provided Ethernet, and cable broadband Internet access services as an alternative to ILEC business data services. CenturyLink claimed that while the data collection demonstrates the existence of competitive alternatives to ILEC DSn and Ethernet services in nearly all census blocks, it also understates the extent of that competition. CenturyLink said the FCC's analysis must give full weight to the evidence submitted by CenturyLink and other parties regarding the widespread availability of cable Ethernet services as alternatives to ILEC DSn and Ethernet services.
- CenturyLink filed a [letter](#) on April 11, 2016, submitting revised public versions of its January 27, 2016 comments and February 19, 2016 reply comments, pursuant to the special access protective orders and the April 6, 2016 [Public Notice](#) on the treatment of data that is derived from Highly Confidential data in the special access data collection.
- Comcast [met with](#) General Counsel and Wireline Competition Bureau staff on April 13, 2016, to discuss the scope of any new regulatory framework for business data services under the Chairman's recent special access proposal. Comcast also discussed the manner in which the proposed framework would assess the level of competition in markets for business data services, as well as the proposed consequences of a finding of "insufficient competition" in a particular geographic area.
- Level 3 filed a [letter](#) on April 14, 2016, to supplement the record on the extent to which Ethernet services provided by cable companies via their hybrid fiber/coaxial networks are viable competitive alternatives to Ethernet provided via ILEC conditioned copper and DSn loops or Ethernet via fiber loops. Level 3 asserted the jitter levels associated with Ethernet-over-HFC are too high to meet the needs of most of the customers that demand dedicated services, the maximum transmission unit supported by Ethernet-over-HFC is too small to meet the needs of many customers that demand dedicated services, and Ethernet-over-HFC delivers speeds that are insufficient to serve many business customers' locations.
- Sprint filed a [letter](#) on April 11, 2016, submitting revised public versions of previously-filed documents, pursuant to the special access protective orders and the April 6, 2016 [Public Notice](#) on the treatment of data that is derived from Highly Confidential data in the special access data collection. Sprint filed its January 27, 2016 comments and two declarations, its February 19, 2016 reply comments and declaration, and a March 24, 2016 ex parte and declaration.
- The Wireline Competition Bureau issued a [Protective Order](#) on April 15, 2016, governing the filing of and access to confidential information that may be filed in the [proceeding reviewing](#) the FCC's Part 32 Uniform System of Accounts. The Bureau said participants wishing to confidentially file any information should file one copy of the confidential version of the information with the Secretary's Office and file a redacted version of the information, including any and all attachments, through the Commission's electronic comment filing system.
- Neustar filed an [Application for Review](#) on April 11, 2016, seeking review of the Wireline Competition Bureau's March 31, 2016 [Second Protective Order](#) in the LNP Administrator transition docket. Neustar claimed this order precludes all telecommunications industry personnel, with the exception of those that work for members of the NAPM, from reviewing the terms of the proposed Master Services Agreement between the NAPM and iconectiv. Neustar claimed those restrictions are facially

discriminatory, in violation of the Communications Act, and unnecessary to protect legitimate proprietary business information. Neustar asserted the Commission should reverse the Bureau decision and require publication of the entire MSA or, at a minimum, limit any redaction of confidential information to material that is genuinely proprietary and confidential.

- Rep. Jackie Speier (D-Calif.) issued a [Press Release](#) on April 13, 2016, announcing that she has introduced the “Repeated Objectionable Bothering of Consumers on Phones (ROBOCOP) Act,” which would require telecom companies to offer consumers free optional robocall-blocking technology.

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Upcoming Filing Dates

- Apr. 18 - PRA comments due on revisions to Form 481 and its instructions to reflect reporting and certification requirements for price cap carriers that elect to receive CAF Phase II model-based support, for recipients of Rural Broadband Experiment, a reasonably comparable rate certification for broadband for high-cost support recipients, and an E-rate bidding certification for Phase II model-based support and rate-of-return carrier high cost recipients. [Notice](#)
- Apr. 22 - Replies due on Endeavor’s [Petition for Clarification](#) that rate-of-return carriers who elected to freeze their category relationships in 2001 are permitted to directly assign costs to new categories of investment introduced subsequent to the inception of the freeze if that category is ordinarily directly assigned in accordance with the Part 36 rules. [Public Notice](#)
- Apr. 22 - PRA comments due on an extension to a currently approved information collection associated with annual the ARMIS Operating Data Report (43-08). [Notice](#)
- Apr. 26 - PRA comments due on an extension of a currently approved information collection associated with section 69.605, Reporting and Distribution of NECA Pool Access Revenues. [Notice](#)
- Apr. 28 - Comments due challenging the coverage data for competitors contained in the updated A-CAM. [Public Notice](#)
- Apr. 28 - Comments due to refresh the record on Sandwich Isles’ [Petition for Reconsideration](#) of the [2010 Declaratory Ruling](#) on Sandwich Isles’ cable network lease costs, AT&T’s [Application for Review](#) of the Declaratory Ruling, and NECA’s [Petition for Clarification and/or Declaratory Ruling](#) of the provisions of the 2010 [Declaratory Ruling](#). Replies due May 9. [Public Notice](#) | [Order](#)
- May 3 - PRA comments due on an extension of a currently-approved collection associated with section 64.1903, which requires ILEC’s international, interexchange affiliate to maintain books of account separate from such ILEC’s local exchange and other activities. [Notice](#)
- May 3 - PRA comments due on an extension of a currently-approved collection associated with the May 2000 CALLS [Report and Order](#). [Notice](#)
- May 9 - Replies due to refresh the record on Sandwich Isles’ [Petition for Reconsideration](#) of the [2010 Declaratory Ruling](#) on Sandwich Isles’ cable network lease costs, AT&T’s [Application for Review](#) of the Declaratory Ruling, and NECA’s [Petition for Clarification and/or Declaratory Ruling](#) of the provisions of the 2010 [Declaratory Ruling](#). [Public Notice](#) | [Order](#)
- May 12 - Comments due on the [FNPRM](#) attached to the March 30, 2016 [Rate-of-Return USF Reform Order](#). The FNPRM seeks comments on proposed rule changes to the FCC’s accounting and affiliate transaction rules for ratemaking and USF support purposes “to eliminate inefficiencies and provide guidance to rate-of-return carriers regarding the FCC’s expectations for appropriate expenditures.” Replies due June 13. [FR](#)

- May 27 - Comments due on the [NPRM](#) on establishing privacy regulations for broadband ISPs to implement section 222 of the Communications Act. Replies due June 27. [News Release](#)
- June 13 - Replies due on the [FNPRM](#) attached to the March 30, 2016 [Rate-of-Return USF Reform Order](#), The FNPRM seeks comments on proposed rule changes to the FCC's accounting and affiliate transaction rules for ratemaking and USF support purposes "to eliminate inefficiencies and provide guidance to rate-of-return carriers regarding the FCC's expectations for appropriate expenditures." [FR](#)
- June 16 - ILEC tariffs due, for those filing on 15 days' notice. Petitions to suspend or reject tariff filings due June 23; replies due June 27. [Order](#)
- June 27 - Replies due on the [NPRM](#) on establishing privacy regulations for broadband ISPs to implement section 222 of the Communications Act. [News Release](#)

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