NECA’s Weekly Federal Regulatory Summary

USF Reform  Open Internet  Broadband  IP Transition  USF  Call Completion  Misc.  Upcoming Events

September 30, 2019 HIGHLIGHTS

- The FCC adopted five items at its September 26, 2019 Open Meeting, including: a report and order that adopts reforms to eliminate access arbitrage schemes; and a report and order and order on reconsideration that allocates $950 million in fixed and mobile high-cost universal service support for stage 2 of the Uniendo a Puerto Rico Fund and the Connect USVI Fund in Puerto Rico and the U.S. Virgin Islands, and disposes two petitions related to these two funds.

- Comments were filed on the NPRM proposing to establish a new Rural Digital Opportunity Fund that would target support to areas that lack 25/3 Mbps broadband service and distribute $20.4 billion in high-cost USF support over 10 years using a two-phase reverse auction framework. Replies are due October 21, 2019.

- WTA, CTC Telecom, and Direct Communications discussed performance testing requirements for rural LECs, the proposed Rural Digital Opportunity Fund reverse auctions, and the Digital Opportunity Data Collection. USTelecom, Consolidated, et al. said the RDOF program should be based on the best available data and suggested the FCC move forward with its Digital Opportunity Data Collection proceeding and establish a national Broadband Serviceable Location Fabric.

- Comments were filed on the second further notice of proposed rulemaking on enhancing the new Digital Opportunity Data Collection, incorporating mobile voice and broadband, and improving satellite broadband reporting. Replies are due October 7, 2019.

- Microsoft filed a petition for reconsideration of the decision in the Digital Opportunity Data Collection report and order to not immediately amend the Form 477 instructions to include the new definition of where broadband service is available. INCOMPAS filed a petition for reconsideration of the portion of the DODC report and order requiring fixed broadband providers to submit geospatial maps of the areas where they have broadband-capable networks and make service available.

- The FCC announced Sprint apparently violated the Lifeline non-usage rules by claiming monthly subsidies for serving approximately 885,000 Lifeline subscribers, even though those subscribers were not using the services. Chairman Pai asked the Enforcement Bureau to investigate the matter.

Other Key Upcoming Dates

- Oct. 4 - Comments due on Consolidated’s petition for waiver of the all-or-nothing rule. Replies are due October 21, 2019. public notice

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USF Reform

- In addition to comments reported in a previous edition of REGScan, comments were filed on September 20, 2019, on the NPRM proposing to establish a new Rural Digital Opportunity Fund that would target support to areas that lack 25/3 Mbps broadband service and distribute $20.4 billion in high-cost USF support over 10 years using a two-phase reverse auction framework. NTCA said the FCC should retain the four-tier structure used in the CAF Phase II auction – but updated to reflect 25/3 Mbps as a minimum, 100/20 Mbps as the baseline, 500/100 Mbps as above baseline, and gigabit for 1 Gbps/500 Mbps. WTA suggested a 25% RDOF bidding credit to existing CAF support recipients that have met their build-out requirements under the current support mechanism to CAF Phase II recipients who have met their 10/1 Mbps build-out obligations. WTA opposed the 28-to-70% subscribership milestones proposed in the NPRM, claiming they appear to be unreasonably high for the current rural broadband market. ITTA said the FCC largely should follow the procedures utilized in the CAF II auction, and employ the same compliance framework as the CAF II auction but ratchet down scrutiny of geocoding of locations. It also said the FCC should decline to adopt subscribership milestones for RDOF support recipients. USTelecom said the FCC should focus on making use of the best possible data as a foundational element of the RDOF, investing in rural terrestrial facilities that can be used as a springboard for next generation communications, and ensuring a seamless transition between providers with equitable and clearly-defined roles and responsibilities. Replies are due October 21, 2019. all comments available

- WTA, CTC Telecom, and Direct Communications met with legal advisors to Commissioners O’Rielly and Carr on September 24, 2019, to discuss performance testing requirements for rural LECs, the proposed Rural Digital Opportunity Fund reverse auctions, and the Digital Opportunity Data Collection. WTA said its members are trying to prepare for performance testing but are concerned there is not yet an FCC order that sets a specific testing schedule for rural LECs and resolves issues regarding the pending applications for review and petitions for reconsideration. On the RDOF, WTA discussed its proposal for a 25% bidding credit to existing CAF support recipients that have met their 10/1 build-out requirements. Regarding the DODC, WTA supported replacement of the Form 477 filings with more granular and standardized shape files, but said whatever mapping data is collected and used by the Commission needs to be examined and verified via a thorough challenge process.

- USTelecom, Consolidated Communications, Windstream, and Frontier Communications met with Chairman Pai and his special counsel, and Commissioners Carr, O’Rielly, Rosenworcel and Starks and their legal advisors on September 24, 2019, to discuss the Rural Digital Opportunity Fund auction. They said the RDOF program should be based on the best available data and suggested the FCC move forward with its Digital Opportunity Data Collection proceeding and establish a national Broadband Serviceable Location Fabric. They also discussed ensuring appropriate transitions in areas where an incumbent price cap carrier no longer receives funding either because it chose not to bid or where support is awarded to a competitor.

- Hughes Network Systems filed a letter on September 25, 2019, on the order on reconsideration that modified the requirements for the mean opinion score testing regime applicable to high-latency bidders in Commission competitive awards of universal service support. Hughes said while it expressed concerns that the original MOS testing framework might not be achievable by satellite broadband providers using geostationary satellites, it can now meet the modified requirements in the order on reconsideration.

- Consortia Consulting, on behalf of Allamakee-Clayton Electric Cooperative, filed supplemental information on September 24, 2019, in connection with ACEC’s petition for a waiver of certain rural broadband experiment build-out requirements contained in the July 2014 report and order.

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Broadband

- Comments were filed on September 23, 2019, on the second further notice of proposed rulemaking on enhancing the new Digital Opportunity Data Collection, incorporating mobile voice and broadband, and improving satellite broadband reporting. NTCA suggested the FCC ensure a provider's coverage claim will be based on common engineering assumptions specific to the technology used and reflect the ability to serve every customer in the area claimed at a specified speed and consistent with other performance metrics. It also suggested the FCC pursue a robust challenge process before using DODC-generated data and use crowdsourced data to identify trends that may indicate inaccuracies in need of correction but not as a substitute for a challenge process. WTA asserted the use of shapefiles, and potentially a broadband location fabric, is an improvement over the current FCC Form 477 regime, but said the FCC still needs to develop and implement adequate mechanisms to verify broadband mapping and coverage data. WTA also said crowdsourcing can be a beneficial means of locating areas where further broadband coverage investigation is necessary, but said suggested crowdsourced data be used for informational purposes only. Verizon supported the FCC’s efforts to develop more accurate and reliable broadband maps through the submission of broadband coverage polygons, but said the FCC should not impose a one-size-fits-all prescriptive rule dictating how they are created. It said providers should be permitted to rely on their own services, network designs, and internal data to produce accurate and reliable polygon maps of service coverage. USTelecom, ITTA and WISPA supported the adoption and implementation of their proposed Broadband Serviceable Location Fabric into the DODC. They also said for fixed wireline service availability, the FCC should establish safe harbors based on an appropriate buffer zone related to the density of the geographic area in creating that polygon and also provide flexibility in the types of polygons a provider can create based on the technology used to provide service. Additionally, they asked the FCC to not require providers to report latency data in the context of this collection. GVNW supported identification of locations that have and do not have broadband service using a polygon-based data format. It also said crowdsourcing can provide valuable input as well as faulty information and said carriers should have the ability to choose to respond to a crowdsourced dispute relating to the broadband service it has reported. NRECA supported the requirement for fixed service providers to submit broadband coverage polygons depicting the areas where they actually have broadband-capable networks. NRECA also supported crowdsourcing information as a method of verifying data submitted by service providers. NRECA supported eventually sunsetting the FCC Form 477, but said until the DODC is fully functional, Form 477 remains the tool for collecting broadband availability data. The California PUC said it generally supports the Broadband Mapping Coalition’s Broadband Serviceable Location Fabric but said the FCC should consider expanding the type of structures identified on the Fabric to provide a more complete picture of where broadband is or is not available. The CPUC also said until the Fabric is complete, the FCC should require providers to submit polygons that incorporate assessors’ parcels. The CPUC also supported the FCC’s proposal to accept and use data supplied by state, local, and tribal governments to validate ISP data, and to accept crowdsource data from the public. Replies are due October 7, 2019.

- Microsoft filed a petition for reconsideration on September 23, 2019, of the FCC decision in the Digital Opportunity Data Collection report and order to not immediately amend the Form 477 instructions to include the new DODC definition of where broadband service is available, so as to immediately align the two FCC broadband data collections. Microsoft asserted that if it were to take two years to fully implement the new DODC, four more Form 477 filings would be made using the currently inferior definition of service availability.

- INCOMPAS filed a petition for reconsideration on September 23, 2019, of the portion of the Digital Opportunity Data Collection report and order requiring fixed broadband providers to submit geospatial maps of the areas where they have broadband-capable networks and make service available. INCOMPAS said the FCC rejected its request that only broadband providers using their own last-mile facilities to provide broadband service be required to file polygons of their service areas. INCOMPAS urged the FCC to exempt competitors that use last-mile facilities or services from wholesale providers from filing polygons.
• Microsoft met with Wireline Competition Bureau and Office of Economics and Analytics staff, and Commissioner Starks’ special advisor on September 18, 2019, to discuss the second FNPRM on enhancing the new Digital Opportunity Data Collection. Microsoft expressed concern the FCC did not to make any revisions to the Form 477 instructions concerning reporting the availability of fixed broadband connections in a census block. Microsoft claimed, as a result, the Form 477 and the reporting criteria for the DODC are now misaligned, and difficulties remain in accurately determining broadband availability in the near term. Microsoft also discussed its development of a Machine Learning Model that it says can assist the Commission as well as industry in detecting potential outliers that diverge from reported broadband availability information.

• Chairman Pai spoke at the National Tribal Broadband Summit on September 23, 2019, regarding expanding broadband access on Tribal lands. He discussed making spectrum to obtain wireless broadband available to Tribal lands for free, and increasing the amount of operating expenses rate-of-return carriers can recover from the USF to address higher costs in expanding fixed broadband networks. He said the CAF Phase II reverse auction in 2018 allocated $1.5 billion to expand broadband in rural areas, including six winning bidders which are Tribally-owned providers. He also discussed the launch of the Rural Digital Opportunity Fund and provisions in it which will benefit Tribal lands.

• The Senate Appropriations Subcommittee on Commerce, Justice, Science, and Related Agencies approved a $70.833 billion funding bill to support scientific research and other national priorities. The bill, among other things, included $42.4 million to NTIA, an increase of $2.9 million above the FY 2019 enacted amount. The subcommittee stated funds are included to enhance the National Broadband Map, to help provide better broadband access for underserved communities which will allow wider national participation and economic growth, and allow NTIA to perform cutting-edge telecommunications research and engineering. The bill will be considered by the full Senate Committee on Appropriations on September 26, 2019.

• Replies are due September 30, 2019, on the NPRM on the deployment of broadband to multiple tenant environments, including exclusive marketing and wiring arrangements, revenue sharing agreements, and state and local regulations, among other things. public notice

• The National Association of Counties, et al. filed a motion on September 24, 2019, seeking an extension of time to file comments on the Wireless Infrastructure Association’s petitions for rulemaking and declaratory ruling regarding section 6409(a) of the Spectrum Act of 2012 and CTIA’s petition for declaratory ruling regarding section 6409 and the rules implementing section 224 of the Communications Act. Movants requested an extension until November 14, 2019 to file comments, and December 16, 2019 to file replies.

• American Tower met with Commissioners O’Rielly, Rosenworcel, Starks, and Carr and their legal advisors on September 24, 2019, to express general support for the Wireless Infrastructure Association’s petitions for rulemaking and declaratory ruling regarding section 6409(a) of the Spectrum Act of 2012.

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ICC

• HD Tandem met separately with advisors to Chairman Pai and Commissioners O’Rielly, Rosenworcel and Carr on September 19, 2019, to discuss access arbitrage issues. It asserted mitigating transport mileage is the critical factor for leveling the playing field and eliminating existing market distortions. HD Tandem also claimed a clear mileage trigger would create an effective safe harbor for companies that want to avoid disputes.

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Universal Service

- The FCC announced on September 24, 2019, Sprint apparently violated the Commission’s Lifeline non-usage rules by claiming monthly subsidies for serving approximately 885,000 Lifeline subscribers, even though those subscribers were not using the services. The FCC said the 885,000 subscribers represent nearly 30% of Sprint’s Lifeline subscriber base and nearly 10% of the entire Lifeline program’s subscriber base. Chairman Pai asked the Enforcement Bureau to investigate the matter. Commissioner Starks issued a statement.

- The Wireline Competition Bureau issued a public notice on September 23, 2019, to announce the launch of the National Lifeline Eligibility Verifier for all new enrollments, in Arizona, Connecticut, Georgia, Iowa, Kansas, Nebraska, Nevada, New York, Vermont, Virginia, and West Virginia. Beginning on October 23, 2019, ETCs in these 11 states will be required to use the National Verifier’s eligibility determination process for all consumers applying for Lifeline service and must cease using legacy eligibility processes for prospective Lifeline subscribers.

- The Wireline Competition Bureau issued a public notice on September 26, 2019, to announce the National Lifeline Eligibility Verifier will soft launch on October 11, 2019, in Alabama, Arkansas, Louisiana, Maryland, Massachusetts, New Jersey, Oklahoma, Puerto Rico, South Carolina, and Washington. The Bureau said the soft launch period will allow ETCs to become familiar with the National Verifier and adjust and test their systems and business processes before use of the National Verifier becomes mandatory.

- USTelecom, AT&T, CenturyLink, Consolidated, Frontier and Verizon met separately with Chairman Pai’s advisor and legal intern, and Wireline Competition Bureau staff on September 23, 2019, to discuss the item on circulation regarding Lifeline, pending petitions regarding the Lifeline minimum service standards, and the announcement of the most recent launch of the National Verifier. They reiterated concerns about requiring individual employees of USTelecom’s members to provide personally identifiable information to the Lifeline Representative Accountability Database if they interact with the National Verifier database or the National Lifeline Accountability Database and/or are involved in Lifeline subscriber enrollment.

- The National Tribal Telecommunications Association met separately with Chairman Pai and Commissioner Starks’ advisors, Commissioners O’Rielly and Rosenworcel and their advisors, and Office of Native Affairs and Policy and Consumer Protection Bureau staff on September 17, 2019, to discuss the USF cap, RAY BAUM’S Act implementation and the Rural Digital Opportunity Fund. NTTA also discussed issues with the Lifeline third party verifier process.

- TruConnect spoke with Chairman Pai’s advisor on September 20, 2019, to discuss CTIA, et al.’s petition asking the FCC to pause the December 1, 2019 implementation of an increase in the Lifeline minimum required broadband data usage allowance and the phasedown in Lifeline support for voice services. TruConnect expressed support for the petition and asserted if the Bureau does not grant the petition, Lifeline subscribers could expect an approximate $30 per month immediate price increase causing many otherwise eligible subscribers to drop out of the program.

- The National Hispanic Media Coalition met with Commissioner Starks and his advisor on September 24, 2019, to discuss Lifeline, the proposed USF budget cap, and the Sprint/T-Mobile merger. NHMC opposed the pending USF cap proposal, and expressed concerns with the ongoing threats to the Lifeline program, including changes in Lifeline minimum standards that are set to increase at the end of 2019. NHMC also expressed support for the Sprint/T-Mobile merger.

- To date, no oppositions were filed on a request by the Bureau of Labor Statistics to access certain carrier revenue information for 2017 that the FCC collected from wired carriers on FCC Form 499-A. public notice

- Comments are due September 30, 2019, on NECA’s 2020 Modification of the Average Schedule Universal Service High Cost Loop Support Formula. Replies due October 15, 2019. public notice
• Replies are due September 30, 2019, on the NPRM proposing a connected care pilot. FR

• The Cochise County School Superintendent responded to a letter from Commissioner O’Rielly on September 19, 2019, which requested information regarding Cochise County Education and Technology Consortium’s request for proposals under the E-Rate funding program, for the construction of a wide area network to deliver fiber-based broadband to each of the schools and libraries in Cochise County.

• Aruba, a Hewlett Packard Company, filed a letter on September 24, 2019, to express support for the inclusion of modern network security on the FY 2020 E-Rate eligible services list. Aruba said network security includes advanced network security hardware and software, intrusion detection/intrusion prevention systems, data protection, and network traffic analysis and behavior anomaly detection.

• Reps. Frank Pallone (D-N.J.), Greg Walden (R-Ore.), Doris Matsui (D-Calif.), and Brett Guthrie (R-KY) introduced a bill on September 24, 2019, entitled the Secure and Trusted Communications Networks Act. The bill: prohibits the use of federal funds to purchase communications equipment or services from any company that poses a national security risk to American communications networks and requires the FCC to establish the Secure and Trusted Communications Reimbursement Program to assist small communications providers with the costs of removing prohibited equipment or services from their networks and replacing the prohibited equipment with more secure communications equipment or services.

• Reps. Adam Kinzinger (R-III.) and Mike Doyle (D-Pa.) introduced HR 4461, the Network Security Information Sharing Act, on September 25, 2019. The bill instructs various government agencies (including the FCC) to establish a program to discuss supply chain risks with trusted providers, particularly the small businesses and those serving rural areas. The bill also requires these agencies to: hold regular briefings to share information; submit to Congress a plan to declassify certain material, where appropriate, to help information sharing, as well as expand and expedite provision of clearances for that information sharing; and ensure that these activities are integrated with ongoing activities instead of being duplicative

Misc.

• The FCC adopted five items at its September 26, 2019 Open Meeting, including: a report and order and modification of section 214 authorizations that adopts reforms to eliminate access arbitrage schemes; and a report and order and order on reconsideration that allocates $950 million in fixed and mobile high-cost universal service support for stage 2 of the Uniendo a Puerto Rico Fund and the Connect USVI Fund in Puerto Rico and the U.S. Virgin Islands, and disposes two petitions related to these two funds (statements: Pai; O’Rielly; Rosenworcel; Carr; and Starks). The FCC also adopted: a public notice that seeks comment on procedures to be used for Auction 105, the auction of Priority Access Licenses in the 3550-3650 MHz band; a report and order that aligns the Direct Broadcast Satellite licensing procedures with those of the geostationary orbit fixed-satellite service satellites; and a further notice of proposed rulemaking that proposes to modernize and simplify the written and on-air public notices broadcasters must provide upon the filing of certain applications.

• The report and order that adopted a schedule of regulatory fees to assess and collect $339,000,000 in regulatory fees for fiscal year 2019 was published in the Federal Register on September 26, 2019. The order is effective September 26, 2019, and regulatory fees are due September 27, 2019.

• The Office of Managing Director issued a public notice on September 23, 2019, announcing the due date for filing FY 2019 regulatory fees has been extended from September 24, 2019, until 11:59 p.m. September 27, 2019. The extension applies to all annual regulatory fee payers.

• The Wireline Competition Bureau issued a public notice on September 27, 2019, seeking comments on a section 214 application filed by Richard W. Ryan and Hunter Communications Holdings (Hunter
Holdings), to transfer control of Hunter Communications from Mr. Ryan to Hunter Holdings. Comments are due October 11, 2019; replies are due October 18, 2019.

- No replies were filed on an application filed by MLGC and Polar Telecom, pursuant to section 214, to transfer certain telecommunications assets of MLGC to Polar. [public notice](#)

- Replies are due September 30, 2019, on a section 214 application filed by E. Ritter & Company and Ritter Communications Ultimate Holdings, to transfer control of E. Ritter’s direct subsidiary and wholly owned subsidiaries of Ritter Holdings, to Ritter Ultimate. [public notice](#)

- The [public notice](#) adopting procedures for the auction of certain toll-free numbers in the 833 code was published in the Federal Register on September 26, 2019. The public notice summarized procedures and requirements for the upcoming auction. The notice also provided an overview of the post-auction payment and toll-free number reservation processes and secondary market transaction disclosures. Applications to participate in the auction are due October 18, 2019.

- The Consumer and Governmental Affairs Bureau issued four orders on September 26, 2019, addressing slamming complaints against Telplex Communications and Tele Circuit Network. In two of the orders, the CGB found Telplex and Tele Circuit changed complainants’ telecommunications service providers without obtaining authorization and verification from the complainants. In the other two orders, the CGB found Telplex responded fully to and took action to resolve the complaint, and that Telplex’s actions did not result in an unauthorized change in complainant’s telecommunications service provider.

**Upcoming Filing Dates**

- Oct. 1 - Replies due on Network Communications International’s petition for forbearance from the application of USF contribution requirements with respect to the provision of interstate and international inmate calling services. [public notice](#)

- Oct. 1 - Comments due on a section 214 application filed by Lynch Telephone and CIBL, requesting consent to transfer control of Lynch’s wholly owned subsidiaries, Bretton Woods Telephone and World Surfer, to CIBL. Replies are due October 8, 2019. [public notice](#)

- Oct. 2 - Comments due on a section 214 application filed by Cable Bahamas, Ltd. and Summit Ultimate Holdings, LLC, to transfer control of Summit Vista and its wholly owned subsidiary, Orlando Telephone d/b/a Summit Broadband, to Summit Ultimate. Replies are due October 9, 2019. [public notice](#)

- Oct. 4 - Comments due on Consolidated’s petition for waiver of the all-or-nothing rule. Replies are due October 21, 2019. [public notice](#)

- Oct. 7 - Replies due on the FNPRM on enhancing the new Digital Opportunity Data Collection, incorporating mobile voice and broadband, and improving satellite broadband reporting.

- Oct. 7 - PRA comments due on letters of authorization in order to verify the relationship between the responsible organization and the potential subscriber, and on collecting data on secondary market transactions that will be used in toll free number auctions. [FR](#)

- Oct. 7 - Replies due on Hood Canal Communications and CenturyLink’s petition for a study area waiver to permit CenturyLink to remove an area that is originally within its Washington study area and for the same area to be recognized as part of HCC’s Washington study area. [public notice](#)

- Oct. 8 - Replies due on a section 214 application filed by Lynch Telephone and CIBL, requesting consent to transfer control of Lynch’s wholly owned subsidiaries, Bretton Woods Telephone and World Surfer, to CIBL. [public notice](#)
• Oct. 9 - Replies due on a section 214 application filed by Cable Bahamas, Ltd. and Summit Ultimate Holdings, LLC, to transfer control of Summit Vista and its wholly owned subsidiary, Orlando Telephone d/b/a Summit Broadband, to Summit Ultimate. public notice

• Oct. 11 - Comments due on a section 214 application filed by Richard W. Ryan and Hunter Communications Holdings (Hunter Holdings), to transfer control of Hunter Communications from Mr. Ryan to Hunter Holdings. Replies are due October 18, 2019. public notice

• Oct. 15 - Replies due on NECA’s 2020 Modification of the Average Schedule Universal Service High Cost Loop Support Formula. public notice

• Oct. 15 - Comments due on WIA’s petitions for rulemaking and declaratory ruling regarding section 6409(a) of the Spectrum Act of 2012, and CTIA’s petition for declaratory ruling regarding section 6409 and the rules implementing section 224 of the Communications Act. Reply comments are due October 30, 2019. public notice

• Oct. 18 - Replies due on a section 214 application filed by Richard W. Ryan and Hunter Communications Holdings (Hunter Holdings), to transfer control of Hunter Communications from Mr. Ryan to Hunter Holdings. public notice

• Oct. 21 - Replies due on the NPRM proposing to establish a new Rural Digital Opportunity Fund, which would target support to areas that lack 25/3 Mbps broadband service and distribute $20.4 billion in high-cost USF support over 10 years using a two-phase reverse auction framework. FR

• Oct. 21 - Replies are on Consolidated’s petition for waiver of the all-or-nothing rule. public notice

• Oct. 21 - PRA comments due on the information collection requirements in the FNPRM on the new Digital Opportunity Data Collection.

• Oct. 30 - Replies due on WIA’s petitions for rulemaking and declaratory ruling regarding section 6409(a) of the Spectrum Act of 2012, and CTIA’s petition for declaratory ruling regarding section 6409 and the rules implementing section 224 of the Communications Act. public notice