NECA’s Weekly Federal Regulatory Summary

October 14, 2019 HIGHLIGHTS

- The FCC authorized CAF Phase II support for 387 winning bids identified in attachment A of the public notice.

- The FCC issued notices of apparent liability for forfeiture against providers who were winning bidders in CAF Phase II Auction 903, but withdrew their applications for support before receiving their award.

- WTA, et al. discussed concerns with the draft order on reconsideration on network testing, noting the draft order rejects most of the small carrier alternatives that had been advanced. NTCA offered suggestions on the draft order on network testing.

- Reply 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.

- The U.S. Department of Agriculture announced it is investing $152 million in 20 projects to provide or improve rural broadband service in 14 states.

- The report and order on reforms to the Rural Health Care program is effective November 12.

Other Key Upcoming Dates

- Oct. 21 - Replies due on the NPRM proposing to establish a new Rural Digital Opportunity Fund. FR
USF Reform

- The Wireline Competition Bureau, Rural Broadband Auctions Task Force, and Office of Economics and Analytics issued a public notice on October 10, 2019, authorizing CAF Phase II Auction 903 support for 387 winning bids identified in attachment A of the public notice. They indicated they will soon post a state-level summary under the “Data” tab on the Auction 903 webpage, with details on the support and obligations. The FCC also issued a news release announcing this authorization is over $61.8 million in funding and will expand broadband to 22,000 unserved rural homes and businesses in 14 states, representing the sixth wave of support. The FCC authorized the first five waves of funding in May, June, July, August, and September 2019.

- The Enforcement Bureau issued 13 notices of apparent liability for forfeiture against providers who were winning bidders in CAF Phase II Auction 903, but withdrew their applications for support before receiving their award. The Bureau said by defaulting on their winning bids, they hindered the disbursement of funds that could have otherwise been productively used to increase broadband access to unserved or underserved areas. The Bureau proposed penalties on the following providers: LTD Broadband, Hanson Communications, Farmers Mutual Telephone, Workable Programs and Systems, Total Highspeed, Johnson Telephone, NE Colorado Cellular, Crocker Communications, Townes Wireless, MGW Networks, Pine Cellular Phones, Fidelity Communications, and SyncWave.

- WTA, Nex-Tech, Smithville Communications, and TDS Telecom met with Chairman Pai’s rural broadband advisor on October 9, 2019, to discuss the draft order on reconsideration on network testing. They expressed support for performance testing, but noted the draft order rejects most of the small carrier alternatives that had been advanced, including those regarding testing end points, daily and quarterly testing, and the number of testing locations. They discussed the unfairness of being subjected to potential loss of CAF support due to problems and shortcomings regarding customer premises equipment and middle mile routes for which rural LECs receive no CAF support and over which they have no control. WTA, et al. also met with advisors to Commissioners Carr, Starks and Rosenworcel to discuss the same issues.

- NTCA met with Commissioner O’Rielly’s legal advisor on October 11, 2019, to discuss the draft order on reconsideration on network testing. NTCA urged the FCC to provide reasonable flexibility and recognize the concerns faced by smaller providers as it defines what it means to test to Commission-designated IXPs. NTCA said the draft order assesses a penalty for not building a location and then adds another penalty for the same location as if the non-existing location failed to meet performance obligations. NTCA suggested a revision to ensure that a single location, whether built or unbuilt, will not be subject to multiple sets of penalty. NTCA also discussed consumer consent issues.

- NTCA met with Commissioner Carr’s advisor on October 8, 2019, to reiterate its support for the usefulness of network testing, but asked the Commission to ensure the protocols can be implemented in ways that are both administratively and economically equitable and efficient. NTCA discussed end points for testing, remedies for non-compliance, and consumer consent issues.

- Hughes Network Services filed a request to withdraw its petition seeking clarification/reconsideration of the network performance testing order on October 10, 2019. Hughes said because the September 12, 2019 order on reconsideration removed crucial elements of the factual predicate for the petition, it believes that the petition is now moot.

- JSI, Interstate Telecommunications Cooperative, West River Telecom, Manawa Telephone Company, Sand Creek Communications Company, Telephone Electronics Corporation, and Westphalia Telephone Company met with Chairman Pai’s advisor on October 7, 2019, to discuss their joint petition seeking waiver of the March 1, 2018 deadline for entering broadband location information into the HUBB portal. They urged the FCC to expeditiously grant the petition and direct USAC to reimburse each company for the amount of support that was withheld.

- TelAtlantic Communications and JSI met with Chairman Pai’s advisor on October 7, 2019, to request a status update on Miller Telephone’s petition for waiver of the July 17, 2019 A-CAM II election date so
the Wireline Competition Bureau can recalculate Miller’s A-CAM II offer by removing Total Highspeed’s fixed wireless coverage from consideration as an unsubsidized competitor. They also requested a status update on Zenda Telephone’s petition for waiver of the requirement that geocoded broadband location data filed in the HUBB can only be certified if the location deployment data was dated in the reporting period for the year.

Broadband

- Reply comments were filed on October 7, 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 said the FCC should pursue mapping accuracy and this can be achieved with common technical standards underlying reporting, the use of crowdsourced data, and a challenge process to refine baseline mapping data. NTCA also said the FCC should include latency and usage limits as important metrics that should be reflected on any DODC-produced maps, including clutter data with adequate resolution so that service can be more accurately estimated. WTA said without standardized clutter data, models will vary significantly, potentially overstating coverage in areas that are unable to receive signals due to foliage or other interferences. WTA also said adoption of a formal challenge process will be critical to ensuring that areas most in need remain or become eligible for funding. USTelecom, ITTA and WISPA said the FCC should adopt flexible rules for polygon creation and one way to do this is to require that polygon reporting is anchored to the Broadband Serviceable Location Fabric. They also asserted including latency and pricing as part of the data collection would create substantial additional burdens on broadband providers. Additionally, they said the FCC should craft its challenge process that minimizes burdens on providers and limits USAC’s role to a ministerial one. Verizon supported the development of location-based reporting like the Broadband Serviceable Location Fabric and said the Commission should adopt the same availability map update schedule used for Form 477 filings, which allows each provider to submit all of its updates at the same time on a semi-annual basis. It also supported the FCC’s proposal to exclude pricing data from the broadband data collection. GVNW said commenters supported common technical standards for carriers to base their reporting, and for the establishment of a challenge process that allows carriers to dispute another carriers’ reported data. GVNW also said there is support for the use of crowdsourcing information, but noted the potential for the public feedback to be inaccurate. Hughes asserted there is broad agreement the DODC should not collect information on the latency of broadband service. It also claimed commenters advocating for special, satellite-specific reporting obligations failed to show any justification or benefit for their proposals. all replies available

- The U.S. Department of Agriculture announced on October 7, 2019, it is investing $152 million in 20 projects to provide or improve rural broadband service in 14 states. The USDA is making the investments through the Community Connect Grant Program, the Telecommunications Infrastructure Loan Program and the Rural Broadband Access Loan and Loan Guarantee Program.

- Rep. Antonio Delgado (D-N.Y.) introduced two broadband-related bills on October 11, 2019. The first, the Broadband Speed Act would require internet service providers to annually report data to the FCC that shows the actual speeds they are capable of providing, as opposed to what they can potentially provide within 7-10 business days. The second bill, the Community Broadband Mapping Act, would allow local governments, electric/telephone cooperatives, economic development/community groups and small internet providers to access USDA Rural Utility Service broadband programs for grant funding that would allow them to collect information on local broadband service.

- The Wireless Telecommunications Bureau issued an order on October 8, 2019, in response to the decision by the U.S. Court of Appeals for the D.C. Circuit that vacated those portions of the FCC’s March 2018 second report and order exempting certain small wireless facilities from federal environmental and historic preservation review. Consistent with the court’s mandate, the Bureau repealed the subsection of the FCC’s rules implementing the small wireless facilities exemption, and deleted a cross-reference to that subsection contained elsewhere in the FCC’s rules. The Bureau said as a result of the court’s decision and this rule revision, deployments of small wireless facilities are
subject to the federal environmental and historic preservation review to the same extent as larger wireless facilities.

- The Wireless Infrastructure Association spoke with legal advisors to Chairman Pai and Commissioner Rosenworcel on October 3, 2019, regarding WIA’s petitions for rulemaking and declaratory ruling regarding section 6409(a) of the Spectrum Act of 2012. WIA discussed the applicability of the Spectrum Act to state and local authorities, and the need for the Commission to harmonize its rules to allow for limited compound expansions when collocating or replacing equipment on existing towers.

**ICC**

- Farmers Mutual Telephone Company of Stanton, Iowa filed a petition on October 8, 2019, seeking a waiver of sections 51.917(b)(1) and 51.917(b)(7) to recalculate for merged study areas the 2011 interstate switched access revenue requirement and 2011 rate-of-return carrier base period revenue necessary to determine CAF-ICC support. FMTC said granting of the requested waiver will allow it to implement the planned January 1, 2020 merger of the FMTC and Villisca study areas into FMTC.

- JSI met with Chairman Pai’s legal advisor on October 7, 2019, to urge the FCC to act on the petitions for waiver to modify 2011 base period revenue filed by Lakeland Communications Group and Sunflower Enterprises. JSI said both petitioners are facing deadlines to complete their study area mergers. JSI also discussed the need for a more streamlined process to grant similar petitions.

- AT&T filed a petition on October 7, 2019, asking the FCC to reject (or suspend and investigate) Aureon’s tariff transmittal no. 44., filed on September 30, 2019. AT&T said Aureon proposes to raise its centralized equal access rate from $0.00296/min. to $0.00411/min, and claimed that to justify the increased rate, Aureon relied on an estimate of the fair market value of its unregulated DS-3 leases. AT&T asserted Aureon's rate increase is also attributable to Aureon's revised traffic forecast, in which Aureon has slashed its estimated traffic by an additional 40% (from about 1.4 billion MOUs/year to about 850 million MOUs/year). AT&T claimed Aureon continues to include a sizeable proposed switching investment in its rate base and has failed to address significant issues pertaining to its allocation of its network facilities costs.

- AT&T filed a letter on October 11, 2019, in support of its petition asking the FCC to reject (or suspend and investigate) Aureon’s tariff transmittal no. 44., filed on September 30, 2019. AT&T asserted Aureon admitted it does not route its traffic consistent with the terms of its tariff. AT&T claimed Aureon is overstating its CEA rate and enabling its access stimulating CLECs to misbill IXCs for phantom routing.

**Robocalls**

- USTelecom, NCTA, and CTIA met with Wireline Competition Bureau and Consumer and Governmental Affairs Bureau staff on October 8, 2019, to discuss the need for a broad safe harbor that protects voice service providers' good-faith efforts to combat abusive robocalls. They claimed that absent a broad safe harbor, voice providers face a real risk of liability for taking action to protect consumers from illegal and unwanted calls.

- First Orion met with Consumer and Governmental Affairs and Wireline Competition Bureau staff on October 3, 2019, to discuss the FCC’s goal of measuring the effectiveness of efforts to thwart illegal robocalls and empower consumers. First Orion asserted critical factors in defining effectiveness include the number of consumers and businesses that are actually benefiting from call treatment tools and services, and the level of call traffic being treated and with what degree of accuracy, among other things.
Universal Service

- The report and order on reforms to the Rural Health Care Program was published in the Federal Register on October 11, 2019. The order revises the rules governing the Telecom Program to simplify calculation of the urban and rural rates; reforms competitive bidding to make it a more productive mechanism for health care providers to identify and select cost-effective service offerings available to them in rural areas; and adopts rules and procedures to simplify the application process for program participants, among other things. The order is effective November 12, 2019, except for sections: 54.622(d); 54.622(e)(2); 54.622(e)(4); 54.622(e)(5); 54.623(a)(2); 54.623(a)(3); 54.623(a)(4); 54.624; 54.626(b); 54.627(b); and, 54.631(d), which are subject to OMB approval.

- The U.S. Court of Federal Claims issued an opinion on October 11, 2019, granting a motion to dismiss filed by the U.S. Department of Justice in the proceeding addressing a complaint filed by Sandwich Isles Communications claiming it was entitled to USF and NECA pool funding for constructing and operating a telecommunications network for the Hawaiian Home Lands. The court said SIC’s claims were targeted at circumventing and invalidating FCC orders, and SIC’s claims do not fall within the court’s jurisdiction and must be dismissed.

- The U.S. Supreme Court declined to hear Blanca Telephone’s appeal of a Tenth Circuit Court order that dismissed Blanca Telephone’s petition for review of FCC orders that found Blanca improperly claimed millions of dollars in USF support. (see page 44 of the Court’s order list).

- Public Knowledge, Next Century Cities, and New America’s Open Technology Institute met with Commissioner O’Rielly’s advisor on October 7, 2019, and asserted the proposal to cap the Universal Service Fund is contrary to the Chairman's stated goal of closing the digital divide. They also said each of the four universal service programs already has a mechanism in place to control costs.

- ITTA, CenturyLink, Consolidated Communications, and Blackfoot met with Commissioner Rosenworcel’s advisor on October 2, 2019, to discuss a Lifeline item that is currently on circulation. They said to the extent press reports indicate that the item addresses the Lifeline Representative Accountability Database, they discussed concerns regarding the potential impacts of implementation of the RAD on the privacy and security of ITTA members’ employees’ personally identifiable information. They suggested the FCC exempt company employees from the RAD registration requirement and said if company employees are deemed subject to RAD registration requirements, only those employees directly interfacing with the NLAD and/or National Verifier should be required to register, and company employees should not be required to submit any PII as part of the registration process.

- NTCA met with Wireline Competition Bureau staff on October 7, 2019, to discuss Lifeline minimum service standards. NTCA recommended allowing existing Lifeline subscribers to choose whether to continue to receive Lifeline support for the services they already subscribe to today or to upgrade their subscription to a service that meets the Commission’s prescribed minimum service standards where available. NTCA asserted that absent a grant of its petition for a waiver of the updated minimum service speed standard, beginning December 1, 2019, current Lifeline subscribers to fixed broadband service will be forced to upgrade to a higher speed tier than they may need, want, or have the ability to afford.

- The Vermont PUC and Vermont Department of Public Service filed a petition on October 10, 2019, seeking a six-month waiver of implementation of the National Lifeline Verifier in Vermont. They said none of the systems needed for data-sharing with state databases for low-income programs will be in place by hard launch date of October 23, 2019. They said a six month extension would give USAC and Department of Children and Families the opportunity to implement a data sharing agreement before Vermont is hard launched into the National Verifier and asked the FCC to grant Vermont a waiver for six months or until data sharing agreements can be implemented.

- TruConnect met with Commissioner O’Rielly on October 7, 2019, to discuss CTIA et al.’s petition asking the FCC to pause the December 1, 2019 implementation of an increase in the minimum required broadband data usage allowance and the phasedown in support for voice services. TruConnect asserted the record demonstrates support to pause the increase in the mobile broadband
minimum service standards and keep full Lifeline support for the standalone voice and voice centric bundles, until after the Commission completes and submits forthcoming State of the Lifeline Marketplace Report, which is due June 2021. TruConnect also spoke with Ryan Palmer, Chief of the Telecommunications Access Policy Division, WCB, on October 7, 2019, regarding CTIA, et al.’s petition.

- TracFone Wireless and Navigators Global met with Chairman Pai’s advisors on October 4, 2019, to express support for CTIA et al.’s petition asking the FCC to pause the December 1, 2019 implementation of an increase in the minimum required broadband data usage allowance and the phase-down in support for voice services. They also requested a status update on TracFone’s petition asking the Commission to expand its designation as an ETC to include Tribal lands in Alabama, Connecticut, Massachusetts, New York, North Carolina, and Virginia.

- Oklatel Communications filed a letter on October 7, 2019, to notify the FCC it is availing itself of forbearance relief granted by the 2016 order from the obligation to offer Lifeline-supported broadband Internet access service. Oklatel said it is electing forbearance relief for those census blocks in its study area that are not funded under A-CAM II, and said it does not receive high-cost support for those unfunded census blocks and is not subject to broadband public interest obligations in those blocks.

- The New York Department of Public Service filed a petition on October 7, 2019, seeking a waiver of the implementation of the National Lifeline Verifier launch in New York. The PSC asked for a temporary postponement of the timeframe for implementation of the National Verifier until December 31, 2019 or until an API can be established with the New York State Office of Temporary and Disability Assistance, whichever is later.

- The FCC released an erratum on October 11, 2019, to make minor corrections to the report and order and order on reconsideration that allocated $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. The FCC made corrected a footnote and Appendix A.

- TruConnect met with Wireline Competition Bureau staff on October 8, 2019, to discuss the NPRM on rural telehealth. TruConnect claimed the success of the rural broadband and the telehealth pilot could be jeopardized by the decline of the Lifeline program and/or participation due to certain proposed and ongoing changes to that program.

- Interstate Telecommunications Cooperative filed a letter on October 7, 2019, to amend its October 3, 2019 notice of the consolidation of two Interstate South Dakota study areas- SA codes 391654 and 391679, effective January 1, 2020. Interstate’s amended letter stated both study areas receive A-CAM II support.

- No replies were filed 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

**Misc.**

- The FCC issued a public notice on October 8, 2019, seeking comment on Southwest Arkansas Telephone Cooperative’s request that the FCC to allow it include in its rate base the interstate portion of prepaid accumulated post-retirement benefits recorded in Account 1410, Other Noncurrent Assets, beginning with the date the prepayments were made. Comments are due October 29, 2019.

- The Irregulators filed their reply brief with the D.C. Circuit Court on October 10, 2019, in in the case addressing the Irregulators, et al.’s petition for review of the FCC’s order extending the separations freeze.
No comments were filed on Consolidated’s petition for waiver of the all-or-nothing rule. Replies are due October 21, 2019.

Four members of Congress sent a letter to the Office of Management and Budget on October 9, 2019, to urge the Federal Acquisition Security Council to develop a strategic plan for sharing supply chain security information with Congress and the judiciary. Press release

ITTA met with Wireline Competition Bureau staff on October 7, 2019 to discuss the status of the Commission’s supply chain proceeding. ITTA reiterated its position that the supply chain NPRM’s underlying goals are commendable, but addressing them should be left to other federal government entities with expertise on national security matters.

The FCC published a notice in the Federal Register on October 11, 2019, to announce a new system of records relating to the public notice adopting procedures for the auction of certain toll-free numbers in the 833 code. This system of records includes both the 833 Auction and possible future auctions of telephone numbers that may be conducted in a similar manner and will become effective on October 11, 2019. Written comments on the system’s routine uses are due by November 12, 2019 and will become effective on November 12, 2019, unless written comments are received that require a contrary determination.

The Wireline Competition Bureau issued a public notice on October 10, 2019, granting a section 214 application filed by E. Ritter Communications Holdings, Inc. and its subsidiaries requesting consent for the transfer of control to Ritter Communications Ultimate Holdings, Inc.

The Wireline Competition Bureau issued a public notice on October 7, 2019, granting an application filed by MLGC and Polar Telecom, pursuant to section 214, to transfer certain telecommunications assets of MLGC to Polar.

The Wireline Competition Bureau issued a public notice on October 9, 2019, seeking comment on a section 214 application filed by the estate of Jack Lee Barton, through its co-executors, and the non-exempt marital income trust U/W Jack Lee Barton and Lintel, seeking consent to transfer control of Hart Telephone Company and Hart Communications Inc. Lintel owns HTC and HCI. Comments are due October 23, 2019; reply comments are due October 30, 2019.

No replies were filed 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

No replies were filed 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

No comments were filed 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

The Wireline Competition Bureau issued a public notice on October 8, 2019, seeking comments on Jive Communication’s application for authorization to obtain NANP telephone numbers directly from the numbering administrators for its iVoIP service. Comments are due October 22, 2019.

Upcoming Filing Dates

- Oct. 15 - Replies due on NECA’s 2020 Modification of the Average Schedule Universal Service High Cost Loop Support Formula. 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. 22 - Comments due on Jive Communication’s application for authorization to obtain NANP telephone numbers directly from the numbering administrators for its iVoIP service. public notice

• Oct. 23 - Comments due on TrioTel Communications petition seeking a waiver of sections 51.917(b)(1) and 51.917(b)(7) to recalculate for merged study areas the 2011 Interstate Switched Access Revenue Requirement and 2011 Rate-of-Return Carrier Base Period Revenue necessary to determine CAF – ICC support. Replies are due November 4, 2019. public notice

• Oct. 23 - Comments due on a section 214 application filed by the estate of Jack Lee Barton, through its co-executors, and the non-exempt marital income trust U/W Jack Lee Barton and Lintel, requesting consent to transfer control of Hart Telephone and Hart Communications. Reply comments are due October 30, 2019. public notice

• Oct. 29 - Comments due on Southwest Arkansas Telephone Cooperative’s request that the FCC to allow it include in its rate base the interstate portion of prepaid accumulated post-retirement benefits recorded in Account 1410, Other Noncurrent Assets, beginning with the date the prepayments were made. public notice

• Oct. 29 - 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 November 13, 2019. public notice, order

• Oct. 30 - Replies due on a section 214 application filed by the estate of Jack Lee Barton, through its co-executors, and the non-exempt marital income trust U/W Jack Lee Barton and Lintel, requesting consent to transfer control of Hart Telephone and Hart Communications. public notice

• Oct. 31 - Comments due on improving the FCC form 470 drop-down menu. Form 470 is used by E-Rate program applicants use to solicit bids from service providers for E-Rate eligible services. Replies are due November 15, 2019. public notice

• Nov. 4 - Replies due on TrioTel Communications petition seeking a waiver of sections 51.917(b)(1) and 51.917(b)(7) to recalculate for merged study areas the 2011 Interstate Switched Access Revenue Requirement and 2011 Rate-of-Return Carrier Base Period Revenue necessary to determine CAF – ICC support. public notice

• Nov. 6 - Comments due on the NPRM proposing procedural changes that would streamline certain FCC administrative hearings. Replies are due November 21, 2019. FR

• Nov. 13 - 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, order

• Nov. 15 - Replies due on improving the FCC form 470 drop-down menu. Form 470 is used by E-Rate program applicants use to solicit bids from service providers for E-Rate eligible services. public notice
• Nov. 21 - Replies due on the NPRM proposing procedural changes that would streamline certain FCC administrative hearings. FR