

[USF Reform](#) [Open Internet](#) [Broadband](#) [IP Transition](#) [USF](#) [Call Completion](#) [Misc.](#) [Upcoming Events](#)

### December 31, 2018 HIGHLIGHTS

- The FCC [announced](#) it plans to remain open at least through the close of business on January 2, 2019, despite the government shutdown. It also released its [Plan for Orderly Shutdown](#).
- The Wireline Competition Bureau [announced](#): the 2019 local voice service rate floor is \$26.98; the reasonable comparability benchmark for voice services is \$51.61; and the reasonable comparability benchmarks for broadband are between \$66.12 for 4/1 Mbps (200 GB usage allowance) and \$162.33 for 1000/100 Mbps (unlimited usage).
- The Wireline Competition Bureau [granted](#) a one-time waiver of sections 54.901 and 54.903 to allow rate-of-return LECs to report their actual rates for consumer broadband-only lines to determine 2017 revenues on their FCC Form 509, rather than imputing revenues based on the maximum rate that would have been assessable pursuant to section 69.132.
- The FCC [extended](#) the jurisdictional separations freeze until the earlier of December 31, 2024, or the completion of comprehensive reform of the Part 36 jurisdictional separations rules. The Commission also provided a one-time opportunity for carriers that opted to freeze their separations category relationships in 2001 to unfreeze and update those relationships.
- The RoR BDS [Report and Order is effective](#) February 26, 2019.
- The RUS published a [funding opportunity announcement](#) and solicitation for applications in the Federal Register setting forth its general policy and application procedures for funding under the broadband pilot program established pursuant to the Consolidated Appropriations Act of 2018.
- NECA [filed](#) redacted rate-of-return carrier local service rate floor data at the rate zone level as of December 1, 2018.
- The Wireline Competition Bureau [approved](#) NECA's 2019 modifications of [Average Schedule High Cost Loop Support formulas](#) for the period beginning January 1, 2019, through December 31, 2019.
- NECA filed its [2019 Modification of Average Schedule Formulas](#) on December 20, 2018.
- [Comments](#) were filed on the [NPRM](#) on amending tariff filing rules to allow a carrier to cross-reference its own tariffs and eliminating the requirement that price cap ILECs file short form tariff review plans 90 days before access tariffs are due.
- Comments [are due](#) January 17, 2019, on the 2018 Biennial Review of Telecommunications Regulations. Replies due February 19, 2019.

---

### Other Key Upcoming Dates

- Jan. 14 - Comments due on the [FNPRMs](#) attached to the [Order](#) allowing certain RLECs that receive fixed high-cost support to transition from RoR regulation to incentive regulation for their business data services. Replies are due February 12, 2019. [FR](#)

## USF Reform

- The Wireline Competition Bureau issued a [Public Notice](#) on December 20, 2018, to announce the 2019 local voice service rate floor and the reasonable comparability benchmarks for fixed voice and broadband services for ETCs subject to broadband public interest obligations, including rate-of-return carriers, incumbent price cap carriers receiving CAF Phase II support, Rural Broadband Experiment providers, and CAF Phase II Auction winners. The Bureau also announced the posting of the fixed voice and broadband services data collected in the most recent urban rate survey, and explanatory notes regarding the data, on the Commission's [website](#), as well as the required minimum usage allowance for ETCs subject to public interest obligations for fixed broadband. The 2019 local voice service rate floor is \$26.98; the reasonable comparability benchmark for voice services is \$51.61; and the reasonable comparability benchmarks for broadband are between \$66.12 for 4/1 Mbps (200 GB usage allowance) and \$162.33 for 1000/100 Mbps (unlimited usage). The benchmarks for Alaska Plan carriers will be higher. ETCs providing fixed voice and broadband services must certify they meet the benchmarks in the FCC Form 481 filed no later than July 1, 2019
- The Wireline Competition Bureau issued an [Order](#) on December 20, 2018, granting on its own motion a one-time waiver of sections 54.901 and 54.903 to allow rate-of-return LECs to report their actual rates for consumer broadband-only lines to determine 2017 revenues on their FCC Form 509, rather than imputing revenues based on the maximum rate that would have been assessable pursuant to section 69.132. It indicated a significant amount of uncertainty existed regarding actual demand for consumer broadband-only service initially, which resulted in demand projections for many carriers that would have produced rates that were not sustainable in the market. The Bureau said imputing revenues based on these maximum rates would have the effect of significantly overstating the revenues for many carriers and, as a result, causing a similarly significant reduction in USF support.
- NECA [filed](#) redacted rate-of-return carrier local service rate floor data on December 28, 2018, at the rate zone level as of December 1, 2018, for carriers reporting changes during the voluntary mid-year data collection, pursuant to section 54.313(h) and (i).
- NTCA filed a [letter](#) on December 17, 2018, to respond to WISPA's December 4, 2018 [letter](#). NTCA said the associations concur that: only ETCs may receive high-cost USF support; such support must be utilized for supported telecommunications services; and the determination of what constitutes a telecommunications service should be technology-neutral, looking to the function provided and the terms and conditions of the offering rather than simply citing to the technology by which a service is provided. NTCA asserted this Commission or any reviewing state commission must engage in the factual analysis necessary to reach the conclusion that interconnected VoIP is a telecommunications service based not upon the mere underlying technology but rather based upon the functionality offered and the circumstances surrounding that service offering. NTCA said it is also asking for a review procedure for CAF Phase II bids that is typical in Commission proceedings for the handling of confidential information, and therefore renews its request for a relatively streamlined process whereby interested parties can assist the Commission in completing technical review of prevailing bids in the CAF Phase II auction
- NTCA [met with](#) Wireline Competition Bureau staff on December 20, 2018, to discuss the Network Testing Order. NTCA said although vendors are reportedly developing solutions to respond to the Order, USF recipients that are subject to the testing obligations should be accorded both the opportunity to select from a variety of testing technologies and reasonable time thereafter within which to implement them. It suggested the effective date of implementation should be deferred until a reasonable selection of solutions is available and has been market-tested sufficiently. NTCA reiterated performance obligations upon which high-cost support depends should be limited only to the performance of those network elements defined in the relevant support mechanism as those for which the recipient draws support. NTCA also discussed appropriately-sized testing pools and test results that exceed advertised speeds.
- USTelecom, AT&T, CenturyLink, Verizon, and Windstream [met with](#) Wireline Competition Bureau, General Counsel, and USAC staff on December 19, 2018, to discuss measuring compliance with the

CAF Phase II broadband deployment milestones, and specifically the requirement to report geolocations into the USAC High Cost Universal Broadband portal. USTelecom, et al. discussed the need to update the HUBB periodically, including the ability to make bulk edits that reflect real-world changes to served locations as well as geocoding modifications. They also discussed the difficulties associated with geocoding “served” locations to an accuracy level of six decimal points (four inches) in rural America, and called for a lesser standard that would still provide accuracy within feet.

- Frontier [met with](#) Wireline Competition Bureau staff on December 17, 2018, to discuss the random selection methodology for speed and latency testing for recipients of high-cost USF support. Frontier explained its engineers have developed a speed testing solution that allows a customer to plug in a Raspberry Pi microcomputer into the customer remote gateway to take all necessary measurements, and based on the current timeline and coupled with the current state of technology and development, Frontier believes it will need to deploy the Raspberry Pi add-on to conduct the Commission’s required speed tests by July 1, 2019. Frontier requested the Commission’s random selection methodology incorporate the ability for carriers to roll out the equipment to new customers as those customers sign up for Frontier service.
- Hughes Network Systems [met with](#) Wireline Competition Bureau and Office of Economics and Analytics staff on December 13, 2018, to discuss the pending petitions for reconsideration of the Network Testing Order. It argued for USF auctions to allocate resources efficiently, parties must be able to rely on the Commission’s rules in place at the time of the auction. Hughes supported prospective consideration of how to fix the MOS testing framework for future auctions, including the Remote Areas Fund auction, but said the Commission should not change the rules for participation in any auction after that auction is over. It also asserted applying the Network Testing Order’s changes to the MOS testing framework to the New York auction is not just bad policy, it would also be illegal.
- Hughes Network Systems filed [a redacted letter](#) on December 28, 2018, to provide additional information about its consumer VoIP product in relation to its Petition for Clarification or, in the alternative, Reconsideration of the Network Testing Order. Hughes indicated its retail VoIP service is available only as a separately priced add-on to its broadband service, at an additional monthly cost of \$24.95 - \$29.95. It claimed its voice subscription figure reflects the number of customers who have made a conscious choice to purchase and use Hughes’ satellite-based VoIP product.
- Viasat filed a [letter](#) on December 18, 2018, to respond to Hughes Network Systems’ December 7, 2018 [letter](#) regarding the two parties’ pending petitions for reconsideration of the Network Testing Order. Viasat asserted much of Hughes’ letter reiterates arguments appearing in Hughes’s opposition to Viasat’s petition and Viasat has already addressed those arguments in detail in its reply. Viasat said Hughes now argues that Viasat’s petition should be denied because the Network Testing Order “was in full force and effect” when it was adopted “and parties were obligated to rely on it.” Viasat contended nothing in the Commission’s rules prevents reconsideration of orders that are in full force and effect. Viasat also argued Hughes purports to distinguish certain cases cited in Viasat’s reply, but does so in a manner that has no bearing on Viasat’s reconsideration request.
- GVNW, on behalf of Arctic Slope Telephone Association Cooperative, [spoke with](#) Wireline Competition Bureau staff on December 21, 2018, to discuss clarifications from ASTAC on their wireline Alaska Plan obligations. GVNW clarified the 1 Mbps DSL product offering was upgraded to 384 kbps upload speed in February 2018, and this is now reflected in note 1 in the performance obligation table.
- ACS filed a [letter](#) on December 19, 2018, to provide a description of four census blocks in its price cap local exchange service territories that meet the definition of high cost under the Connect America Model. It said these four census blocks were shown as cable-served in CAM version 4.2, Node 4 Working Customer Report, but December 2017 FCC Form 477 filings indicate that, in fact, they are unserved by an unsubsidized competitor with broadband at speeds of at least 10 Mbps/1 Mbps, and therefore qualify for high-cost support under the Commission’s CAF Phase II parameters for Alaska Communications.
- The Rural Wireless Association filed an [Informal Request](#) on December 26, 2018, asking the FCC to investigate the 4G LTE coverage claimed by T-Mobile as part of the one-time data collection for the

Mobility Fund Phase II reverse auction process. RWA claimed T-Mobile's data was not accurate, and asserted T-Mobile did not have the requisite backhaul facilities to support 5 Mbps download speeds at the time it submitted its data. RWA said to the extent the FCC determines that data submitted by T-Mobile has been fabricated or has been based on projected future coverage, the FCC should bar T-Mobile from participating in the Mobility Fund Phase II reverse auction and require T-Mobile to reimburse challengers for costs associated with the challenge process.

- The Rural Wireless Association filed a [letter](#) on December 28, 2018, in response to T-Mobile's December 14, 2018 [letter](#) on T-Mobile's coverage data submitted for the Mobility Fund Phase II reverse auction process. RWA expressed concerns about T-Mobile's "overstated coverage" and asserted evidence supporting RWA's statements was submitted in an [Informal Request](#) on December 26, 2018.
- Smith Bagley [met with](#) Commissioner Carr's Advisor on December 13, 2018, to discuss improving the Tribal Mobility Fund Phase II mapping resources. It provided examples of inaccessible roads it has encountered in its drive testing, along with a sample of drive testing conducted by CostQuest Associates in accordance with the challenge process procedures, to illustrate the difficulties in lodging valid challenges in remote tribal lands and nearby areas. SBI also discussed weighting the upcoming Tribal Mobility Fund Phase II auction to minimize the possibility the most remote and difficult to serve tribal lands are not foreclosed from receiving support.

[Back to Highlights](#)

## ICC

- Comments were filed on December 20, 2018, on the [NPRM](#) on amending tariff filing rules to allow a carrier to cross-reference its own tariffs and eliminating the requirement that price cap ILECs file short form tariff review plans 90 days before access tariffs are due. [ITTA](#) said the cross-referencing rule is antiquated, no longer serves a legitimate purpose, and should be removed. [CenturyLink](#) supported eliminating both rules. [Verizon](#) also supported eliminating both rules, saying they are unnecessary to protect consumers or competition and impose unnecessary administrative burdens. [Frontier](#) urged the Commission to eliminate the prohibition on cross-referencing and the short form rule, saying both are carryovers from a different time and no longer serve a useful purpose. Replies are due January 4, 2019. [FR. All comments available to date](#)
- Verizon [met with](#) Commissioner Rosenworcel's Legal Advisor and Wireline Competition Bureau staff on December 17 and 18, 2018, to urge the Commission to deny CenturyLink's [Petition](#) and reaffirm a LEC cannot assess tariffed end-office switching charges on over-the-top VoIP traffic. Verizon also asked the Commission to reaffirm a carrier-customer cannot violate the Communications Act by disputing and refusing to pay charges it contends were billed in violation of a tariff. It asserted denying the Petition and confirming the "IP equivalent of end office switching ... is the interconnection of calls with last-mile facilities" would be an important incremental step towards curbing robocall-fueled 8YY arbitrage.
- AT&T [met with](#) Chairman Pai's Advisor on December 13, 2018, to encourage swift Commission action to adopt the access stimulation [NPRM's](#) "prong one," which would require the cost causer in current schemes to accept the financial obligation for the routing they have chosen in associating their high volume services with remote areas. AT&T also asked the Commission to issue an appropriate declaratory ruling stating assessment of switched access charges for traffic associated with high volume inbound calling platforms in remote areas is itself an unjust and unreasonable practice as a matter of law and public policy
- AT&T [met with](#) Chairman Pai's Advisor on December 19, 2018, to discuss the access arbitrage [NPRM](#) and how arbitrageurs today focus their schemes on unreformed access charge elements, specifically, tandem-switching and transport charges. AT&T encouraged swift Commission action to adopt the NPRM's "prong one," which would require the cost causer in current schemes to accept the financial

obligation for the routing they have chosen in associating their high-volume services with remote areas. AT&T also discussed the 8YY [FNPRM](#), saying AT&T's previously filed direct interconnection proposal provides greater flexibility and would foster an increase in commercially negotiated arrangements between parties.

- The Ad Hoc Telecom Users Committee [met with](#) Chairman Pai's Advisor on December 18, 2018, to discuss the Commission's long-standing rejection of implicit subsidies as an economically inefficient means of pricing network services. Ad Hoc said the legitimacy of bill-and-keep as the appropriate pricing mechanism for access traffic has not been the subject of serious debate for quite some time, and it will put an immediate stop to the traffic pumping problem that is plaguing 8YY service. Ad Hoc also said delaying reform would penalize the toll-free subscribers, who have already been forced to pay inflated charges for the past seven years, simply because some providers are either engaged in traffic pumping or utterly failed to plan for this change since the Commission proposed it seven years ago.
- Oppositions were filed December 18, 2018, on SDN's Direct Case in the proceeding on the appropriate benchmark rate for SDN's interstate switched access service contained in its tariff revisions filed on September 17, 2018. [CenturyLink](#) said SDN should not be permitted to recover an additur on top of the CenturyLink ILEC rates for the same service when calculating SDN's CLEC rate for its access services. CenturyLink said the Commission has already established SDN is a CLEC subject to the Commission's CLEC benchmark rule and related Transformation Order parity and transition rules, and has already established, under these rules, SDN must benchmark to the CenturyLink ILEC rates for the same access service. [James Valley Telephone and Northern Valley](#) said SDN's unified benchmark approach, and its rate calculation, is unjust and unreasonable because: under the FCC's CAF Order, SDN must prescribe separate, independent rates for its originating and terminating access services, which it fails to do; SDN fails to properly justify including an equal access charge in its terminating benchmark calculation, as the NECA tariff it benchmarks to provides no distinction between the premium and non-premium local switching rate for terminating traffic; and with respect to the equal access component of SDN's originating access rate, SDN fails to provide sufficient data and evidence showing it correctly calculated a weighted average for its equal access service. [Order](#)
- Aureon Network Services and JSI [spoke with](#) Wireline Competition Bureau staff on December 20, 2018, to discuss the FCC's investigation of Aureon's tariff rate. They said the purpose of the meeting was to answer FCC staff questions regarding circuit and cost information Aureon submitted in the FCC's tariff investigation proceeding. Aureon indicated it is providing additional confidential circuit information and a supplemental declaration in response to the FCC's questions.

[Back to Highlights](#)

## Broadband

- Chairman Pai sent [a letter](#) to Rep. Salud Carbajal (D-Calif.) on December 13, 2018, in response to his letter on USTelecom's Petition for Forbearance from the Communications Act's resale and unbundled network elements requirements. Pai said the comment cycle on the matter has closed, and Commission staff are now carefully reviewing the record in the proceeding and will take into consideration the issues and concerns presented by all stakeholders, including those of his constituents.
- The Rural Utilities Services of the USDA published a [funding opportunity announcement](#) and solicitation for applications in the Federal Register on December 14, 2018, which sets forth its general policy and application procedures for funding under the broadband pilot program established pursuant to the Consolidated Appropriations Act of 2018. This program provides loans, grants, and loan/grant combinations to facilitate broadband deployment in rural areas. The notice indicates there are three funding categories, each category having different application windows and deadlines. The notice states the RUS will finalize the application window by notice in the Federal Register and Grants.gov on February 22, 2019. The USDA released a [fact sheet](#) and [FAQ](#) on the ReConnect program.



- The FCC released a [Report](#) on December 26, 2018, on the state of the broader communications market in the United States, consolidating several previously separate Commission reports into a single report. The Report, among other things, addressed the state of competition in the fixed broadband market, including investment trends and market barriers, and provided comparative international data on broadband services, including speeds and prices, in the United States and select communities and countries abroad.
- The Wireless Telecommunications Bureau issued a [Public Notice](#) on December 26, 2018, establishing a uniform deadline for oppositions to and replies to oppositions to the [Petition for Reconsideration](#) filed by the City of New Orleans, the Virginia Municipal League, *et al.* of the [Declaratory Ruling and Third Report and Order](#) on wireless infrastructure deployment. Petitioners claimed the decision fails to take into account legitimate municipal costs, legitimate municipal concerns, or legitimate municipal manpower limitations. Oppositions will be due 15 days after Federal Register publication of this notice; replies will be due 10 days after the time for filing oppositions has expired.
- AT&T filed a [letter](#) on December 28, 2018, in support of USTelecom's [Petition](#) for Forbearance from certain regulatory obligations imposed on ILECs. AT&T responded to certain parties that asked the Commission to retain the section 251(c)(4) "avoided cost" resale requirements and section 251(c)(3) UNE loop obligations, claiming none of these parties make a case for retaining any of the TDM-focused local competition mandates from which USTelecom has sought forbearance. AT&T asserted that given the intense, facilities-based competition in this marketplace, continued application of "avoided cost" resale requirements on only one set of competitors (ILECs) is not necessary to protect consumers or competition.
- The Utilities Technology Council [met with](#) Commissioner Rosenworcel's Legal Advisor on December 19, 2018, to urge the Commission to issue an order to enable utilities to share the 4.9 GHz band with public safety on a co-primary basis. UTC also provided a set of resolutions that formally established UTC's policy positions on a number of issues pending in proceedings at the FCC, as well as other issues not pending before the Commission. These resolutions were attached.

[Back to Highlights](#)

## Universal Service

- The FCC issued a [Public Notice](#) on December 20, 2018, to announce Chairman Pai appointed six members to the USAC Board of Directors for a three year term, beginning January 1, 2019. The new members are: Julie Tritt Schell, Pennsylvania Department of Education, for schools that are eligible to receive discounts; Olivia Wein, National Consumer Law Center, for information service providers; Brent Fontana, Amazon Web Services, for rural healthcare providers that are eligible to receive supported services; Sarah Freeman, Indiana Utility Regulatory Commission, for state telecommunications regulators; Kenneth F. Mason, Frontier Communications, for ILECs (non-Bell Operating Companies) with more than \$40 million in annual revenues; and Alan Buzacott, Verizon, for interexchange carriers with annual operating revenues of more than \$3 billion.
- The Wireline Competition Bureau issued a [Public Notice](#) on December 21, 2018, seeking comment on proposed changes to the annual and quarterly Telecommunications Reporting Worksheets (FCC Forms 499-A, 499-Q) and accompanying instructions to be used in 2019 to report 2018 revenues. Comments are due January 20, 2019.
- The Wireline Competition Bureau released an [Order](#) on December 26, 2018, granting the California PUC's [Petition](#) for a temporary waiver of the FCC's Lifeline recertification and non-usage rules for subscribers affected by the recent wildfire in Butte County, California. The Bureau said given the extraordinary damage caused by these wildfires, strict compliance with these rules would be impracticable and would risk de-enrollment of Lifeline subscribers during the recovery efforts to rebuild in the aftermath of the fire.

- The Wireline Competition Bureau released a [Public Notice](#) on December 28, 2018, granting, denying, and dismissing various petitions related to actions taken by USAC on E-rate, Rural Health Care, and USF contributions. Petitions for reconsideration or applications for review of these decisions must be filed within 30 days of the Public Notice.
- No comments were filed on USTelecom, CTIA, and ITTA's [Petition](#) for a one-time waiver of section 54.420, which requires completion of a biennial audit. Replies are due January 3, 2019. [Public Notice](#)
- Comments were filed on December 18, 2018, on TracFone's [Petition](#) for an Order directing USAC to alter the implementation of the Lifeline national verifier and a waiver of section 54.410, as well as a new rulemaking to develop new Lifeline policies. [Public Interest Commenters](#) supported the Petition and said the Commission should require USAC to take better, more-targeted and well-vetted steps to improve program integrity and enrollment. The [National Lifeline Association](#) supported the Petition and urged the Commission to put a hold on USAC's current reverification process and new documentation requirements so it can work with industry, USAC, and other stakeholders to assess the impacts of the current reverification and documentation requirements and work toward a more appropriate balance between consumer access and program integrity. [CTIA](#) supported the Petition and urged the Commission to direct USAC to implement APIs to the NLEV in a way that maintains program integrity. [Q Link Wireless](#) said Commission action is needed both on the overall API issue and on its request for limited, interim relief as USAC continues to expand the list of hard launch states. [Sprint](#) supported the Petition, saying technical and operational changes to the national verifier system will improve its effectiveness and efficiency, including its ability to reduce potential waste, fraud, and abuse in the Lifeline program. Crystal Rhodes, Commissioner of the [Nebraska PSC](#), also expressed support for the Petition, saying the paper application should be modified so it is more user friendly and the Commission should remove barriers associated with consumer proof of current participation in federal low-income programs. Replies are due December 26, 2018. [Public Notice](#) | [All comments available to date](#)
- Reply comments were filed on December 26, 2018, on TracFone's [Petition](#) for an Order directing USAC to alter implementation of the Lifeline National Verifier and waiving section 54.410, as well as initiating a rulemaking to develop new Lifeline policies. [TracFone](#) urged the Commission to grant its Petition and also urged the Commission to adopt additional recommendations offered by commenters, including Q Link Wireless and Sprint. The [Oceti Sakowin Tribal Utility Authority](#) supported TracFone's Petition and said the FCC should direct USAC to pause implementation of the National Verifier, make changes proposed by TracFone, and reevaluate the effectiveness of the new and improved National Verifier prior to redeployment. [Public Notice](#)
- The Wireline Competition Bureau released an [Order](#) on December 20, 2018, granting the Michigan PUC's [request](#) for an additional extension to Michigan's current Lifeline waiver for another six months until June 28, 2019. The Bureau said it expects the national verifier to launch in Michigan in the near future.
- The California PUC filed a [Petition](#) on December 19, 2018, seeking a temporary waiver of the Commission's Lifeline recertification and non-usage rules for subscribers affected by the recent wildfire in Butte County, California. The Petition requests a six-month suspension from November 1, 2018, to May 1, 2019, and asked that the waiver be extended to any new enrollees that subscribe to Lifeline service during the waiver period
- The Ad Hoc Telecommunications Users Committee [met with](#) Commissioner O'Rielly's Legal Advisor on December 17, 2018, to discuss USF contribution reform and the status of the Joint Board's consideration of the record in this proceeding as well as the various methodology options under consideration, including Ad Hoc's continued support for adoption of a numbers-based system. Ad Hoc said the current contribution factor of 20.1 percent imposes a significant cost on enterprise customers, inappropriately favors specific services and technologies that are not subject to USF assessment, and threatens to undermine the stability of the entire USF program by driving end-users to non-assessed services

- The National Grange filed a [letter](#) on December 19, 2018, to discuss promoting broadband internet access for veterans. It said it is crucial for the Commission to preserve no-cost Lifeline options, and encouraged the Commission to implement the national verifier, but not in a way that would undermine rural veterans' ability to obtain and maintain their benefits. It also expressed concern with the minimum standard regulations adopted in 2016, saying these standards could lead to the elimination of no-cost Lifeline services.
- Free Press filed a [letter](#) on December 17, 2018, saying despite Chairman Pai's willingness to challenge carriers' slow restoration efforts following Hurricane Michael in Florida, Pai has yet to hold any telecom carriers accountable despite the vastly longer amount of time it has taken to restore service in Puerto Rico. Free Press claimed the FCC has awarded millions of dollars to carriers over the past year to restore service and build networks in Puerto Rico without implementing any significant oversight to ensure the funding is actually used to address the systemic issues plaguing the communications infrastructure in Puerto Rico. Free Press said it hoped a new Congress will seek answers from Pai on his effort to dismantle the Lifeline program and why he has failed to act with the same appropriate urgency he displayed in his response to Florida panhandle outages to address the communications crisis in Puerto Rico.
- WorldNet Communications filed a [request for action](#) on December 17, 2018, on its [Petition](#) for clarification or, in the alternative, reconsideration of the Uniendo a Puerto Rico Fund and the Connect USVI Fund Order. WorldNet said the Commission has not responded to or acted upon WorldNet's Petition, leaving it without the full amount of emergency funding that the Commission ostensibly intended to provide to WorldNet as it mounts its recovery from the 2017 hurricanes that devastated Puerto Rico.
- The Puerto Rico Telephone Company filed a [letter](#) on December 17, 2018, to supplement the record in the Uniendo a Puerto Rico Fund proceeding on the issue of the appropriate minimum geographic area for Stage 2 support and to furnish the Commission with additional analysis. PRTC argued using census block groups will likely result in providers cherry-picking the most profitable areas while leaving a large number of orphaned areas. It said the Commission's proposal to use the municipality as the minimum geographic unit, coupled with the requirement that the provider commit to making broadband available to all locations within it, will maximize broadband availability at the lowest cost
- Sprint Spectrum filed a [request for review](#) of a USAC audit decision relating to its 2016 Form 499-A filing on December 14, 2018. Sprint alleged USAC improperly penalized it by applying the 100 percent telecommunications safe harbor to a bundled offering and improperly removing unknown minutes from its minutes-of-use studies. Sprint asked the Bureau to reverse USAC's finding that Sprint's reported allocation of 70 percent telecommunications revenue for the bundle in question was unreasonable and vacate its instruction that Sprint amend its 2016 499-A to assess that bundle at 100 percent. It also asked the Bureau to reverse USAC's finding that Sprint's traffic studies are insufficient to justify its jurisdictional calculations and vacate its instruction that Sprint amend its 2016 499-A to remove unknown minutes from the report entirely.
- The Wireline Competition Bureau released an [Order](#) on December 21, 2018, to address seven petitions seeking review of USAC decisions under the Rural Health Care program where petitioners sought a waiver of the invoicing deadline for reimbursement of services under the RHC program. The bureau granted the Indiana Telehealth Network's request, saying it demonstrated it was unable to file the Healthcare Connect Fund invoice form on a timely basis due to a USAC technical system issue. The bureau denied requests filed by: Charter Advanced Services (Yakima Valley Farm Workers Clinic - Mountainview Women's Health Center), Charter Communications (Spooner Health System), Charter Fiberlink CC VIII, LLC (Aspirus Clinic), Charter Fiberlink CCO, LLC (St. Joseph), District Health Department No. 10, and Hancock Rural Telephone Corporation d/b/a NineStar Connect (Indiana Telehealth Network), saying petitioners failed to present compelling explanations for their delay in seeking reimbursement.

[Back to Highlights](#)



**Misc.**

- The FCC released a [Report and Order and Waiver](#) on December 17, 2018, extending the freeze on Part 36 category relationships and jurisdictional cost allocation factors until the earlier of December 31, 2024, or the completion of comprehensive reform of the Part 36 jurisdictional separations rules. The Commission also provided carriers that opted to freeze their separations category relationships in 2001 a one-time opportunity to unfreeze and update those relationships, setting July 1, 2019, as the effective date for opting out of the freeze. It said carriers currently in the NECA traffic sensitive pool are required to notify NECA by March 1, 2019, of their decision to opt out of the category relationships freeze. To prevent double recovery of costs, the Commission adopted a method similar to the approach the Bureau followed in waiving the category relationships freeze in the Eastex Waiver Order. The Commission also said in the event a summary of the Separations Freeze Extension Order is not published in the Federal Register by December 31, 2018, the Commission will waive the jurisdictional separations rules to the extent they would require carriers to update their category relationships and cost allocation factors.
- The FCC [published](#) in the Federal Register on December 28, 2018, the [Report and Order](#) that allows certain RLECs that receive fixed high-cost support the opportunity to transition from rate-of-return regulation to incentive regulation for their business data services. The Report and Order is effective February 26, 2019.
- ITTA and USTelecom [met with](#) Chairman Pai's Advisor on December 18, 2018, to discuss the history of the proceeding to encourage rate-of-return carriers that receive model-based or other forms of fixed high-cost USF support to move to incentive regulation for their business data services. ITTA and USTelecom urged the Commission to take the same approach for TDM transport for rate-of-return carriers that receive fixed high-cost support as it does for price cap carriers.
- The Wireline Competition Bureau released an [Order](#) on December 18, 2018, approving NECA's 2019 modifications of [Average Schedule High Cost Loop Support formulas](#) for the period beginning January 1, 2019, through December 31, 2019.
- NECA filed its [2019 Modification of Average Schedules](#) on December 20, 2018, that contains 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.
- The FCC released a [statement](#) on December 22, 2018, to announce because of available funding, the FCC plans to remain open at least through the close of business on January 2, 2019, despite the government shutdown.
- The FCC released its [Plan for Orderly Shutdown](#) on December 19, 2018, in case of a lapse in congressional appropriations. The plan indicates if prior year funds are available, the FCC will remain open beyond a lapse. If the prior year funds are unavailable, or such funds are exhausted during the lapse in appropriations, the agency will furlough employees and take other actions in accordance with this plan. It said during such a shutdown, all FCC activities will cease other than those immediately necessary for the protection of life or property.
- The FCC issued a [Public Notice](#) on December 17, 2018, seeking comments for the 2018 Biennial Review of Telecommunications Regulations. The relevant Commission bureaus and offices seek comments on amending rules in Parts 1, 8, 32, 36, 42, 43, 51, 52, 53, 54, 59, 61, 63, 64, 68 and 69. Comments are due January 17, 2019, and replies are due February 19, 2019.
- NTCA [met with](#) Consumer and Government Affairs Bureau staff on December 18, 2018, to discuss the calling party number identification provisions adopted in the October 2017 Caller ID Order in the context of small rural provider operations.
- Microsoft [spoke with](#) the FCC's Chief Technology Officer on December 20, 2018, to discuss Microsoft's efforts to combat unlawful robocalls and caller ID fraud and its participation in the development of the

SHAKEN/STIR caller authentication standard. Microsoft asserted that while there are a number of promising and effective tools available and under development to blunt caller ID scams and illegal robocalls, adopting a safe harbor for blocking legitimate voice calls is not one of those ways, and discouraged the Commission from doing so. Microsoft encouraged the Commission to give the SHAKEN/STIR framework a chance to combat caller ID fraud, in conjunction with the other measures currently being utilized.

- West Telecom Services [met with](#) Commissioner O’Rielly’s Legal Advisor on December 17, 2018, to discuss the status of West’s implementation of the STIR/SHAKEN framework and West’s support of certain industry efforts, including that of USTelecom, to enable the industry to effectively prevent, detect and address illicit automated calling. West also discussed potential changes to the 8YY originating access charge regime.
- ZipWhip [met with](#) Wireline Competition Bureau staff on December 6, 2018, to assert the business texting market is growing and thriving in the absence of FCC regulation, and said the Commission does not regulate the use of numbers as an addressing mechanism in OTT messaging and it need not do so for the use of toll-free numbers. ZipWhip said it does not experience a significant instance of business numbers being text-enabled without the subscriber’s authorization
- ZipWhip filed a [letter](#) on December 19, 2018, to respond to examples of improper text-enabled messages filed by Somos and CSF Hold Co. It claimed messaging providers already have adequate processes in place to validate the subscriber’s authorization and to address errors promptly. ZipWhip said there is no widespread problem of entities text-enabling toll-free numbers without authorization and the Commission should reject proposals for action.
- The Wireline Competition Bureau issued a [Public Notice](#) on December 21, 2018, listing Acknowledgements of Confidentiality filed by parties seeking access to confidential information filed in the special access data collection proceeding. Parties that submitted confidential information in response to the collection have until January 2, 2019, to object to the disclosure of their data and information to any of the parties listed in the Public Notice.
- The Wireline Competition Bureau issued [an Order](#) on December 21, 2018, granting Altice’s request for a waiver of the number assignment rules to allow Altice to obtain numbering resources directly from the NANPA and Pooling Administrator to deploy a new wireless service to consumers.
- The FCC issued a [Public Notice](#) on December 28, 2018, announcing that it granted Hadlo Technologies’ application for authorization to obtain NANP telephone numbers directly from the Numbering Administrators for its iVoIP service. This proceeding will be terminated, and the docket will be closed, 60 days from the date of this Public Notice if there are no further filings.
- The FCC issued a [Notice](#) in the Federal Register on December 27, 2018, seeking Paperwork Reduction Act comments on an extension of a currently approved information collection associated with certain Part 64 rules on cost allocation. Section 64.904(a) states that each incumbent LEC required to file a cost allocation manual shall elect either to have an attest engagement performed by an independent auditor every two years, covering the prior two year period, or have a financial audit performed by an independent auditor biennially. The FCC said instead of requiring mid-sized carriers to incur the expense of a biennial attestation engagement, they now file a certification with the FCC stating they are in compliance with section 64.901, which sets out the rules regarding allocation of costs. PRA comments are due February 25, 2019.
- The FCC issued a [Notice](#) in the Federal Register on December 27, 2018, seeking PRA comments on an extension of a currently approved information collection associated with certain Part 64 rules on billing disclosure requirements for pay-per-call services. The FCC said the billing disclosure requirements are intended to ensure that telephone subscribers billed for pay-per-call or other information services can understand the charges levied and are informed of their rights and responsibilities with respect to payment of such charges. PRA comments are due January 28, 2019.

[Back to Highlights](#)

## Upcoming Filing Dates

- Jan. 3 - Replies due on USTelecom, CTIA, and ITTA's [Petition](#) for a one-time waiver of section 54.420, which requires completion of a biennial audit. [Public Notice](#)
- Jan. 4 - Replies due on the [NPRM](#) on amending tariff filing rules to allow a carrier to cross-reference its own tariffs and eliminating the requirement that price cap ILECs file short form tariff review plans 90 days before access tariffs are due.
- Jan. 4 - PRA comments due on a revision of a currently-approved information collection regarding pole attachment complaint procedures. [Notice](#)
- Jan. 7 - Comments due on issues raised in the [NPRM](#) on promoting telehealth in rural areas related to determining the urban and rural rates used to calculate support in the Telecommunications Program within the Rural Health Care Program. Replies are due January 21, 2019. [Public Notice](#)
- Jan. 14 - Comments due on the Second FNPRM and FNPRM that accompanied the [Report and Order](#) that allows certain RLECs that receive fixed high-cost support to transition from RoR regulation to incentive regulation for their business data services. Reply comments are due February 12, 2019. [FR](#)
- Jan. 17 - Comments due on the 2018 Biennial Review of Telecommunications Regulations, which seeks comments on amending rules in Parts 1, 8, 32, 36, 42, 43, 51, 52, 53, 54, 59, 61, 63, 64, 68 and 69. Replies are due February 19, 2019. [Public Notice](#)
- Jan. 21 - Replies due on issues raised in the [NPRM](#) on promoting telehealth in rural areas related to determining the urban and rural rates used to calculate support in the Telecommunications Program within the Rural Health Care Program. [Public Notice](#)
- Jan. 25 - PRA comments due on an extension of a currently approved information collection associated with certain Part 64 rules on billing disclosure requirements for pay-per-call services. [Notice](#)
- Feb. 12 - Replies due on the Second FNPRM and FNPRM that accompanied the [Report and Order](#) that allows certain RLECs that receive fixed high-cost support to transition from RoR regulation to incentive regulation for their business data services. [FR](#)
- Feb. 19 - Replies due on the 2018 Biennial Review of Telecommunications Regulations, which seeks comments on amending rules in Parts 1, 8, 32, 36, 42, 43, 51, 52, 53, 54, 59, 61, 63, 64, 68 and 69. [Public Notice](#)
- Feb. 25 - PRA comments due on an extension of a currently approved information collection associated with certain Part 64 rules on cost allocation. [Notice](#)

[Back to Highlights](#)

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