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# Alexicon *insider*

INFORMATION AND ADVOCACY FOR THE  
RURAL TELECOMMUNICATIONS INDUSTRY

## Regulatory Headlines

### [Companies Hail Pai Confirmation](#)

FCC Chairman Pai's unsurprising ascent to a second term has been met with open arms by telcos AT&T, CenturyLink and Frontier, which favor a light-touch regulatory regime. In Pai, these telcos see an FCC leader that will encourage service providers to make new investments without restrictions. A key focus for Pai as FCC chairman will be in overturning net neutrality and special access—two issues championed during his predecessor Tom Wheeler's regime.

### [Battle for CBRS Spectrum Ahead](#)

The FCC will vote later this month to explore rule changes for the 3550-3700 MHz spectrum band, known as the CBRS band, including the possibility of larger license areas for longer time periods. According to supporters, CBRS spectrum rule changes would facilitate the deployment of 5G services.

### [FCC to Modernize Toll Free System](#)

The FCC has released a notice of proposed rulemaking seeking comment on how to make toll free number distribution more equitable and efficient than the existing 20-year old system with a goal of providing the public with a better opportunity to acquire the numbers they want, to recognize the value of unique numbers, and to create incentives for toll-free numbers to be put to use quickly and efficiently by non-profit organizations and even government entities.

### [Dems Request Sprint/T-Mobile Review](#)

A group of Senate Democrats is asking regulators to investigate the potential effects of a merger between T-Mobile and Sprint, a deal that is reportedly in the works. In letters to the Department of Justice and the Federal Communications Commission on Friday, the eight senators, led by Sen. Amy Klobuchar (D-Minn.), said they are concerned that the potential deal could hurt consumers.



## Market Watch

[AT&T Expands Rural Fixed Wireless](#)

[Few Conditions on CenturyLink/Level 3 Deal](#)

[Frontier Tests Rural Fixed Wireless](#)

[Verizon to Discontinue DS0 Services](#)



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# Technology Trends

*New and notable technology and services*

## CBRS LTE Faces Uncertain Future

Fixed wireless broadband continues to gain traction with the news today that Georgia-based wireless internet service provider (WISP) Paladin Wireless will deploy fixed service using LTE technology in the CBRS band. Paladin is targeting a December turn-up for the network using an experimental license, said an executive for ExteNet, a provider of distributed network systems that will work with Paladin on its deployment.

## CIOs, IT Workers Don't See Eye-to-Eye

The need for consistent communication was never more obvious than in a recent survey of agency chief information officers and their staffs. The 27th annual Grant Thornton and Professional Services Council CIO survey found real differences in how CIOs and those that work for them see challenges and progress.

## Tech Associations Rally for Digital Reform

Technology trade associations will show up in force on Capitol Hill next week to advocate for digital commerce reform. The president and CEO of the Information Technology Industry Council, Dean Garfield, and the president and CEO of BSA, the Software Alliance, Victoria Espinel, are set to testify at a House Energy and Commerce Committee hearing on the matter.

## Review: Arccos 360 AI Caddie

Thanks to the Arccos 360 system I no longer have to constantly bother my friend and I am learning what I can do with my clubs. It will take some time, but I should see definite improvement with these sensors in my clubs.

## Google Uses Balloons for Service

The Federal Communications Commission said late on Friday it had approved Alphabet Inc's application to provide emergency cellular service to Puerto Rico through balloons. In the aftermath of Hurricane Maria, Puerto Rico has struggled to regain communications services. The FCC said on Friday that 83 percent of cell sites remain out of service.



## **IN FOCUS: Controversy Over Transfer of USF Balances**

A recent controversy has developed over a little-noticed statement in a [GAO Report](#) on the Federal Lifeline Program. In the GAO Report, it was mentioned that the "FCC take action to ensure the preliminary plans to transfer the USF from a private bank to the U.S. Treasury are finalized and implemented expeditiously" and "having the funds in the Treasury could allow USF payments to be used to offset other federal debts..." This, obviously, caught the attention of many in the industry as it has been an on-again, off-again issue for many years.

And then a message posted to USAC's website on August 8 reignited the issue:

*"In coordination with the FCC, USAC is formulating the plan to transfer the funds of the Universal Service Fund (USF) to the U.S. Department of Treasury. The USF funds are currently held at a third party banking institution. This transfer of funds to the U.S. Treasury will reduce risk and ensure continued strong financial management of the USF."*

WTA filed an [Ex Parte communication](#) with the FCC last week succinctly spelling out the industry's concerns. To suggest that monies collected and disbursed on behalf of the federal universal service fund, and arguably done so under the strict understanding that the funds would only be used for universal service program needs, could be used to "offset other federal debts" is clearly an

abuse of these funds and WTA is right in calling this proposed action out to the FCC. Of particular concern is the potential reserves held by USAC in the E-Rate and high cost accounts, as documented [here](#) by the Small Company Coalition, being placed in the hands of the U.S. Treasury to be used by any of a number of budget priorities for either Congress or the Trump Administration.

Exacerbating this problem is the clear fact that the high cost programs are severely underfunded (see 9-8-17 *Alexicon Insider*). As WTA correctly notes, the FCC promised in the 2011 USF Transformation Order to undertake a "sixth-year review of the High-Cost program budget..." This, of course, has not been done or even, to anyone's knowledge, seriously contemplated by the FCC.

It is unknown at this time whether it is too late to halt this transfer of USF funds to the U.S. Treasury. There have been small signs that the FCC is willing to consider an increase to the high cost support budget, but taking these funds away from USAC for what appear to be, at best, nebulous reasons will only make this task more difficult.



## Alexicon at Work

### **Conferences and Meetings**

Doug Kitch, Craig Baumgartner, Dion Nero, Julie Hudson, and Malcolm Hardage will attend the Mid-America Telecom Showcase and Seminar (MATSS) October 16-18 in Kansas City, MO.



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Questions? Comments?

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