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# Alexicon *insider*

INFORMATION AND ADVOCACY FOR THE  
RURAL TELECOMMUNICATIONS INDUSTRY

## Regulatory Headlines

### [Senate Dems Grill Chairman Pai](#)

Democrats grilled the new Republican chairman of the Federal Communications Commission on Wednesday, at his first hearing before Congress since taking over the agency. In his first month on the job, Chairman Ajit Pai has quickly begun rolling back a number of Obama-era initiatives and regulations, and faced tough questions from Dems at the Senate Commerce Committee hearing. Topping the agenda, was Pai's decision not to conduct an FCC review of the \$85 billion proposed AT&T-Time Warner merger.

### [Pai Renominated as FCC Chair](#)

It's probably not a surprise to anyone, but President Trump has nominated FCC Chairman Ajit Pai for a second five-year term at the agency. Shortly after taking office, Trump moved Pai up to Chairman at the Commission, which was a good indicator that he wanted him to continue at the FCC.

### [Pai Testifies at Senate Commerce](#)

FCC Chairman Ajit Pai went to Capitol Wednesday to testify before the Senate Commerce Committee, one day after being nominated for a full term as head of the agency by President Donald Trump.

### [New Fight Over Internet Privacy](#)

A new fight is brewing over internet privacy as the Federal Communications Commission moves to undo Obama-era rules.

### [FCC Investigates AT&T 911 Outage](#)

Federal Communications Commission Chairman Ajit Pai announced that he has launched an investigation into the 911 outage that impacted AT&T wireless subscribers across the United States yesterday evening.

### [O'Rielly Wants More Pirate Protection](#)

Republican FCC Commissioner Michael O'Rielly made it be known that "a core function of the Commission ... is not being sufficiently achieved as it pertains to pirate radio stations."



## Market Watch

[Google YouTube TV Rivals Cable](#)

[Windstream to Focus on Rural Markets](#)

[Hargray Sold to Private Investment Group](#)

[Akamai Report: U.S. Speeds Hit 17.2 mbps](#)



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Questions? Comments?  
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# Technology Trends

*New and notable technology and services*

## Business Cyberattacks Boomed in 2016

New research released by cybersecurity company Trend Micro shows that hackers stepped up their efforts to exploit commercial networks in 2016. With a huge leap in the types of ransomware used and a flurry of business email compromise (BEC) attacks, cybersecurity is as important as ever.

## WhatsApp Tests Business Chat Tools

WhatsApp, the Facebook-owned messaging service used by more than 1 billion people worldwide, is testing a system that would let businesses talk directly to WhatsApp users for the first time, according to communications about the project seen by Reuters. The tests, which are being conducted with a handful of companies that are part of the Y Combinator startup incubator, are an important signal of how WhatsApp plans to make money from its massively popular service.

## JavaScript: An Insecure Mess

An analysis of over 133,000 websites has found that 37 percent of them have at least one JavaScript library with a known vulnerability. Researchers from Northeastern University have followed up on research in 2014 that drew attention to potential security risks caused by loading outdated versions of JavaScript libraries, such as jQuery, and the AngularJS framework in the browser.

## Ransomware: What Would You Do?

No wonder ransomware has become one of the biggest menaces on the web; a third of organizations across the globe which became infected by the file-encrypting malware in the past 12 months gave into the demands of hackers in order to regain access to their locked data. With attacks of this kind being simpler than ever to carry out thanks to the availability of ransomware-as-a-service schemes...

## IoT: Accounting Game Changer

In an industry riddled with regulation, time sheets, and database entry, MYOB CEO Tim Reed believes the Internet of Things (IoT) has the potential to redefine the role of the accountant. With sensors and internet connections present in everything from a vehicle to the smartphone in an employee's back pocket, the accounting software company chief believes there is an opportunity...



## **IN FOCUS:** **CAF Phase II Auction:** **More Details**

As reported in the February 24 Alexicon Insider, the FCC adopted an Order moving the long-awaited Connect America Fund (CAF) Phase II competitive auction process forward. The [Report and Order on Reconsideration](#) in large part adopted performance tiers that will be used to weight eventual bids on eligible areas. The next steps will be for the FCC to adopt the actual auction procedures after receiving public input on the matter. The auction is not expected to occur before the third quarter of 2017.

As a reminder, CAF Phase II competitive auction process is designed to allow interested parties to bid on areas (i.e., census blocks) where the price cap carrier declined the statewide offer of Phase II model-based support. However, even in states where the price cap carrier accepted the offer of support (for example, in Kansas both AT&T and CenturyLink accepted the offer), there may be various areas available in the auction. For example, any census blocks deemed to be "extremely high cost" or that are served by unsubsidized competition but at speeds less than 10/1 mbps.

As of right now, the Wireline Competition Bureau has [released](#) a list of initial eligible areas (August 2016 Public Notice). Included in this Public Notice are links to the census block data as well as a map depicting the eligible areas. It should be noted that these areas are not final, with the Bureau to release the final list roughly 3 months prior to the "short form" applications being due.

Companies considering participation in the CAF Phase II auction should carefully review the areas available, the locations covered, and the support generated by the cost model (all of this data is available in the eligible areas data linked to in the August 2016 Public Notice). In general, the reserve price for the eligible areas (either census blocks, census block groups, or census tracts—TBD by the FCC) in the auction will be the cost model-generated support. The auction is expected to operate as a single round, reverse auction.

In order to participate in the upcoming auction, a company either has to be an ETC or will obtain ETC status within 180 days of being announced as a winning bidder. There are also several requirements to be met prior to participating in the auction, such as certification of financial and technical capabilities, evidence of operating authority, and that the entity has been in business providing broadband services for at least two years.

Companies seeking to participate in the auction should review the FCC's most recent [order](#) for additional requirements. In addition, please contact us for a more detailed look at any CAF Phase II eligible areas that may be in your vicinity.



## Alexicon at Work

### Conferences and Meetings

Chris Barron, Zachary Cochran, Doug Kitch, Rob Strait, and Vince Wiemer will be attending the WTA Spring Meeting in Hilton Head, SC next week.



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Questions? Comments?

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