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# Alexicon *insider*

INFORMATION AND ADVOCACY FOR THE  
RURAL TELECOMMUNICATIONS INDUSTRY

## Regulatory Headlines

### [FCC Net Neutrality NPRM](#)

The Republican-led Federal Communications Commission voted Thursday to begin undoing a key decision from the Obama era that could relax regulations on Internet providers. The move highlights the uphill battle for Democrats and consumer advocates, who say that weaker rules could allow Internet service providers to abuse their position as gatekeepers between customers and the rest of the Internet.

### [Open Internet: Clyburn Fears USF Impact](#)

The FCC action took the form of a notice of proposed rulemaking (NPRM) adopted at today's monthly commission meeting, with the two Republican commissioners voting yes and the commission's sole Democratic commissioner, Mignon Clyburn, voting no on adoption. Among other concerns, Clyburn said the proposal "has the potential to damage our authority to provide broadband for the poorest and most remotely located Amer-

icans" and "weaken our ability to support broadband through our Universal Service programs."

### [The John Oliver Effect](#)

In the days following John Oliver's May 7 video on net neutrality, the FCC's public comment filing page has blown up.

### [FCC Extends Separations Freeze](#)

As expected, the FCC extended the existing freeze through December 31, 2018. This includes the Part 36 category relationships and jurisdictional cost allocation factors that have been frozen, in one form or another, for the past 16 years.

### [House Infrastructure Proposal \(NTCA\)](#)

A proposal unveiled today by Democratic members of the House Energy & Commerce Committee to invest \$40 billion over five years toward expanding broadband services to more Americans is a welcome step in an ongoing dialogue about how best to promote the availability and sustainability...



## Market Watch

[Report on Gigabit Broadband Availability](#)

[AT&T: FTTP Driving Bundle Services](#)

[Consolidated FairPoint Roadmap](#)

[Verizon Committed to Wireline Business](#)



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Questions? Comments?  
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# Technology Trends

*New and notable technology and services*

## Bitcoin Rivals Line Up

Two-thirds of those caught up in the past week's global ransomware attack were running Microsoft's Windows 7 operating system without the latest security updates, a survey for Reuters by security ratings firm BitSight found. Researchers are struggling to try to find early traces of WannaCry, which remains an active threat in hardest-hit China and Russia, believing that identifying "patient zero" could help catch its criminal authors.

## Lessons from the FCC Botswarm Attack

On Sunday, May 7, the FCC started receiving an unusually large number of public comments and document requests on its Electronic Comment Filing System. The ECFS is where members of the public, including companies and researchers, can search the full range of FCC archives. To put the numbers into context, Bray explained, "It took about 110 days

in 2014 to reach 2+ million comments. Here we received 2+ million comments in just ten days."

## Fiber Inside the Home

Fiber in neighborhood networks creates a need for equipment at the customer's premises to convert electrical to optical signals. For many service providers, this marked the first time that power was needed to terminate new connections at the customer's premises.

## Information Security Incident Reporting

Make sure your employees know how to spot potential security breaches and how they should respond. This policy describes the signs that might point to a security incident and offers guidelines on the steps they should take.

## Experts Find Ransomware Clues

Two-thirds of those caught up in the past week's global ransomware attack were running Microsoft's Windows 7 operating system without the latest security updates, a survey for Reuters by security ratings firm BitSight found. Researchers are struggling to try to find early traces of WannaCry, which remains an active threat in hardest-hit China and Russia, believing that identifying "patient zero"...



## **IN FOCUS:** **FCC Open Meeting: Three Commissioners, Little Agreement**

Commissioner Mignon Clyburn, as the sole Democratic member of the FCC, seems to have taken up the mantle as the opposing voice to Chairman Pai's agenda. As noted in the above article about the Net Neutrality NPRM, Clyburn dissented on the item and issued a lengthy [dissenting statement](#), covering areas from Skid Row in Los Angeles to a threat to rural universal service. She ends her statement with a direct criticism of Pai's agenda: "Each action, is a cut against the public interest, and the majority will keep it coming unless Americans stand up, make their voices heard and challenge the FCC in court, because it is glaringly obvious, with each open meeting, that the willingness and the ability of the majority to protect consumers and competition in a broadband era, has come to a screeching halt."

Commissioner Clyburn also [dissented](#) on the NPRM and Order to freeze the RoR carrier local rate floor at \$18, stating "I made it clear then, as I do now, that dealing in tandem with the rate floor and with waste, fraud, and abuse, were key." Commissioner O'Rielly claimed he only signed on to the NRPM and Order after the proposed rule included a revision to the rate floor rule, rather than solely eliminating the rule.

Chairman Pai, for his part, was consistent in his advocating for a reversal of the Wheeler Commission's decision to treat broadband internet access service as a Title II service. Also, in keeping with his MO, Pai couldn't resist a few well-placed cultural references.



## Alexicon at Work

### CAF Phase II Competitive Auction

Alexicon is currently working on analysis and strategy regarding the FCC's upcoming competitive auction for CAF Phase II support. Price cap carriers were offered CAF Phase II support in amounts based on the outputs of the Connect America Cost Model (CACM) and were required to accept the support on a statewide basis. The support was conditioned on the price cap carrier also committing to meet public interest obligations regarding buildout, broadband speed, etc. For areas declined by the price cap carrier, or otherwise not yet funded by CAF Phase II, a competitive reverse auction will be held this year (supposedly).

Ten price cap carriers accepted over \$1.5 billion in annual support, and nearly \$175 million in support was declined. The FCC has released a preliminary list of eligible areas and has adopted the outlines of the auction process. Still to come are the final eligible areas and an Auction Procedures Public Notice.

Alexicon is in the process of preparing data for clients in determining whether participating in the CAF Phase II auction is advisable. Please contact Zach Cochran ([zcochran@alexicon.net](mailto:zcochran@alexicon.net)) for more information.

### Conferences and Meetings

Vince Wiemer will attend the Alaska Telephone Association annual meeting in Sitka, AK on May 22-24.



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Questions? Comments?

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