



- ▶ FCC ACTION ON RURAL CALL COMPLETION
- ▶ **FCC TO ADDRESS ROBOCALLS**
- ▶ AT&T, VZ GET BEHIND PROTEST
- ▶ **CENTURYLINK FACES BILLING LAWSUITS**
- ▶ WAIVER SOUGHT TO USE ACTUAL REVENUES ...1
- ▶ **TDS BEGINS MINNESOTA ACAM PROJECT**
- ▶ ANALYST: CONSOLIDATED COMMUNICATIONS
- ▶ **AT&T TO RUN WIRELESS, MEDIA SEPARATELY**
- ▶ Q2 WIRELINE TELECOM EARNINGS TRACKER ...1
- ▶ VZ: DATA BREACH REPORT OVERBLOWN
- ▶ **PROTECTION FROM VERIZON DATA BREACH**
- ▶ PROJECT TO PARTNER WITH RURAL PROVIDERS
- ▶ **NEW C SPIRE TV ELIMINATES SET TOP BOX**
- ▶ MALWARE ADDS TO SECURITY HEADACHES ...2

○ ISSUE 7 | ○ VOL 7-17 | ○ 2017

Alexicon *insider*

INFORMATION AND ADVOCACY FOR THE
RURAL TELECOMMUNICATIONS INDUSTRY

Regulatory Headlines

[FCC Action on Rural Call Completion](#)

The FCC is considering imposing additional rural call completion requirements on long-distance providers. In a notice of proposed rulemaking (NPRM) adopted yesterday, the commission asks for input on several proposals, including one that would require long-distance providers to monitor the rural call completion performance of intermediate carriers contracted by the long-distance companies to deliver calls to rural areas.

[FCC to Address Robocalls](#)

The Federal Communications Commission (FCC) stepped up its efforts to crack down on robocalls Thursday, opening up an inquiry into how to combat illegal and fraudulent callers.

[AT&T, VZ Get Behind Protest](#)

AT&T and Verizon are surprising industry watchers by joining the “Day of Action” to protest the FCC’s plan to gut current net neutrality rules, but the two telcos are sticking to

their guns that Title II is the wrong method with which to regulate service providers.

[CenturyLink Faces Billing Lawsuits](#)

CenturyLink’s troubles over fraudulent billing practices continue to mount as a growing number of states have filed lawsuits against the telco. Trouble for the telco has mounted since a former employee, who claims she was fired for alerting company officials about charging customers out of millions of dollars for services they never ordered.

[Waiver Sought to Use Actual Revenues](#)

Great Plains Communications (Great Plains) in Nebraska has petitioned the FCC for a rule waiver that would allow Great Plains to use actual switched access revenues rather than National Exchange Carrier Association (NECA) projected 2011-2012 interstate switched access revenue in determining Great Plains’ rate change factor for its 2017-2018 switched access rates as it exits the NECA pools and eligible recovery amounts.



Market Watch

[TDS Begins Minnesota ACAM Project](#)

[Analyst: Consolidated Communications](#)

[AT&T to Run Wireless, Media Separately](#)

[Q2 Wireline Telecom Earnings Tracker](#)



Alexicon

Questions? Comments?
Contact Chris Barron

cbarron@alexicon.net

Technology Trends

New and notable technology and services

Protection from VZ Data Breach

Another day, another major data breach. This time around it's personal. When Verizon was shown to have as many as 14 million subscriber records revealed, I was one of them. Lucky me. Lucky you. These customer records were contained in log files from Verizon customers service calls during the last six months. Each record included the customer's name, their cell phone number, and account PIN.

Project to Partner with Rural Providers

Microsoft introduced an interesting initiative today, the Microsoft Rural Airband project. Microsoft will invest an unspecified amount of money with existing rural broadband carriers to bring broadband to 2 million people in rural America by 2022. Microsoft will help fund projects that use TV white spaces spectrum for wireless broadband.

New C Spire TV Eliminates Set Top Box

Regional operator C Spire has launched a new app based TV service, C Spire TV, which leverages third party streaming devices as a replacement for set-top-boxes. C Spire has been working on this evolution for over a year and announced its commercial launch last week.

Malware Adds to Security Headaches

A new form of credential-stealing malware -- complete with slick marketing and support from its authors -- is available for as little as \$7, providing wannabes with a worryingly easy entry point into the world of cybercrime. First appearing a month ago, Ovidiy Stealer is regularly updated by its Russian-speaking authors and the malware has hit targets around the world including the UK, the Netherlands, India, and Russia.

VZ: Data Breach Report Overblown

Verizon is fighting back against claims made in a ZDNet report that there was a large breach of its customers' data, telling other media outlets that no loss or theft of customer information occurred. There were nearly 14 million subscriber records who called Verizon's customer service department in the past six months that were found on an unprotected Amazon S3 storage server...



IN FOCUS: Pai Declares War on Lifeline Waste, Fraud, and Abuse

FCC Chairman Ajit Pai recently, and in substantial detail, continued the war on waste, fraud, and abuse in the federal Lifeline program ([link](#) to letter to USAC). Most recently, the Government Accountability Office (GAO) found significant fraud and abuse in the program (see 6-30-17 Alexicon Insider, or GAO report available [here](#)). The GAO report is just the latest in a fairly long line of critical reports on the Lifeline program.

In general, Chairman Pai blames the amount of waste, fraud, and abuse on wireless resellers that began participating in the Lifeline program in 2009.

Chairman Pai highlights several areas where the Lifeline program needs improvement, and mentions the recent GAO report's finding that the "GAO was unable to confirm whether about 1.2 million individuals of the 3.5 million it reviewed, or 36 percent, participated in a qualifying benefit program, such as Medicaid, as stated on their Lifeline enrollment application."

The Chairman calls for audits of the top ten ETCs with potentially ineligible subscribers according to the GAO report. For these same ETCs, the Chairman calls for a review of a statistically valid sample of enrolled or recertified subscribers each month.

Also in the Chairman's crosshairs are oversubscribed addresses, phantom subscribers (where an ETC claims more customers for

reimbursement than the count contained in the NLAD), deceased subscribers, exact duplicates (where one subscriber's information exactly matches another's), and sales agent accountability.

Clearly, Ajit Pai as Chairman continues the focus that Ajit Pai the FCC commissioner had on Lifeline. As the GAO found, there is probably a substantial amount of Lifeline funding being paid out unnecessarily at best, and fraudulently at worst. For the program's viability, this needs to be resolved. On the other hand, most ETCs need to be vigilant to ensure the FCC doesn't not overreach and start inappropriately "purging" the Lifeline customer rolls.



Alexicon at Work

Cost Study Season

The annual (and unique to cost consultants across the country) cost study season is in full swing. Alexicon consultants are busy at work completing studies and HCLS calculations, tying up loose ends, and getting filings ready for submission to NECA. All these tasks have to be wrapped up by July 31.

Maps, Maps, and More Maps

Recent FCC activity has put the ability to analyze and visualize sometimes large lists of census blocks on the front burner. First, there was the list of eligible areas for the upcoming CAF Phase II competitive auction. Then, the WCB released a list of census blocks to be included in the CAF Phase II auction unless it received opposition. Finally, last week the WCB notified the industry of the data set that will be used in the CAF BLS/Alaska Plan competitive overlap determination process.

Alexicon will continue combing through this data and put it into understandable formats (maps) as these issues move forward.



Questions? Comments?
Contact Chris Barron
cbarron@alexicon.net