



- ▶ FCC OFFERS SMALL ISPS A BOOST, BUT...
- ▶ **USDA SEEKS INPUT ON RURAL FUNDING**
- ▶ GROUP CRITICIZES LARGE CARRIER CAF
- ▶ **LATEST USDA RURAL BROADBAND FUNDING**
- ▶ FCC ADOPTS PROCEDURES FOR 24/28 GHZ ...1

- ▶ **NEW OPTIONS FOR INDEPENDENT CABLE PROVIDERS**
- ▶ SMALL ILEC DIVESTITURES COMPLETED
- ▶ **NEARLY 20% OF CONSUMERS WATCH SVODS ONLY**
- ▶ CHARTER CEO: VIDEO NOT STANDALONE ...1

- ▶ SOCIAL MEDIA TUMBLES
- ▶ **AT&T ON NEXTGEN NETWORKS**
- ▶ STATE OF THE INTERNET/SECURITY REPORT
- ▶ **IOT SECURITY WARNING FROM THE FBI**
- ▶ VIZIO LAUNCHES STREAMING SERVICE ...2

○ ISSUE 8 | ○ VOL 8-3 | ○ 2018

Alexicon *insider*

INFORMATION AND ADVOCACY FOR THE
RURAL TELECOMMUNICATIONS INDUSTRY

Regulatory Headlines

[FCC Offers Small ISPs a Boost, But...](#)

Small internet providers expect a helping hand from the Federal Communications Commission Thursday, a move that could spur competition and perhaps lower prices. But the commission is also considering a more sweeping proposal that would hurt upstarts to the benefit of industry giants like AT&T.

[USDA Seeks Input on Rural Funding](#)

The U.S. Department of Agriculture is seeking stakeholder input on how to implement the \$600 million E-Connectivity broadband loan and grant pilot authorized in the Consolidated Appropriations Act of 2018. The USDA E-Connectivity pilot will target rural areas with populations of 20,000 or less in which at least 90% of the households to be served do not have broadband of at least 10 Mbps downstream and 1 Mbps upstream available to them.

[Group Criticizes Large Carrier CAF](#)

The Institute for Local Self-Reliance, an advocacy group for local community economic development, has issued a harsh critique of the Connect America Fund program, which pays some or all of a carrier's costs of deploying broadband in rural areas.

[Latest USDA Rural Broadband Funding](#)

The latest round of USDA rural broadband funding was announced yesterday, with \$97 million allocated for projects in 11 states. The funding is a mix of loans and grants, flowing from the USDA Rural Development Telecommunications Loans and Community Grants program, and targets over 22K subscribers.

[FCC Adopts Procedures for 24/28 Ghz](#)

The FCC has adopted a Public Notice establishing application and bidding procedures for the upcoming Spectrum Frontiers auctions of Upper Microwave Flexible Use Service (UMFUS) licenses in the 28 GHz (27.5-28.35 GHz) and 24 GHz (24.25-24.45, 24.75-25.25 GHz) bands.



Market Watch

[New Options for Independent Cable Providers](#)

[Small ILEC Divestitures Completed](#)

[Nearly 20% of Consumers Watch SVODs Only](#)

[Charter CEO: Video Not a Standalone Service](#)



Alexicon

Questions? Comments?
Contact Chris Barron

cbarron@alexicon.net

Technology Trends

New and notable technology and services

AT&T on NexGen Networks

Give AT&T's Mazin Gilbert a half an hour or less, and he will entirely lay out how his company is using artificial intelligence, machine learning and edge networks as just some of the building blocks for a next-generation network. Gilbert, vice president of advanced technology and systems at AT&T Labs, gave FierceTelecom an overview of how all of the various pieces of AT&T's networking puzzle are coming together.

State of the Internet/Security Report

The State of the Internet / Security Report is about the changes we see. Our view into the Internet is constantly changing. The State of the Internet/Security: Carrier Insight we first published this spring is one example of how we're adding new capabilities. In this report, the team analyzed DNS lookups by botnet and malware command and control systems to better understand (and block) these threats.

IoT Security Warning from the FBI

Internet of Things devices including routers, IP cameras and even smart locks and connected doors are being targeted by cyber criminals who are looking to exploit them as a gateway for hacking and other cyber attacks, the FBI has warned. An alert from the FBI details the dangers of unsecured smart devices and how they can be abused by attackers, particularly when it comes to accessing them as part of criminal campaigns and a means of remaining anonymous while doing so.

Vizio Launches Streaming Service

Think there are too many streaming services? How about one more? Today, Vizio says it's launching its own streaming service called WatchFree that will be available on nearly all its Vizio SmartCast TVs via a separate input.

Social Media Tumbles

Intrusive ads and privacy concerns are driving down satisfaction with social media, according to a recent nationwide survey. Satisfaction with social media scored 72 out of 100 points, a drop of 1.4 percent, in the most recent American Customer Satisfaction Index (ACSI) 2018 E-Business Report. That makes social media the lowest-scoring category of e-business surveyed...

IN FOCUS:

Separations Freeze To Be Addressed Again

Once again, and possibly for the last time for awhile, the FCC is seeking input ([FNPRM](#)) on what to do with the Part 36 Separations Factor and Category freeze enacted 18 years ago. The freeze, which for factors was mandatory for RoR-regulated carriers and for categories was optional, has demonstrated remarkable staying power considering the original plan was to have new separations rules in place by 2006.

Now, in an apparent gambit that the Federal-State Joint Board can come up with a solution given *even more* time, the FCC proposes to extend the freeze, which is set to expire at the end of this year, for another 15 years. In addition, the FCC proposes to either allow carriers that elected to freeze categories a one-time out, or force all such carriers to unfreeze category relationships.

The FCC correctly notes that separations rules have become substantially less important since the advent of price cap regulation, the 2011 USF/ICC Transformation Order's handling of switched access rates and the ACAM support process for certain RoR carriers. Now, Part 36 really only affects (1) special access rates, (2) calculating interstate common line support for those carriers that have not elected ACAM support, and (3) calculating SLC levels for the few carriers whose SLCs are below the maximum level. Even though these factors are clear, the Joint Board and FCC have struggled for the past 18 years to get anything done besides annual freeze extensions.

In the FNPRM, the FCC proposes to either extend the separations freeze for 15 years (based on a comment made by Commissioner O'Rielly) or make the extension permanent. The alternative, of course, is to reinstate the separations rules absent the freeze—an outcome that probably no one in the industry wants.

As to the opportunity for carriers to unfreeze category relationships, the FCC notes that approximately 45 study areas currently have frozen categories, and that two carriers have been allowed to unfreeze categories in the past (Gila River and Eastex). The FCC raises a number of issues with this proposal, including the effect on universal service support, double recovery issues, and whether such carriers should be required to recalculate the base period revenues included in the calculation of CAF ICC.

Comments are due August 28 and replies are due September 10.



Alexicon at Work

ALEXICON 2018 MANAGEMENT CONFERENCE

Alexicon will hold its 2018 Management Conference on August 22-24 in Colorado Springs. The conference will be held at the Antler's Hotel at 4 South Cascade Avenue, and will feature a diverse cast of topics and presenters. Included, on August 22 are a golf or gambling outing, and a group dinner on the evening of August 23.

Plan on joining us in Colorado in August! Contact Juli Charter at 719-531-6342 or jcharter@alexicon.net if you have any questions, need further information, or would like to register.


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