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Alexicon *insider*

INFORMATION AND ADVOCACY FOR THE
RURAL TELECOMMUNICATIONS INDUSTRY

Regulatory Headlines

FCC Extends Separations Freeze

The FCC extended the jurisdictional separations freeze for up to six years so that the Commission and the Joint Board "can devote their resources to substantive reform, rather than to extending artificial deadlines." Further, it will allow rate-of-return carriers that elected to freeze their separations category relationships in 2001 to opt out of that freeze.

USDA ReConnect Rules Released

The USDA released the rules for how it will award $600 million in broadband loans and grants for the Rural Broadband Pilot program created by Congress earlier this year and to be known now as the ReConnect program.

Telco Associations Applaud Farm Bill

The 2018 Farm Bill, which passed Congress last week, has gotten good reviews from rural trade groups . Farm Bill broadband provisions include increasing funding to bring broadband to rural areas currently lacking service.

Lifeline Verifier to Launch in More States

The FCC's Wireline Competition Bureau has announced that the National Lifeline Eligibility Verifier (National Verifier) will fully launch in five states, including Hawaii, Idaho, New Hampshire, North Dakota, and South Dakota, as well as the territory of Guam, starting on January 15, 2019.

Senate Passes Emergency Alert Bill

The Senate Monday night unanimously passed the Reliable Emergency Alert Distribution Improvement (READI) Act. The bill, introduced by U.S. Senators Brian Schatz (D-HI), John Thune (R-SD), and Roger Wicker (R-MS), is aimed at improving federal oversight of the wireless and broadcast emergency alert system. It was introduced after the false ballistic missile alert in Hawaii this January.
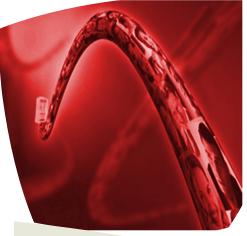
Market Watch

RTC Acquires EATel

NTCA Report: 40% Subscribe to 25 Mbps

Windstream Offloads MN Fiber Assets

Communities Band Together for Broadband

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Questions? Comments?
Contact Chris Barron
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Technology Trends

New and notable technology and services

Geo-Coding Added to Go2Broadband

Kyrio has added geo-coding to Go2Broadband, providing data about service availability down to individual addresses. Together with a cloud API system, Go2Broadband can now connect users to constantly updated digital offers and shuttle them along to the purchase and installation phase. That keeps the consumer in the digital buy-flow, rather than simply conducting a "warm handoff" between the reseller pitching the offer and the cable operator that delivers the actual services.

2018—The Year of 5G Hype

T-Mobile is not the only carrier touting the amazing new capabilities of 5G, or fifth-generation data networks. The entire industry has spent much of the year marketing a dazzling future to consumers, one in which the successor to 4G LTE enables entirely new technologies, such as self-driving cars and remote medicine.

Telco Automation Takes Awhile

There are few more abused sets of buzzwords than "network automation." It's getting up there with "artificial intelligence." Magical robots doing all the dirty work you don't want to do—sounds great, doesn't it? The problem is that while automation has made major progress in the cloud, its progression is slower in the major telecom providers, and that's because they have more...

Cryptomining, IoT Malware on the Rise

Cybersecurity firm McAfee said that the cyber-criminal underworld is generating 480 new threats per minute. That's one of the details in the new McAfee Labs Threats Report: December 2018. McAfee reported that internet of things malware was up 73 percent in the third quarter, while cryptocurrency mining malware was up 71 percent, even as the value of many cryptocurrencies have declined.

The Year Ahead for Tech

Tech and cybersecurity are poised to be at the forefront of Congress's agenda in 2019. Lawmakers have increasingly set their sights on Silicon Valley, demanding a crackdown on tech giants like Facebook and Twitter. At the same time, cybersecurity efforts are increasingly focusing on the threat from abroad, particularly from Russia and China.

IN FOCUS:
What to Expect in 2019

The end of 2018 to a certain extent brought some much-needed good news for rural broadband providers from Washington, D.C. The FCC adopted an order that, among other things, increases the budget for rate-of-return carrier USF support; the Farm Bill was signed into law that contains beneficial provisions; and the USDA issued new rules for distributing funds under the "ReConnect" program. Can we expect a continuation of this trend in 2019? Here's what to expect, in no particular order:

Local Rate Floor Freeze. The local rate floor freeze (currently at $20) adopted in 2014 expires effective 7/1/19. While a Pai-led Commission is likely to extend the freeze or otherwise revise the rate floor rule, it is worthy to note that the WCB issue a Public Notice this week that pegs the 2019 rate floor at $26.98.

ACAM Offers. The revised and new ACAM offers adopted in the December RoR USF Budget Order could be revealed as soon as the end of January. However, if the government is shut down today, this could be delayed as the process to publish the order in the Federal Register would be one of the casualties.

ICC Transition. Effective 7/1/19, the unified terminating access rates will be reduced to $0.0007, with corresponding changes to CAF ICC support.

Business Data Service Deregulation. Current and future ACAM support and Alaska Plan support recipients will have an opportunity to elect streamlined regulation for certain special access services. The initial deadline is a 3/1/19 notification to NECA about exiting the SA pool, followed by a 5/1/19 notification to the FCC's WCB.

Broadband Performance Testing. Absent further FCC action, most CAF BLS and ACAM support recipients will have to begin testing broadband performance during the third quarter 2019. The RLEC industry remains that the FCC will grant some type of delay as requested by NTCA and/or WTA.

RoR USF Budget. The FCC determined that the reductions due to the 2018-2019 funding year budget control mechanism will not be reflected in support beginning in January 2019. As for the next (2019-2020) funding year, the one-time 7% bump is expected to cover the reduction that would otherwise take place.

The FCC and Congress could tackle a number of other issues, such as broadband mapping accuracy, Net Neutrality, 5G infrastructure, and a dark horse such as USF contributions reform.

Alexicon at Work

Alexicon consultants are busy working on various year-end filings, such as Form 509s, NECA cost lock, and 18-3 HCLS filings.

Alexicon Offices Closed

Alexicon's offices will be closed on Monday and Tuesday, December 24 and 25 next week in observance of the Christmas holiday. Our offices will also be closed December 31 and January 1 for the New Year holiday.