
Regulatory Review

The Miller Isar, Inc. Regulatory Review is a monthly report designed to provide clients with information regarding regulatory and policy matters that may impact their business operations. The Regulatory Review is provided for informational purposes only and does not constitute legal opinion or counsel.

FEDERAL REGULATORY NEWS



RURAL CALL COMPLETION FNPRM RELEASED

On April 17, 2018, the Commission released a [Second Report and Order and Third Further Notice of Proposed Rulemaking](#) regarding rural call completion issues adopted during the Commission's April 17, 2018 Open Meeting. The Commission adopted a new rule requiring "covered providers" as defined to monitor the performance of the intermediate providers to which they deliver calls. The Commission also removed reporting requirements for covered providers established under the Commission's 2013 rural call completion order upon determining that reporting rules were burdensome and provided limited value in determining rural call completion issues and sources. The Commission requests comments on proposed rules to implement the recently enacted Improving Rural Call Quality and Reliability Act of 2017. That law directs the Commission to establish registration requirements and service quality standards for intermediate providers. Comments are also requested on the recording and retention rules established in the 2013 rural call completion order upon implementation of the Act. Comments are due June 4, 2018; replies are due June 19, 2018. (Docket No. 13-39; FCC 18-45) Statements by Chairman [Pai](#), and Commissioners [Clyburn](#), [O'Reilly](#), [Carr](#), [Rosenworcel](#).

ROBOCALL FNPRM COMMENTS DUE

On April 23, 2018, the Commission published its March 23, 2018 [Further Notice of Proposed Rulemaking](#) requesting comments on how to address the issue of end users receiving unwanted calls to user telephone numbers that had formerly been assigned to others. A [Public Notice](#) was issued on April 24, 2018. Comments are due June 7, 2018, and reply comments due July 9, 2018.

COMMISSION RELEASES NPRM ON USF EQUIPMENT-SERVICE REIMBURSEMENT PROHIBITION

On April 17, 2018, the Commission released a [Notice](#) proposing to prohibit federal universal service fund (USF) spending on equipment and services provided by companies that pose a national security risk. The Commission stated that in light of longstanding Executive Branch and Congressional concerns over U.S. communications infrastructure risks posed by certain equipment providers and the Commission's stewardship of the federal USF, that the Commission has a responsibility to ensure that USF funds are not spent on entities that may pose national security risks. In its April 18, 2018 [Notice of Proposed Rulemaking](#), the Commission sought comment on how to best implement the prohibition, what types of equipment and services should be covered, how the Commission should identify – and how USF recipients can learn – which suppliers are covered by the proposed rule, the costs and benefits of the proposed rule and how to enforce the proposed rule. Comments are due 30 days following *Federal Register* publication of the NPRM and reply comments are due 60 days following publication. Statements by [Chairman Pai](#) and Commissioners [Clyburn](#), [O'Reilly](#), and [Carr](#). (WC Docket No. 18-89, FCC 18-42)

SMALL ENTITY CALLERID RULE COMPLIANCE GUIDE RELEASED

On March 29, 2018, the Commission released its [Small Entity Compliance Guide](#) as an aide to assist small entities comply with the Commission's new Caller ID rules. The Commission amended its CallerID rules in October 2017, creating an exemption for threatening calls with blocked Caller ID and for calls placed to non-public emergency services from a blocked CallerID.

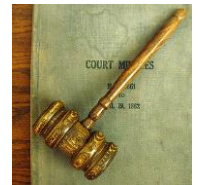
T-MOBILE FINED FOR RURAL CALL COMPLETION RULE VIOLATIONS

On April 16, 2018, the Commission released a [news release](#) announcing a settlement with T-Mobile USA following an investigation into the Company's potential violation of the Communications Act of 1934 for failure to resolve rural call completion issues and violation of Commission rules prohibiting carriers from inserting false ring tones. The Commission had found that T-Mobile USA had inserted false ring tones on hundreds of millions of calls. Under the terms of the settlement, T-Mobile USA agreed to pay \$40 million to the U.S. Treasury and develop a compliance plan to prevent future violations. The Enforcement Bureau [Order](#) was also released on April 16, 2018.

IN THE COURTS

INCOMPAS APPEALS COMMISSION DENIAL OF MOTION IN RESTORING INTERNET FREEDOM PROCEEDING

On April 19, 2017, Incompas filed a petition with the U.S. Court of Appeals for the District of Columbia Circuit appealing the Commission's denial of the industry group's motion to incorporate "highly probative documents" into the restoring Internet Freedom proceeding. According to Incompas, the Commission had



recognized that broadband service providers threatened an open Internet, but did not consider those threats when releasing its Restoring Internet Freedom order earlier this year. (Consolidated cases beginning with "Mozilla Corp. v. FCC," case 18-1051)

STATE REGULATORY NEWS

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IDAHO – Commission Extends ITSAP Surcharge – Maintains TRS Surcharge

The Idaho Public Utilities Commission has ordered continued suspension of the monthly Idaho Telecommunications Service Assistance Program (ITSAP) surcharge for budget year 2018. In 2017, the Commission suspended the ITSAP, finding that program funding requirements were declining. According to the Commission, extending the ITSAP suspension will not result in a significant reduction in the fund even in the event of unanticipated program changes. The ITSAP administrator reported a 21 percent decrease in wireline access lines; a 45 percent decrease in wireless lines while also reporting a 34 percent decrease in the number of ITSAP recipients from the previous year. (Docket GNR-T-18-03)

Separately, the Commission approved maintaining a \$0.02 per month Telecommunications Relay Service (TRS) surcharge per access line and \$0.0002 per intrastate MTS/WATS billed minute for 2018. The surcharge is based on anticipated expenses for Hamilton, the State's contract TRS provider. (Docket GNR-T-18-02)

MASSACHUSETTS - State 911 Department Seeks Increase in Monthly Surcharge

The Massachusetts State 911 Department has filed a request for approval of its fiscal 2018 expenditures and request to increase the monthly E911 surcharge to \$1.50 from the current \$1 per month with the Department of Telecommunications and Cable. The surcharge adjustment was being requested to "support the procurement of an interoperable, statewide radio system known as the Commonwealth of Massachusetts Interoperable Radio System (CoMIRS) while allowing the Department to meet its statutory obligations and to continue to fulfill its responsibility to coordinate and effect the implementation of enhanced 911 service, to administer such service in the Commonwealth, and to administer and support the Department's programs, including disability access programs, in the Commonwealth." (DTC 18-2)

FEDERAL REPORTS DUE IN MAY

FCC Form 499-Q Telecommunications Reporting Worksheet and *de minimis* notification due May 1.

ALL REPORTS DUE IN MAY

Due	Jurisdiction	Report	Due	Jurisdiction	Report
			May 10	California	Combined California PUC Telephone Surcharge Transmittal
May	Alaska	Access Minutes Report	May 10	California	Employee Compensation, Dues, and Subscriptions
May	Alaska	Carrier and Area Specific Bulk Billed Report	May 10	Georgia	Local Service Indicators Data Requests
May	Missouri	Relay Missouri Statement	May 10	New York	Service Quality Performance
May	Rhode Island	Telecommunication Education Access Fund	May 10	Oregon	Oregon Universal Service Contribution Worksheet
May	Rhode Island	Telecommunications Relay Service Report	May 15	Alabama	Revised Survey of Competitive Local Exchange Carriers
May 1	California	Affiliate Transaction Report	May 15	Florida	Florida Telecommunications Relay, Inc. (FTRI) Monthly Surcharge Collection Report
May 1	Federal	499Q <i>de minimis</i> determination notice (ad hoc as may apply)	May 15	Georgia	Georgia Telecommunications Relay Service (TRS) Monthly Surcharge Collection Report
May 1	Federal	FCC Form 499-Q Telecommunications Reporting Worksheet (Quarterly)	May 15	Kansas	Kansas Universal Service Fund 2004/2005 Wireless and Wireline Carrier Remittance Worksheet
May 1	Federal	Geographic Rate Averaging and Rate Integration Certification	May 15	Kentucky	Commonwealth of Kentucky Telecommunications Relay Service Fund Telecommunications Devices for the Deaf Distribution Fund
May 1	Idaho	ID Universal Service Fund Form	May 15	Kentucky	Commonwealth of Kentucky Universal Service Fund
May 1	Indiana	Indiana Utility Regulatory Commission Telecommunications Public Utility Fee Report	May 15	Maine	Maine Telecommunications Education Access Fund
May 1	Kansas	Interexchange Carrier/Competitive Local Exchange Carrier/And Operator Service Providers Annual Report to the Kansas Corporation Commission	May 15	Maine	Maine Universal Service Fund
May 1	Minnesota	Alternative Operator Service Annual Report	May 15	Missouri	Quarterly Quality of Service Report
May 1	Minnesota	Telecommunications Carrier Annual Report	May 15	Nebraska	Nebraska USF & E911 Remittance Worksheet
May 1	North Dakota	North Dakota Telecommunications Gross Receipt Tax	May 15	Nevada	Annual Report
May 1	Ohio	Competitive Telecommunications Service Providers Annual Report	May 15	North Carolina	North Carolina Access Line Report - Rule 17-2(K)
May 1	Oklahoma	Annual Report of Competitive Telecommunications Carriers	May 15	North Carolina	Public Utility Regulatory Fee Report
May 1	Oklahoma	Local Service Provider Annual Report	May 15	North Carolina	Questions for Competing Carriers Report
May 1	Washington	Telecommunications Companies Annual Report	May 15	Oklahoma	State of Oklahoma Universal Service Fund Carrier Remittance Worksheet
May 10	Alaska	Alaska Telecommunications Relay Services Fund - Remittance of Surcharges Collected	May 15	Oklahoma	Utility Assessment Fee
May 10	Arkansas	State of Arkansas Universal Service Fund	May 15	Pennsylvania	Pennsylvania Universal Service Fund, FY2004 Carrier Remittance Monthly Worksheet

Due	Jurisdiction	Report
May 15	Puerto Rico	Puerto Rico Universal Service Fund July 2004 - December 2004 Carrier Remittance Worksheet
May 15	Rhode Island	E911
May 15	South Carolina	The Public Service Commission of South Carolina SC Dual Party Relay System Invoice
May 15	Texas	CTP (Certified Telecommunications Provider) Quarterly Reporting pursuant to HB 1777
May 15	Utah	Hearing and/or Speech Impaired Relay Report
May 15	Vermont	Vermont Universal Service Fund Carrier Remittance Worksheet
May 15	Virginia	Telecommunications Relay Service Monthly Report
May 20	Alaska	State of Alaska Universal Service Fund Monthly Carrier Remittance Worksheet
May 20	Arizona	Arizona Universal Service Fund Carrier Remittance Worksheet
May 20	Colorado	CO Telecommunications Relay Service Surcharge
May 20	Idaho	Idaho Telecommunications Service Assistance Plan (ITSAP)
May 20	New York	Simplified Telecommunications Annual Report
May 20	New Hampshire	Telecommunications Relay Service Remittance
May 20	Pennsylvania	Remittance Form for Monthly Telecommunications Relay Service (TRS) Surcharge Collections
May 20	Utah	Utah Universal Service Fund Surcharge Remittance Statement
May 20	Washington	Telecommunications Relay Service, Washington Telecommunications Assistance Program, and E911
May 21	New York	TAF Adjustment Input Form
May 21	New York	Targeted Accessibility Fund Monthly Online Reporting Form
May 21	Oregon	Residential Services Protection Fund Surcharge Remittance Form
May 22	Arkansas	Arkansas Intrastate Carrier Common Line Pool Report
May 25	Minnesota	Minnesota Annual 911/TAM/TAP Fees Report Form
May 25	Texas	Texas Universal Service Fund Worksheet
May 30	Mississippi	Mississippi Dual Party Fund Statement of Revenues

Due	Jurisdiction	Report
May 30	Nebraska	State of Nebraska Dual Party Relay Surcharge Form
May 30	Tennessee	Wireline Activity Tennessee-CCN Authority
May 30	Vermont	Monthly Disconnect Report
May 30	Vermont	Vermont Service Quality Performance Index Report
May 30	Virginia	Service Quality Report
May 30	Wyoming	Telecommunication Companies Revenue & Assessment Report (Wyoming Universal Service Fund)
May 31	Federal	FCC Form 395 - Common Carrier Annual Employment Report and Discrimination Complaint Report

The following articles are reprinted with the expressed consent of the author and CCMI. The author and CCMI have authorized reprinting of these and future articles by Mr. Regitsky as a regular *Regulatory Review* feature.



[FCC Proposes Special Access Incentive Regulation for Rate-Of-Return ILECs](#) By Andrew Regitsky, Mar 30, 2018 10:00:00 AM Last year the FCC determined that price cap ILEC special access and packet services should be almost entirely deregulated with only DS1 and DS3 transport subject to price cap regulation if the ILEC failed a highly criticized "competitive" market test. This regulatory scheme became effective on August 1, 2017 when the Business Data Services (BDS) Order took effect. That Order put many rate-of-return (ROR) ILECs in a unique position. More than 200 ROR ILECs now receive universal service support based on a cost model called the Alternative Connect America Fund Cost Model (ACAM). In return for a fixed amount of support, these ILECs are required to meet a specified level of broadband deployment. This method to recover Connect America Fund (CAF) dollars has become very popular among ROR carriers. However, as a result, these LECS are no longer in the NECA Common Line Pool and remain subject to rate regulation only for their special access services. Some parties sought to change that. [Read more »](#)

[FCC Tries Again to Solve Rural Call Completion Problems](#) By Andrew Regitsky, Apr 6, 2018 10:00:00 AM It has been almost five years since the FCC began to systematically address the troubling inability consumers and businesses have completing calls to rural areas. These problems manifest themselves in various ways, including calls that are

significantly delayed, no ring on the called party's phone, or the caller hearing false ring tones or busy signals. [Read more »](#)

[Congressional Democrats Try to "Save" Lifeline](#) By Andrew Regitsky, Apr 13, 2018 10:00:00 AM Last month we discussed the fact that the FCC's proposal to remove most of the "waste, fraud and abuse" in the Lifeline program by limiting support to facilities-based providers was trashed by almost the entire industry. That is because the estimated 70 percent of Lifeline customers that participate in the program through resellers (many of them wireless providers) would have no other options available to them, or have their prices increase if they are forced to purchase service from providers who own facilities-based networks. [Read more »](#)

[FCC Fines T-Mobile \\$40 Million for Deliberate Rural Call Completion Violations](#) By Andrew Regitsky, Apr 20, 2018 10:00:00 AM T-Mobile is in trouble again. Earlier this year the national wireless carrier was accused of refusing to provide direct connections with carriers as part of claims it was involved in access arbitrage schemes with intermediate carriers. That issue has yet to be settled. Now, the controversial company has agreed to pay \$40 million to the U.S. Treasury as part of a Consent Decree with the FCC for inserting false ring tones in calls to rural customers that originated over its network. It should have been a lot more! According to the Commission, carriers that originate calls for their customers are prohibited from "convey[ing] a ringing indication to the calling party until the terminating provider has signaled that the called party is being alerted to an incoming call, such as by ringing" [Read more »](#)

[The Intractable Net Neutrality Problem – Paid Prioritization](#) By Andrew Regitsky, April 27 The impasse over solving the net neutrality problem comes down to the issue of paid prioritization. Almost all parties in and outside of the industry agree that blocking or throttling of Internet traffic should be forbidden. Even the classification of broadband Internet access service is not a real problem since Internet regulation can be defined any way Congress chooses to define it, regardless of classification. The one problem keeping us from a net neutrality compromise is whether ISPs should be permitted to prioritize their Internet traffic for money. Unfortunately, there is simply no agreement between Democrats and Republicans and little room to compromise. [READ MORE >](#)

LIGHT READING

The following articles have been selected from *Corporate Counsel Update*, unless otherwise noted, to give readers additional perspectives on compliance.

SEC's \$35B Cyber Disclosure Settlement With Yahoo Could Be 'Rubicon Moment'

By Dan Clark

This could be a sign that the commission will start cracking down harder on breach disclosure issues in the future. [Read More](#)

Why all your favorite apps are serving you new privacy prompts (*The Washington Post*, April 27, 2018)