

FCC Previews Summer Blockbuster Meeting, With USF Reform, Smallsat Licensing, and Anti-Spoofing Measures on Tap for August

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Even with the dog days of summer upon us, the FCC shows no signs of slowing down on its policymaking priorities in a [jam-packed agenda](#) for its next [open meeting](#) on August 1, 2019. Headlining the agenda is a proposal to establish a Rural Digital Opportunity Fund ("RDOF") offering \$20.4 billion over a decade to support high-speed broadband deployment to unserved areas. The RDOF would eventually replace the FCC's [Connect America Fund](#) ("CAF") as the agency's primary universal service program for high-cost areas. The areas receiving RDOF support would be determined by a new agency-led information collection, requiring more granular service data from broadband providers. As with the CAF, the RDOF proceeding is sure to [engender debate](#) in the broadband industry about the appropriate performance benchmarks, auction bidding rules, and data collection mechanisms. In addition to the RDOF, the FCC also plans to adopt items at the August meeting to reform how it allocates Rural Health Care Program funding; streamline licensing procedures for small satellite systems (otherwise known as "smallsats"); establish procedures for the auction of new toll free numbers; implement 911 direct dial and location information requirements on multi-line telephone systems ("MLTS") often found in offices, hotels, and college campuses; expand the agency's anti-spoofing rules; and limit the franchise fees placed on cable operators.

The August agenda items impact all corners of the telecommunications industry. You will find more details on some of the most significant August meeting items after the break:

RDOF Funding and Procedures: The draft [Notice of Proposed Rulemaking](#) ("NPRM") seeks comment on the budget, auction procedures, application processes, and deployment obligations for the RDOF. The FCC plans to target \$20.4 billion in support to areas that lack access to 25/3 Mbps broadband service, which represents the agency's current benchmark for fixed advanced communications services and an increase over the 10/1 Mbps minimum performance tier under the CAF. The FCC would award RDOF support through an auction in two phases, with the first phase targeting wholly-unserved census blocks and the second phase focusing on partially-unserved census blocks. Like the CAF auction, the FCC anticipates [weighing](#) RDOF auction bids based on performance, with higher-speed, lower-latency services preferred. RDOF bidders would be subject to similar application procedures, deployment milestones, and reporting obligations as CAF auction participants.

RDOF Data Collection: The draft [Report and Order and Further NPRM](#) would require all fixed broadband providers to submit coverage polygons depicting the areas where they provide service as well as information on the speed and technology used in providing such service. Service provider

coverage claims would be subject to challenge by government entities and the public, with the FCC seeking comment in the further NPRM on how it should gather and apply this “crowdsourced” information. For now, the RDOF data collection would be in addition to the deployment data already collected by the FCC from service providers through the [Form 477](#). The new data collection would only apply to fixed broadband providers at first, but the FCC would seek comment on the parameters for incorporating mobile broadband coverage data into the RDOF in the future. In addition, the FCC would seek input on whether to require even more precise deployment data based on user location and who should bear the burden of such data collection.

Rural Health Care Program (“RHCP”) Reform: The draft [Report and Order](#) would adopt reforms to the FCC’s RHCP, which provides financial support to rural health care providers to obtain broadband and other communications offerings at discounted rates to facilitate telehealth services. The FCC plans to revamp the RHCP’s Telecom Program that subsidizes the difference between urban and rural service rates by, among other things, requiring the RHCP Administrator to create a database of rates that health care providers would use to determine the amount of support they can receive. The FCC would prioritize RHCP funding in the event support requests exceed the cap (which was \$581 million in 2018) based on the rurality of the area and whether the area faces a shortage of medical personnel. The FCC would caution that it intends to enforce limits on RHCP spending consistent with its [current review](#) of overall universal service budgets. In addition, the FCC anticipates tightening up its RHCP competitive bidding and consultant rules following a number of high-profile [enforcement actions](#).

Streamlining Smallsat Licensing: The draft [Report and Order](#) would revise the FCC’s current one-size-fits-all satellite licensing regime and create a [tailor-made](#) path for licensing smallsats. Smallsat applicants would be subject to lower application fees, easier application processes, and quicker agency reviews, including an exemption from the agency’s processing round procedure that often delays approvals as competing satellite systems file challenges. To qualify for streamlined processing, smallsat applications must meet certain requirements, including: (1) a maximum mass of 180 kg for any single satellite; (2) no more than 10 satellites under a single authorization; (3) total on-orbit satellite lifetime of five years or less; (4) propulsion capabilities or deployment below 400 km altitude; (5) ability to share frequencies with current operations without precluding future entrants; and (6) relatively low risk from orbital debris.

Toll-Free Number Auction: The draft [Public Notice](#) would establish procedures for the auction of over 17,000 toll-free numbers in the “833” code, with applications due by October 18, 2019 and bidding set to begin on December 17, 2019. The auction would be the [first time](#) the FCC has used competitive bidding to distribute numbering resources. The auction would be run by Somos, which currently is the designated administrator of the toll free database. Parties may apply to participate in the auction individually or through a Responsible Organization, which can bid on behalf of multiple parties as long as the parties do not want the same numbers. Parties would be subject to application, anti-collusion, and default provisions similar to those used in the FCC’s recent spectrum auctions. Winning bidders would be allowed to sell the toll-free numbers obtained through the auction on the secondary market and would report such secondary market transactions to Somos.

MLTS 911 Requirements: The draft [Report and Order](#) would implement [recent legislation](#) by prohibiting the manufacture, import, sale, or lease of an MLTS unless it is pre-configured so that a user may initiate an emergency call by dialing 911 without first having to dial “9” or take other action to access an outside line. Similarly, anyone installing, managing, or operating an MLTS would not be allowed to do so unless the MLTS is pre-configured to allow 911 direct dialing. If possible, MLTS managers also must configure the MLTS to provide a notification when a 911 call is made to a

central location (*e.g.*, front desk, security office) in order to facilitate emergency response efforts. The FCC plans to adopt an assumption that an MLTS manager is responsible for any failure to comply with the 911 direct dialing or notification rules. The new rules would apply to any MLTS manufactured, imported, sold, leased, or installed after February 16, 2020. In addition, the FCC would impose “dispatchable location” requirements on MLTS and other 911-capable services, which would require the transmission of a caller’s street address and additional information such as room number, floor number, or other data to help identify the caller’s location.

Anti-Spoofing Expansion: The draft [Report and Order](#) would expand the reach of FCC enforcement against the manipulation of caller ID information for malicious purposes (otherwise known as “spoofing”) under [new authority](#) granted by legislation adopted last year. Specifically, the FCC would extend its authority to punish spoofing violations for communications originating from foreign points to recipients within the United States. The FCC also would expand the scope of communications covered by its anti-spoofing rules to include some of the most widely-used forms of text messaging as well as alternative voice services, such as one-way VoIP services. The draft item follows in the wake of numerous [enforcement actions](#) imposing large fines for malicious spoofing in 2018.

Cable Franchise Fee Restrictions: The draft [Report and Order](#) would address concerns raised by a federal appeals court regarding the fees imposed by local franchising authorities (“LFAs”) on cable operators. The Communications Act places a five percent cap on such fees, but cable operators allege that LFAs frequently seek additional benefits as part of the franchise process. The draft item would treat most in-kind contributions required by LFAs from cable operators as fees subject to the five percent cap. Moreover, the FCC would prohibit LFAs from using their franchising authority to regulate most non-cable services, including broadband services offered over cable systems. LFAs also would be prohibited from requiring cable operators to secure additional franchises or other authorizations to provide non-cable services through their cable systems.