



WSTA UPDATE

Wisconsin's Broadband Association®



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[WSTA Update December 14, 2018](#)

Legislative and Political

[Farm Bill Boosts Broadband Funding](#)

The House and Senate have both passed a Farm Bill that provides \$600 million in new funding to speed rural high-speed broadband build-outs, one of the Trump Administration's and FCC's prime directives. "The bill expands the Department of Agriculture's Rural Utilities Service loan and grant programs, bolsters coordination among federal agencies to prevent wasteful overbuilding, and prioritizes projects that extend connectivity to families that lack access," said USTelecom President Jonathan Spalter. "More work remains to ensure scarce federal dollars are reaching truly unserved areas, and we look forward to working with the new Congress to make this happen."

Related: [Telecom Associations Applaud Broadband Moves in Newly-Passed Farm Bill](#)

[Wisconsin Gov. Scott Walker signs bills stripping power from Democratic successor](#)

Wisconsin Gov. Scott Walker signed a sweeping package of Republican legislation Friday that restricts early voting and weakens the incoming Democratic governor and attorney general, brushing aside complaints that he is enabling a brazen power grab and ignoring the will of voters. Signing the bills just 24 days before he leaves office, the Republican governor and one-time presidential candidate downplayed bipartisan criticism that they amount to a power grab that will stain his legacy. Just two hours later, a group run by former Democratic U.S. Attorney General Eric Holder announced it planned legal action to block the limitation on early voting.

Related: [Liberal groups move to sue after Walker signs lame-duck bills in Wisconsin; Evers: 'All options' being considered as GOP lawmakers seek to limit his powers](#)

[Report: Tony Evers carried young Wisconsin voters by 23-point margin](#)

A group that tracks the influence of young voters throughout the country says voters under age 30 played a decisive role in Democratic Gov.-elect Tony Evers' victory in Wisconsin. According to turnout estimates analyzed by Tufts University's Center for Information and Research on Civic Learning and Engagement, under-30 voters supported Evers by a 23-point margin on Nov. 6. That's a significant expansion from 2014, when under-30 voters supported Democratic candidate Mary Burke by just four points more than Republican Gov. Scott Walker.

Related: [Did Marijuana Help Tony Evers Defeat Scott Walker? Data Says Yes](#)

[Mike Gallagher, GOP freshman from Green Bay, says Congress is toothless, dysfunctional](#)

Congress is a toothless, dysfunctional body that has evolved into a “theater used by both parties to stoke the outrage of their base.” That damning verdict doesn’t come from a pundit or political scientist, but a sitting member of the Republican majority in the U.S. House, freshman Mike Gallagher of Green Bay. In a colorful and scathing critique for The Atlantic magazine, Gallagher argues that the House, which will be led by Democrats next year, is ripe for reform.

[Could Wisconsin Lose a Congressional Seat?](#)

With nearly 5.8 million residents, Wisconsin is ranked twentieth out of all 50 states in terms of total population. It’s a size that enables Wisconsin to have eight seats out of 435 total in the U.S. House of Representatives, at least until population fluctuations within the state and around the nation entitle it to a different level of representation. The next U.S. Census is scheduled for 2020. A primary function of the nation’s decennial enumeration, enshrined in the Constitution, is to obtain a count of current population used to reapportion the House of Representatives. Over a century ago, Congress decided to limit the size of its lower chamber. 2020 Population projections show Wisconsin on the bubble for a drop to seven seats.

[Wisconsin already expected to be a war zone for the 2020 presidential race](#)

It has been more than a decade since Wisconsin was the white-hot epicenter of a red-hot presidential race. But that’s precisely the scenario that looms two years from now. “I think Wisconsin is going to be one of the most important (battlegrounds), and kind of a bellwether for the rest of the Midwest in the competition for the presidency,” said GOP strategist Keith Gilkes, a longtime adviser to Gov. Scott Walker. Almost everything about the Nov. 6 midterm election bolstered Wisconsin’s status as a top presidential target in 2020, when this state has no race for governor or U.S. Senate but can expect an all-out war over its 10 electoral votes. The state swung back to Democrats for governor and U.S. Senate after Republican Donald Trump carried Wisconsin for president two years ago.

Regulatory and Industry

[It’s Official, FCC Votes to Increase High-Cost USF Budget, Offers New A-CAM Support](#)

As anticipated, the FCC voted today to increase the high-cost USF budget for carriers selecting support based on the alternative Connect America Fund (A-CAM) cost model and for those remaining on the traditional high-cost program. In addition, the commission will make a new offer of A-CAM support to rural carriers not currently receiving funding on that basis and will conduct an auction to determine support levels where a competitor offers broadband service throughout 95% or more of an area served by a rural rate-of-return carrier.

[USDA ReConnect Rural Broadband Pilot Rules Released, Allocates \\$600M in Loans and Grants](#)

The USDA today 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. The USDA ReConnect Rural Broadband Pilot rules apply to a wide range of potential participants, including state and local governments and non-profit organizations, as well as for-profit corporations, limited liability companies, cooperatives and Indian tribes. Plans call for the USDA to make three different types of awards, including: \$200 million in grants, with a requirement for 25% in matching funds, with an application deadline of April 29, 2019; \$200 million in 50% grant/50% loan combinations, with an application deadline of May 29, 2019; \$200 million in low-interest loans, with an application deadline of June 28, 2019

Related: [USDA Accepting RUS Broadband Loan Applications for Fiscal Year 2019](#)

[Scott Walker taps Ellen Nowak to lead Public Service Commission](#)

Wisconsin's top utility regulator has stepped down and is likely to be replaced by his predecessor — at least until Gov.-elect Tony Evers takes office. Outgoing Gov. Scott Walker on Friday nominated Ellen Nowak, the current Department of Administration secretary, to replace Public Service Commission Chairman Lon Roberts, who has announced his intention to resign later this month.

[Digital Divide Is Wider Than We Think, Study Says](#)

A new study by Microsoft researchers casts a light on the actual use of high-speed internet across the country, and the picture it presents is very different from the F.C.C. numbers. Their analysis, presented at a Microsoft event on Tuesday in Washington, D.C., suggests that the speedy access is much more limited than the F.C.C. data shows. Over all, Microsoft concluded that 162.8 million people do not use the internet at broadband speeds, while the F.C.C. says broadband is not available to 24.7 million Americans. The discrepancy is particularly stark in rural areas.

[Telergee: Non-regulated Revenue Growth for Rural Telcos is Flat Year-over-Year](#)

Non-regulated services represented 35.2% of rural telecom revenue in 2017, according to this year's Telergee Alliance Benchmarking Report. While a notable increase from 20.5% in 2006, that growth is relatively flat from 2016's non-regulated revenue benchmark of 35.5%. The Telergee Alliance is a group of accounting firms specializing in rural telecom that has produced a report on rural telecom economics for over a decade and has been sharing that information with Telecompetitor for several years. The report is based on aggregate information gathered from Telergee client companies for 2017. This year's report had 150 respondents – a substantial portion of the estimated 800 or so incumbent rural telecom providers nationwide.

[FCC takes another swipe at illegal robocalls and text spam](#)

The Federal Communications Commission announced its latest effort to put an end to unwanted robocalls. First, the agency plans to create a database that businesses can check to make sure the numbers they've been given permission to call haven't been reassigned to other people. But its second proposal is more controversial. The agency plans to apply the same "light touch" regulatory classification used for internet services to text messages in an effort to give wireless carriers more flexibility to block spam text messages.

Broadband and Internet

[USTelecom Measures Rural Broadband Gap: 65% of Rural Areas Have 25/3 Mbps Vs. 98% of Non-Rural Areas](#)

The rural broadband gap is narrowing but persists, according to new research from USTelecom. Wired broadband at speeds of 25 Mbps downstream and 3 Mbps upstream was available to 98% of non-rural areas but only 65% of rural areas as of mid-2017, according to USTelecom. The 25/3 Mbps speed level is particularly important because it is the new target that the FCC has proposed for the high-cost Universal Service Fund. USTelecom worked with consultancy Telecodata to produce the broadband research, which was based on information reported by service providers and collected through FCC Form 477. Approximately 79% of housing units are non-rural and 21% are rural, according to U.S. Census figures cited by USTelecom.

[Amazon Web Services aims to colonize your network with Outpost](#)

If you want to know what Amazon's big plans are for Amazon Web Services (AWS), one of the most reliable tells is to watch where Microsoft and Google cloud services are gaining traction. At last year's annual Amazon re:Invent technical conference, the big news for cloud customers was Elastic Kubernetes Service (EKS), a managed container service based on industry-leading Kubernetes—an open source platform championed by Google.

[SpaceX among those getting OK for new NGSO constellation](#)

On the same day the FCC approved an item contemplating what to do with an enormous amount of space debris, it approved the requests of four companies that want to roll out new and expanded nongeostationary satellite orbit (NGSO) satellites. Space Exploration Holdings (SpaceX), Kepler Communications, Telesat Canada and LeoSat were each given the green light for their respective plans. SpaceX's constellation got U.S. authorization, while the other three were authorized by governments outside the U.S. but had sought U.S. market access.

Cellular and Wireless

[CoBank: 5G Fixed Wireless Unlikely to Bridge Rural-Urban Digital Divide](#)

As rural telecommunications providers look for cost-effective solutions to bridge the rural-urban digital divide, 5G fixed wireless has been identified as a potential solution. However, according to a new report from CoBank's Knowledge Exchange Division, high costs, competition, spectrum propagation and ecosystem headwinds make 5G fixed wireless an unlikely candidate to solve rural America's broadband challenges.

[Smartphone shipments to start growing again from next year – IDC](#)

Worldwide smartphone shipments are expected to decline by 3 percent this year before returning to low single-digit growth next year through 2022, according to the latest study from IDC. Shipments fell in the third quarter by 6 percent. Even though the ongoing US-China trade has industry on edge, IDC said it sees a return to growth going forwards based on continuing developments from emerging markets, the potential surrounding 5G and new product form factors.

[Are Americans Addicted to Smartphones? U.S. Consumers Check Their Phones 52 Times Daily](#)

The first step is admitting you have a problem: About 39% of U.S. consumers confess that they believe they're using their smartphones excessively, according to a new study. On average, American consumers now check their smartphones an average of 52 times each day, according to the U.S. edition of the 2018 Global Mobile Consumer Survey from Deloitte. That's up from 47 times per day on last year's study, according to the consulting and professional services firm.

IPTV and Video

[Kagan: Broadband-Only Homes Surging, 23% Now Ditch Traditional Video](#)

Broadband homes served by telcos and cable companies without pay-TV grew by 1.2 million in the third quarter of 2018, according to Kagan, a research group within S&P Global Market Intelligence. That is the

largest increase in 'broadband-only' homes that the firm has ever measured. Kagan reported that in the third quarter of the year, 23% of wireline broadband households in the U.S. did not have a subscription to a traditional multichannel service. The percentage of video consumers without a traditional subscription has risen 8.5% during the past three years.

[OTT Services Enjoy Strong Word-of-Mouth, Finds Parks Associates](#)

Consumers are more likely to recommend online services than pay TV services, say the researchers at Parks Associates. The average net promoter score (NPS) for pay TV services was -19 in Q3 2018, a drop from -15 in Q1 2018. Parks declined StreamingMedia.com's request to learn the average NPS for OTT services, which makes comparison difficult, but apparently it's better than -15 as Parks says consumers are more likely to recommend OTT services. Parks noted that the average NPS for OTT services declined slightly from 2017 to 2018, but wouldn't say what either number was.

[WarnerMedia Streaming Platform to Launch With Three Tiers of Service, Emphasis on Movies](#)

WarnerMedia's nascent streaming service will launch in beta form by the end of 2019 with three tiers of programming options, including an "entry-level" package focused on movies. AT&T unveiled plans for the unnamed service on Thursday during a presentation in New York to investors to talk up the company's prospects and plans for paying down the considerable debt that AT&T piled on with its \$84.5 billion acquisition of Time Warner. AT&T chairman-CEO emphasized that the company is laser-focused on chopping down its debt load to no more than 2.5 times earnings by the end of 2019.

[Parks: Broadcast TV Decline Continues, Representing Less Than Half of Viewing on TV Screens](#)

Live broadcast TV has plummeted to 44% of consumption on televisions at the end of last year, down from 60% five years earlier, according to new research from Parks Associates. The research firm said that the broadcast TV decline continues in 2018, with broadcast television accounting for only 42% of all video consumption on TV by the end of the third quarter of 2018 as consumers continue to shift to over-the-top (OTT) services. According to the newly released Parks Associates whitepaper, by 2022, there will be only 103 million pay-TV subscribers in North America.