



# WSTA UPDATE

Wisconsin's Broadband Association®



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## **WSTA Update May 19, 2019**

### **Legislative and Political**

#### [Johnson Leads Wisconsin Delegation Letter to FCC on Broadband Mapping](#)

U.S. Sen. Ron Johnson (R-Wis.) led the Wisconsin congressional delegation in sending a letter to the Federal Communications Commission (FCC) Chairman Ajit Pai on Friday, encouraging him to improve the National Broadband Map as the federal government works to close the digital divide and ensure resources are going to unserved communities who need it most. “We cannot solve our country’s broadband needs until we have a full understanding of the problem. To get there, we need information. ... A validated set of data based upon standardized methods of granular reporting will be essential to ensuring that resources are going to the neediest communities and universal service is available throughout America—this includes urban, suburban, rural, and tribal lands. In the interest of effectively allocating federal resources to unserved communities, we urge the FCC to take immediate action to improve its broadband maps,” the members wrote. “We sincerely appreciate Senator Johnson’s leadership and the support of the entire Wisconsin delegation on this important issue,” said Bill Esbeck, Wisconsin State Telecommunications Association executive director. “Wisconsin needs granular and accurate broadband maps to guarantee scarce public and private sector resources are efficiently targeting our remaining unserved customers. We need the FCC to take action toward this goal as soon as possible.” Full text of the letter can be found [here](#).

#### [Bipartisan Bill to Guard and Increase Rural Broadband Reintroduced](#)

The Access to Capital Creates Economic Strength and Supports (ACCESS) Rural America Act was proposed again on May 15, 2019, by Senators Tammy Baldwin (D-WI) and Joni Ernst (R-IA). The bipartisan legislation would offer regulatory relief by streamlining the process to submit financial reports to the Securities and Exchange Commission (SEC) for rural telecommunications service providers. The bill would increase the number of investors that triggers SEC public reporting requirements for rural telecommunications companies. For these small companies it would limit the amount of costly SEC reporting that wasn’t intended for businesses of that size. “Small, rural broadband providers want to focus their energy, efforts and investment toward connecting more rural broadband customers. Unfortunately, the risk of expensive compliance associated with Sarbanes-Oxley regulations has forced some broadband providers to redirect their energy and resources to keeping shareholder counts below a certain threshold. These small, locally owned companies, many of which are more than 100 years old, are seeking reasonable relief from the threat of burdensome SOX

regulations, which could cost their companies more than \$1 million annually. We fully support the efforts of Senator Baldwin to provide the thoughtful, measured relief of the ACCESS Rural America Act,” said William C. Esbeck, Executive Director of the Wisconsin State Telecommunications Association.

### [Duffy Calls for USDA To Support Rural Broadband](#)

Wisconsin Congressman Sean Duffy, Ranking Member of the Financial Services Subcommittee on Housing & Insurance, recently wrote a letter to the House Appropriations Subcommittee on Agriculture, Rural Development, FDA, and Related Agencies requesting support for more support for rural broadband. “Congressman Duffy has been a true supporter of rural broadband investment over the years and I’m glad to see he’s continuing his important work on the issue. USDA rural broadband programs, like the Telecommunications Infrastructure Loan Program, make it possible for Mosaic to offer service to underserved and unserved areas. Congressman Duffy’s support of these funds is critical to build out of our broadband infrastructure.” – Scott Behn, Mosaic Telecom CEO.

### [Could Wisconsin's voter turnout be higher than ever in 2020? All the ingredients are there](#)

Fifteen years ago, a polarizing president, a political climate of emotion and division, and an all-out war for Wisconsin’s 10 electoral votes lit a fire under this state’s voters, driving turnout here to a level we’d never seen before — and haven’t since. Could it happen again? The presidency of Donald Trump is shaping up as a spectacular mobilizing force for both the right and the left. One national expert, political scientist Michael McDonald of the University of Florida, says 2020 has the potential to be a “100-year storm” for turnout, largely because Trump “inflames passions.” Now consider what that might look like in Wisconsin, which has a history of high turnouts to begin with, which experienced its highest mid-term turnout in at least 70 years last year, and which is about to find itself at the white-hot center of the next presidential campaign.

### ['Right in the pivot point': Pundits say Wisconsin will be pivotal in 2020 election](#)

After shoring up the Republican base and taking advantage of the power of incumbency, Donald Trump has the edge. No wait, after two years of government chaos and spiteful tweets, Democrats are going to vote him out. Welcome to the 2020 presidential campaign, a preview of which was hosted Tuesday by WisPolitics.com, the state’s website for political wonks, at the Madison Club. Taking part in a look ahead at the epic battle to come was Republican strategist and former Scott Walker campaign manager Keith Gilkes, Tanya Bjork, a veteran of Democratic presidential and gubernatorial campaigns, and Marquette Law School Poll director Charles Franklin.

### ['Last man standing': Ron Johnson is left to lead Wisconsin GOP while contemplating future](#)

U.S. Sen. Ron Johnson rode to Washington, D.C., nearly a decade ago as anyone but a career politician and was re-elected after promising to leave office after just two terms. But now Johnson is embracing his new role as the leader of Wisconsin's Republican Party and is mulling a third term or even a bid for governor. That's because on the morning of Nov. 7, the U.S. senator from Oshkosh woke up as the only Republican representing the entire state of Wisconsin to survive the election the night before. The "last man standing," as he calls it. "When I noticed Scott Walker didn't win, nor Brad Schimel or obviously the lieutenant governor, I realized I was the last statewide representative," Johnson, who wasn't on the November ballot, said in an interview with the Milwaukee Journal Sentinel. "It's a role I never sought, but it's a responsibility I take pretty seriously."

## Regulatory and Industry

### [Wisconsin Telcos Unite as Norvado Buys Price County Telephone](#)

Norvado, a broadband provider serving northwestern Wisconsin, today announced it had acquired Price County Telephone Company, headquartered in Phillips, Wis. Terms of the Norvado Price County deal were not disclosed. Price County's network and staff, which serve about 3,000 customers, will operate going forward under the Norvado brand. Norvado has about 8,000 customers. The two companies are in fairly close proximity. "The decision to sell has not been an easy one," said Catherine Mess, former president of PCTC said in a press release. "Price County Telephone Company was formed May 1, 1900 and our family has been involved since March 1913." "We are confident the sale to Norvado is in the best interests of our stockholders, our employees, and most of all, our customers," John Mess, former General Manager added.

### [Ntec Finds Unexpected Benefit of Rural Broadband: Curing Loneliness](#)

Nelson Communications Cooperative (Ntec; Durand, Wis.) is on a mission to confront senior citizens' loneliness in order to improve the longevity and quality of their lives. The telecommunications provider recently received a Smart Rural Community® (SRC) Collaboration Challenge grant to support a pilot program for a telehealth platform in its service territory. Ntec is working with GrandCare, a Wisconsin-based technology company; the Wisconsin Independent Network (WIN); and the Wisconsin State Telecommunications Association (WSTA) to conduct a beta-test of touchscreen devices that provide in-home monitoring and video-calling capabilities.

### [Rural Carriers Accept \\$65.7 Million in New ACAM Funding for Rural Broadband](#)

Rural carriers have accepted \$65.7 million in new Universal Service ACAM funding, the FCC said today. That program pays some of the costs of deploying and delivering rural broadband to areas that don't already have service available that meets minimum speed targets. Carriers accepting the new ACAM funding must agree to meet specific buildout targets between now and 2028. Previously, only areas lacking service at speeds of 10 Mbps downstream and 1 Mbps upstream were eligible for ACAM funding, which awards funding based on a cost model developed by the FCC. But late last year the FCC raised the minimum speed target to 25/3 Mbps, which made at least 106,000 additional rural homes and small businesses eligible for ACAM funding. Related: [FCC Targets 1M Locations for Better Rural Broadband Through New ACAM Broadband Support Offers](#)

### [Rural Digital Opportunity Fund will narrow digital divide](#)

Earlier this month, during remarks on next-generation networks delivered at a White House press conference, Federal Communications Commission Chairman Ajit Pai proposed creating a new Rural Digital Opportunity Fund. This initiative would provide \$20.4 billion over the next decade to construct broadband networks in underserved parts of the country. This proposal represents a natural evolution of the Universal Service Fund's longtime commitment to serving high-cost areas and fulfills a promise by Pai, a Kansan, to make the rural digital divide a centerpiece of his chairmanship.

### [Interactive Rural Broadband CAF Map Updated](#)

The Universal Service Administrative Company (USAC) has updated the interactive rural broadband CAF map originally made public in October. The map shows areas eligible for funding under the Connect America Fund (CAF) program, including those where broadband service already has been deployed. USAC calls the updated CAF map "version 2.0." The update reflects information for 2018 filed with USAC by network operators receiving broadband support. The map is highly detailed and gives users the ability to click on a dot on the

map to reveal the address of the location to which service has been deployed that is represented by that dot. Also included are the latitude and longitude of the location, the provider that deployed the service and the maximum speed available to the location.

### [Ajit Pai says he's fixed giant FCC error that exaggerated broadband growth](#)

The Federal Communications Commission has fixed the gigantic error that skewed its broadband deployment data, Chairman Ajit Pai announced today—while claiming that the corrected data still shows his policies are boosting broadband access. Pai initially released a summary of the data in February, claiming it showed that his deregulatory policies have sped up broadband deployment in the United States. Even this initial, exaggerated data only showed modest growth similar to the gains seen during the Obama administration, as we reported at the time.

### [FirstNet CEO: AT&T Has 20 Rural Partners, Wants More](#)

AT&T has partnerships with 20 companies to support the deployment of the FirstNet nationwide public safety mobile broadband network in rural areas, said Ed Parkinson, acting CEO of the FirstNet Authority, at the NTCA Technology + Business Conference in Chicago today. Parkinson added that AT&T is looking for more FirstNet rural partners. The FirstNet Authority is the government unit responsible for the FirstNet public safety network. The organization awarded AT&T the contract to build the FirstNet public safety network in 2017. AT&T did not immediately reply to an email from Telecompetitor requesting more information about the FirstNet rural partners, but according to Parkinson comments, they may include companies providing backhaul or tower infrastructure and possibly building out radio access networks using spectrum dedicated for FirstNet.

## **Broadband and Internet**

### [Survey, FP Expert Agree: Interest in Telehealth on the Rise](#)

Use of telehealth is increasing steadily throughout the medical profession, and family physicians who aren't currently using the technology may want to consider doing so for a number of reasons, including as a possible way to reduce burnout and attract new patients. Those are just some of the conclusions reached in the report "Telehealth Index: 2019 Physician Survey" ([www.americanwell.com](http://www.americanwell.com)) by American Well, a Boston-based firm that provides telehealth services for physicians, health systems and employers. "We believe this 2019 physician survey begins to paint a clearer picture of the trajectory of telehealth adoption among physicians and the role key organizations will play in its advancement," the firm stated in its report.

### [Is the bloom off the gigabit rose?](#)

According to Parks Associates, only 6% of U.S. broadband households have gigabit-speed Internet services, and interest in upgrading to that speed of service has declined over the past two years. The research house says 22% of U.S. broadband households have an Internet service speed of 100-999 Mbps, the most common service tier, although 39% of U.S. broadband households surveyed do not know their broadband speed.

### [HughesNet Begins Offering Satellite Broadband Through CAF, NY Broadband Program](#)

HughesNet began offering satellite broadband service through the New NY Broadband program, which receives federal funding from the Connect America Fund (CAF). HughesNet says the satellite broadband service can deliver 25 Mbps download speed, through its new Gen5 satellite. Through the New NY Broadband program, Hughes was awarded \$28.3 million to bring satellite broadband to 72,163 locations across New York.

Of the \$28.3 million, \$14.8 million comes from the New York program, and the rest comes from the FCC's CAF program. The project also had some private funding.

## **Cellular and Wireless**

### [Verizon's 5G network is now hitting gigabit download speeds](#)

What a difference a few weeks can make. Last month, I came to Chicago for the launch of Verizon's 5G network, which is now live both here and in Minneapolis. The inaugural 5G device was the Moto Z3 equipped with Motorola's 5G MotoMod, and my experience — and that of many other tech journalists — was less than positive: 5G coverage was exceedingly difficult to find. Speeds were noticeably faster than LTE, but not wickedly so. But today marks the release of Samsung's \$1,400 Galaxy S10 5G, which will briefly be a Verizon exclusive before moving to other carriers. And now that there's a real, proper 5G phone on its network, Verizon has ramped things up. Coverage remains extremely limited: it varies widely and block by block.

### [T-Mobile and Sprint Consider Concessions to Save Their Merger](#)

T-Mobile US Inc. and Sprint Corp., fighting to win regulatory clearance for their \$26.5 billion merger, are considering possible concessions to salvage the deal, according to people familiar with the situation. Among the top options being discussed is the separation and potential sale of their so-called prepaid businesses, said the people, who asked not to be identified because the deliberations are private. Other options -- such as selling airwave licenses or setting up a new fourth carrier through a network-leasing arrangement -- are far less attractive, they said.

### [Consumers Split on Paying Extra For 5G](#)

Wireless subscribers are split on whether the benefits of the coming 5G are worth paying for. However, the market is not so split on whether consumers will sign up for 5G wireless services in the next 12 months. These are among the findings in a new study comprising a survey of 7,500 wireless subscribers and 5,000 heads of households conducted by HarrisX. Nearly half (42%) of consumers say the availability of a 5G network is important in deciding which wireless service provider they go with. Speed is perceived by 66% of consumers as the most important benefit of 5G, followed by more reliability (42%), high-quality streaming (40%), wider network coverage (34%) and enhanced data security (26%).

## **IPTV and Video**

### [Cord-Cutting Got 75% Worse in Q1, Most Terrible Quarter Ever for Pay TV](#)

U.S. linear and virtual pay TV operators lost a combined 1.4 million subscribers in the first quarter, a 75% year-to-year cord-cutting uptick, making it the worst quarter ever for video customer attrition. According to MoffettNathanson, the annual pace of decline of the U.S. pay TV ecosystem is now 4.8%, also the worst mark ever. "The accelerating decline of traditional pay TV subscribers in Q1 is by this point old news," the equity research company said in a report this morning. "Even the subtexts of this story are already familiar: Cable operators are increasingly indifferent to video retention, and the wheels are rapidly falling off satellite."

## [Disney Assumes Full Control of Hulu in Deal with Comcast](#)

Disney is now the only one with its hands-on Hulu's steering wheel. Disney and Comcast announced a deal under which Disney will assume full operational control of Hulu, effective immediately. Within five years, Comcast has agreed to sell its Hulu stake to Disney for at least \$5.8 billion. Under the deal, Comcast's NBCUniversal will continue to license content to Hulu through late 2024. However, as soon as next year, NBCU will have the right to pull back programming previously licensed exclusively to Hulu (continuing to make it available to Hulu on a nonexclusive basis for a reduced licensing fee). And by 2022, NBCUniversal will have the right to cancel most of its content-licensing agreements with Hulu. NBCU is planning to launch a free, ad-supported streaming service for pay-TV subscribers.

## [TiVo/Rovi Seeks to Block Comcast X1 Box, Broadband Gateway Imports](#)

Rovi/TiVo is turning up the legal heat on Comcast, filing a new complaint at the US International Trade Commission that seeks to halt the importation of a handful of X1 set-top box models as well as an advanced gateway that can deliver both video and broadband services. The six patents asserted by Rovi/TiVo today at the ITC are identical to those the company is asserting in a lawsuit filed April 22 with the US District Court, Central District of California. That suit takes aim at Comcast's X1 platform, including features such as multi-room DVR capabilities and integrated apps such as the X1 Sports app and OTT services that include YouTube, Netflix and Pandora.

## [State of Pay TV, OTT & SVOD, reveals that although TV content viewers are using newer streaming services, a traditional viewing technology is re-emerging](#)

The latest data from Horowitz Research reveal that while TV content viewers in the U.S. are experimenting with new streaming services like YouTube TV, Sling TV, and others, a traditional viewing technology is re-emerging: antennas. Horowitz's State of Pay TV, OTT & SVOD 2019 study finds that 34% of TV content viewers are accessing over-the-air TV content via an antenna. Antenna owners are younger (40% of antenna owners are 18-34 vs. 31% of total TV content viewers) and skew male (59% vs. 49% of total TV content viewers). Among traditional MVPD non-subscribers, 51% report owning an antenna. Antenna owners are more likely to subscribe to one of the three major SVOD services (78% subscribe to Netflix, Hulu, or Amazon Prime Video, vs. 67% of TV content viewers). Antennas are also popular in traditional MVPD subscriber households: 30% of traditional MVPD subscribers report owning an antenna.