



Wisconsin's Broadband Association®

WSTA UPDATE



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WSTA Update June 28, 2019

Legislative and Political

[Broadband has bipartisan support in Congress – Bill Esbeck](#)

Deploying broadband is an issue that generates strong bipartisan support in our nation's capital. In May, the entire Wisconsin congressional delegation came together seeking Federal Communications Commission action on better broadband mapping, which will lead to more efficient broadband investments. U.S. Sen. Ron Johnson, R-Oshkosh, led the delegation in sending a [letter to FCC Chairman Ajit Pai](#). Sen. Johnson was joined by Sen. Tammy Baldwin, D-Madison, and Reps. Jim Sensenbrenner, R-Menomonee Falls; Ron Kind, D-La Crosse; Gwen Moore, D-Milwaukee; Sean Duffy, R-Wausau; Mark Pocan, D-Black Earth; Glenn Grothman, R-Glenbeulah; Mike Gallagher, R-Green Bay; and Bryan Steil, R-Janesville. WSTA members sincerely appreciate the support of the entire Wisconsin delegation on this important issue.

[Senator Marklein and Representative Quinn Circulate Rural Broadband Tax Exemption Proposal](#)

Senator Howard Marklein and Representative Romaine Quinn are seeking cosponsors on legislation which creates exemptions to the state's telephone company property tax for broadband infrastructure. Both current and future broadband infrastructure can qualify for the property tax exemption: property installed prior to January 1, 2020, must be used to provide internet access service to a rural area at speeds of at least 25Mbps/3Mbps; and property installed after December 31, 2019, must be used to provide internet access service to a rural or underserved area at 25Mbps/3Mbps or, if higher, speeds designated by the FCC. Under the bill, an "underserved area" is any area in the state served by fewer than two wired service providers. A "rural area" is any area in the state that is located outside a federal metropolitan statistical area or is in a city, village, or town with a population of not more than 14,000. There are currently six members of the State Senate and 26 members of the State Assembly signed on as cosponsors.

[Representative Nancy VanderMeer: Rural broadband remains top priority](#)

Serving as Chairperson of the Assembly Committee on Rural Development is a role I take very seriously and one that I treat with an immense amount of responsibility. As a committee chairperson, I have the discretion to guide the direction of my appointed committee. On May 16, Angie Dickison, state broadband director for Wisconsin's Public Service Commission; Frank Frassetto, Wisconsin state director for the United States Department of Agriculture's Office of Rural Development; Bill Esbeck, executive director for the Wisconsin State Telecommunications Association; and Jim Costello, chief executive officer of Lynxx Networks (Camp

Douglas), appeared before the 12-person committee to discuss where we've been, where we're at, and where we're currently going related to broadband internet access in the state.

[Evers calls for lawmakers to send him budget; Republicans warn against full veto](#)

An hour after Tony Evers called for lawmakers to send him the budget, Senate Majority Leader Scott Fitzgerald said the “worst thing, I think, in the world” would be if the gov vetoed the entire thing. GOP lawmakers today touted their version of the budget in a pair of news conferences, arguing it delivered on the gov's priorities but in a more measured way. Fitzgerald, R-Juneau, said he expected some partial vetoes. But he and fellow GOP lawmakers issued a warning to the gov if he vetoed the entire budget — something that hasn't happened since the state went to its current appropriation process in 1931. Doing so, they argued, would threaten the additional funding they approved for K-12 education, higher wages for prison guards and more money for the justice system, among other things. Related: [Assembly Republicans approve \\$81.7 billion budget as Dems slam 'missed opportunities'](#)

[WSTA Priorities Included in Budget](#)

As approved by the legislature, \$48 million will be available in the coming biennium (\$24 million each fiscal year) for the PSC's Broadband Expansion Grant Program. Assuming Governor Evers signs this portion of the budget into law, the PSC will announce grant cycle dates later this summer. It is possible the PSC will open a grant cycle this fall and make awards by the end of the year. WSTA members should plan grant applications with flexibility in mind as we wait to learn how the allocation and grant cycles will play out.

In addition, the final version of the budget approved by the legislature will allow unspent NG911 funds from the current biennium (\$6.3 million) to carry-over into the next biennium, which starts July 1, 2019. Without that change, the \$6.3 million would have lapsed to the general fund at the end of the current biennium on June 30, 2019. The budget will also allow the ESInet funds in the next biennium to be used in either the first or second year. In total, there will be \$19.7 million available for the ESInet over the next two fiscal years.

[Senators Debut Bill to Boost Broadband Map Accuracy](#)

A bipartisan group of senators introduced legislation on June 12 in a move to improve the accuracy of the Federal government's broadband availability maps. The legislation, dubbed the Broadband DATA Act, was introduced by Senate Commerce, Science and Transportation Committee Chairman Roger Wicker, R-Miss. and committee members Gary Peters, D-Mich., John Thune, R-S.D., and Amy Klobuchar, D-Minn. “Improving broadband availability maps is essential for rural, community-based broadband providers to continue the mission of closing the digital divide,” said Shirley Bloomfield, CEO of NTCA—The Rural Broadband Association. “The Broadband DATA Act, introduced today by Sens. Roger Wicker, Gary Peters, John Thune, and Amy Klobuchar, makes meaningful reforms to our Federal mapping systems.” Related: [Senate Broadband DATA Act Targets Broadband Map Reporting Problems](#)

[Petersen elected as UW Regents president](#)

University of Wisconsin Regent Drew Petersen has been elected to serve as president of the board. Fellow regents voted unanimously Friday to name Petersen as president. He succeeds Regent John Robert Behling, whose term ended in May. Michael Grebe was elected vice president. Petersen takes over as president of the board at a time when UW is trying to secure more funding from reluctant Republican state lawmakers who control the Legislature.

[Rupe appointed as Rural Utilities Service administrator](#)

U.S. Secretary of Agriculture Sonny Perdue today released the following statement on President Donald Trump's appointment of Chad Rupe as Administrator of the Department of Agriculture's Rural Utilities Service.

“Chad served us well as Rural Development State Director in Wyoming for the past two years, and we are excited for him to join the team here in Washington, D.C. With more than 15 years of experience in commercial and community banking, Chad brings much-needed expertise and knowledge to the Rural Utilities Service. I know Chad is committed to helping rural Americans prosper and thrive,” Secretary Perdue said.

[Wisconsin Assembly passes 5G technology regulation bill](#)

The Wisconsin Assembly has passed a bill that would limit the regulation of 5G, or "small cell," technology. The bill approved Tuesday now heads to Gov. Tony Evers for his consideration. The Senate passed the bill 25-5 earlier this month. The proposal creates a statewide regulatory framework for the 5G technology, including provisions about where the small wireless facilities can be placed, height and size restrictions and other requirements. In general, the bill prohibits local governments from regulating certain communications services or charging fees on infrastructure to support it. Bill sponsor Rep. Mike Kuglitsch said Wisconsin has been at a competitive disadvantage because neighboring states have already enacted similar laws.

[U.S. Supreme Court decision leaves Wisconsin gerrymandering case with few prospects](#)

A U.S. Supreme Court decision declining to place limits on partisan gerrymandering has left a case challenging Wisconsin's own political maps with dim prospects. The 5-4 decision Thursday from conservatives on the U.S. Supreme Court ruled claims of partisan gerrymandering are inherently political questions the federal judiciary cannot address. “We conclude that partisan gerrymandering claims present political questions beyond the reach of the federal courts,” wrote Chief Justice John Roberts for the majority. “Federal judges have no license to reallocate political power between the two major political parties, with no plausible grant of authority in the Constitution, and no legal standards to limit and direct their decisions.”

Regulatory and Industry

[FCC Considering Overall USF Cap, Impacting Rural Broadband, Healthcare, Schools, Low-Income Program](#)

The FCC has adopted a notice of proposed rulemaking (NPRM) that could result in the commission adopting an overall cap on the Universal Service Fund (USF) program. That program is comprised of four separate sub-programs – high-cost (broadband/voice), Lifeline (low-income), E-Rate (schools and libraries) and rural healthcare. Each program already has a cap, but the commission notes in the NPRM that an overall USF cap would “explicitly link the expenditures in multiple USF programs,” thereby promoting “a robust debate on the relative effectiveness of the programs.” Not every FCC commissioner agrees with that assessment, however. Two of the five commissioners – Jessica Rosenworcel and Geoffrey Starks – dissented. Starks argued in a statement that “the proposal would pit deserving beneficiaries – anchor institutions, students, patients and Americans who lack broadband – against one another in a fight for Universal Service funds.”

[FCC's robocall blocking plan may finally give you some relief](#)

Americans are fed up with robocalls. And the Federal Communications Commission are giving carriers like Verizon and T-Mobile the power to do something about it. On Thursday, the FCC voted unanimously on a proposal to give mobile phone companies greater power to "aggressively block" unwanted robocalls. "This FCC will stand with American consumers, not with those who are badgering them with these unwanted robocalls," FCC Chairman Ajit Pai said. The rules will now allow wireless carriers to block those robocalls for customers by default. Companies will also allow consumers to block calls from unknown numbers themselves. Customers can opt into or out of any blocking services. Pai released details of the agency's proposal last month.

[USF Contribution Factor Hits 24.4%, With Grandma Paying for the Broadband She May Not Even Use](#)

The Universal Service Fund (USF) contribution factor will be 24.4% for the third quarter of 2019, the FCC announced last week. Wired and wireless long-distance voice service providers will be sending an amount equal to 24.4% of the money they collect for that service to the government and will pass the cost on to users of long-distance voice service. The contribution factor has been climbing steadily for years as voice revenues decline, requiring service providers to collect a higher and higher percentage of voice revenues to maintain support for USF.

[FCC Leaders Praise Importance of Broadband Deployment Advisory Committee in Spite of Narrowed Agenda](#)

Members of the Federal Communications Commission's newly re-chartered Broadband Deployment Advisory Commission touted the importance of the body at its first meeting on Thursday, even as its scope appears to have narrowed to issues around recovering from disaster communications and a few other topics. FCC Chairman Ajit Pai and BDAC Chair Elizabeth Bowles heaped praise on the BDAC, which is a federal advisory committee that makes recommendations to the FCC, in spite of the controversy that has surrounded it due to the lack of local government representation.

[FCC Broadband Deployment Report: 18% More People Gained Access in 2017](#)

The 2019 FCC Broadband Deployment Report says that the digital divide is narrowing, according to the bureau. The report says that the number of people without access to 25 Mbps upstream and 3 Mbps downstream—the FCC broadband benchmark—dropped from 26.1 million at the end of 2016 to 21.3 million at the end of the following year. That represents an increase of 18% of Americans having broadband. The majority of people first gaining access – 4.3 million – were in rural areas.

[Frontier Communications to Sell Operations in Four States](#)

Frontier Communications Corporation FTR recently announced that it has inked a deal to sell its assets and operations in Washington, Oregon, Idaho and Montana to WaveDivision Capital, LLC and Searchlight Capital Partners, LLC. The transaction, valued at \$1.352 billion in cash, is subject to regulatory approvals by the Federal Communications Commission, the U.S. Department of Justice, and the Committee on Foreign Investment in the United States. The sale proceeds are likely to be utilized to pay off the company's financial obligations, while strengthening its liquidity position. As of Mar 31, 2019, it had \$119 million in cash and equivalents with \$16,526 million of long-term debt. At the end of first-quarter 2019, Frontier Communications' leverage ratio was 4.76:1.

[ReConnect Program Receives 53 Applications Worth \\$635M for Rural Broadband Loan/Grant Funding](#)

U.S. Department of Agriculture (USDA) Rural Development received 53 applications requesting more than \$635 million in loan-grant combination funding in the first round of the USDA ReConnect Pilot Program, the USDA announced this week. The USDA made \$200 million available for loan-grant combination projects in the first round of funding. As we earlier reported, awards will be made on the basis of a point system, which grants extra points for projects providing symmetrical speeds of 100 Mbps. Other evaluation criteria include "how many" farms, businesses and healthcare and educational facilities a project will serve. To be eligible for a 100% loan or 50% loan / 50% grant, the service area must be in a rural area where 90% of the households do not have sufficient broadband access. To be eligible for a 100% grant, the service area must be rural and 100% of the households must lack sufficient broadband access.

Broadband and Internet

[Report: Rural Broadband May Be a 'Multi-Billion Dollar Information Superhighway to \(Nearly\) Nowhere'](#)

Lack of broadband does not appear to be a source of population decline, according to new research about broadband and rural decline from the Phoenix Center for Advanced Legal & Economic Public Policy Studies. According to report author George S. Ford, “patterns of population growth between urban and rural counties are largely unchanged over the past 50 years,” even with the advent of broadband 20 years or so ago. The Phoenix Center is a Washington DC-based think tank with a “[m]ission to provide independent assessments of the economic and material implications of regulatory and economic policy in the U.S. and abroad.” The organization places heavy emphasis on the law and economics of telecommunications and high-tech industries and often publishes research arguing against the validity of municipal broadband.

[Top Trends in Smart Home, Home Security Examined at CONNECTIONS Conference](#)

From May 21-23, more than 600 executives from around the world gathered in San Francisco for the 23rd annual CONNECTIONS: The Premier Connected Home Conference, hosted by leading IoT research firm Parks Associates. The executive research conference hosted over 300 companies from the smart home and security industry and featured presentations from Parks Associates’ leading analysts and visionary sessions featuring executives in the connected entertainment and digital home technology industries. Throughout the event, analysts and IoT executives addressed several key points highlighting the growth in the connected home industries.

[Apartment Renter Broadband Study: Almost Half Would Pay Higher Rent to Get Fiber](#)

According to new apartment renter broadband study from research and broadband data provider BroadbandNow, renters see high-speed internet being as essential as a dishwasher for their homes. Nearly 40% of renters said both were “must haves,” outranking covered parking (cited by 18% of respondents) and a pool (just under 15%). Currently a little over one-third (35%) of apartment dwellers access the internet via wireless, and another 30% via cable. Less than 10% currently have fiber connections.

[Amazon Is Betting Big on Satellite Internet](#)

In April, Amazon became the latest company to reach for the stars with the announcement of Project Kuiper, a planned constellation of 3,236 Low-Earth Orbit (“LEO”) satellites. Once operational, the constellation aims to deliver broadband internet connectivity to customers around the globe: “Project Kuiper is a new initiative to launch a constellation of Low Earth Orbit satellites that will provide low-latency, high-speed broadband connectivity to unserved and underserved communities around the world. This is a long-term project that envisions serving tens of millions of people who lack basic access to broadband internet. We look forward to partnering on this initiative with companies that share this common vision.” Related: [SpaceX faces daunting challenges if it's going to win the internet space race](#)

Cellular and Wireless

[For more and more Americans, a smartphone is the only internet connection they need](#)

The majority of the US population has given up on the landline phone—how long will it be before the same happens to home internet? A new Pew Research Center study released today (June 13) suggests that

Americans are increasingly relying on the smartphone to connect with the internet, with 17% naming it as the only device they use to get online. Smartphone ownership has skyrocketed over the last decade. According to Pew, 81% of Americans now have one, compared with about 35% in 2011. The mobile web has reshaped how Americans interact with one another, watch TV, listen to music, get the news, find houses, order taxis, order food, and do just about everything else in their daily lives.

[Uber and AT&T team up for always-on connectivity for Uber Copter and Uber Air](#)

Uber is partnering with mobile network operator AT&T on the always-on connectivity it'll require for its aerial transportation service network. The on-demand mobility company announced the team-up at its annual Elevate Summit, which brings together a number of key players working toward making affordable, accessible in-city aerial transit a reality. Uber said that it's already working with AT&T on the network it'll use for Uber Copter, the Manhattan-to-JFK helicopter-based service that it's launching in New York in July.

[T-Mobile Leads on Customer Satisfaction, Sprint Comes in Last](#)

T-Mobile is doing a better job of keeping its customers happy than Verizon, AT&T, and Sprint are, according to the latest American Consumer Satisfaction Index (ACSI), released today. The Why Axis BugT-Mobile, the self-proclaimed "uncarrier," earned a customer satisfaction score of 76 out of 100. Sprint, which is seeking to merge with T-Mobile, scored just 65, the lowest of the four major US carriers. Verizon came in second with a customer satisfaction rating of 74 followed by AT&T, which matched the category average of 73.

[AT&T Executive Confirms AT&T Nationwide 5G Plans](#)

AT&T president of operations, Scott Mair, confirmed AT&T nationwide 5G plans today at the Cowen Technology, Media and Telecom Conference in New York City. Mair said by this time next year, AT&T will have nationwide coverage for 5G, albeit with a somewhat liberal view of what nationwide means. To AT&T, nationwide 5G coverage means 200 million pops covered, which leaves a lot to be desired when talking nationwide in geographic terms. AT&T's definition can be achieved by targeting major metros only. AT&T nationwide 5G plans include a multi-pronged strategy. Those plans include leveraging millimeter wave spectrum for dense urban areas. AT&T calls this their 5G+ coverage, which will provide the fastest mobile broadband experience.

IPTV and Video

[ATVA: Station Blackouts Number More Than 60 in First Half of 2019](#)

The American Television Alliance, a Washington lobbying group that includes major distributors like AT&T, Charter Communications and Dish Network, said the number of station blackouts have reached more than 60 in the first half of this year, and nearly 550 since 2016, averaging more than one dozen service disruptions per month. "This week, congress will examine whether the video marketplace is working and here are another 550 reasons why it isn't," ATVA spokesman Trent Duffy said in a press release.

[It Doesn't Matter If You Choose Hulu, Sling Or YouTube TV: Change The Channel On Your Cable Plan](#)

Consumers benefit when companies compete. And right now, there is a battle royal between traditional cable providers and streaming services like Hulu and Netflix. You are probably aware of the cord-cutting trend. But have you benefited yet? If not, it's easy and well worth it to cut your cable. Studies indicate a clear generational divide in cord-cutting. For instance, while 52% of those between the ages of 18-34 stream an internet service

daily, the percentage drops to just 11% for those who are 55 or older. The overall number of cable subscribers is steadily drifting lower, and the trend shows no signs of abating.

[Roku accounted for 30% of all connected TV device sales in U.S. in Q1 – report](#)

Roku is coming off a monster quarter for sales of connected TV devices that run on its platform, and the company is extending its lead over competitors in the space. According to Strategy Analytics, Roku's streaming TV platform accounted for 30% of U.S. sales of connected TV devices during the first quarter of 2019. The firm's new report found that there are more than 41 million Roku-based devices in use, including Roku media streamers and Roku-based smart TVs, accounting for 15.2% of all media streaming devices. This gives Roku a 36% lead over runner-up Sony PlayStation in terms of devices in use. Strategy Analytics predicts Roku's lead will stretch to 70% by the end of 2019 due in large part to Roku's smart TV partner strategy. By the end of 2019, more than 52 million Roku-powered devices will be in use, accounting for 18% of all connected media devices.