



Wisconsin's Broadband Association®

WSTA UPDATE



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WSTA Update July 28, 2019

Legislative and Political

Rural Broadband Investment and Telephone Company Property Tax Relief Legislation Introduced

Senator Howard Marklein and Representative Romaine Quinn introduced legislation which exempts property used to provide broadband service to a rural or underserved area from the telephone company property tax. The bills, which are identical, are [Senate Bill 321](#) and [Assembly Bill 344](#). There are two ways to qualify for the 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; 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 Federal Communications Commission. Under the bill, an “underserved area” is any area in the state served by fewer than two wired broadband 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. The legislation targets property tax exemptions for broadband deployment where it is needed most: rural and underserved areas. The legislation will create working capital for companies with existing broadband in rural areas. Companies benefitting from the exemption will use the property tax exemption savings to continuously reinvest in their rural networks. The property tax exemption for future broadband investments in rural or underserved areas will help justify the business case on otherwise marginal projects. Because the telephone company property tax is collected by the state, there is no fiscal impact on local governments.

Gov. Tony Evers Uses Veto Pen to Increase School Spending By \$65M In State Budget

Gov. Tony Evers used his veto pen Wednesday to boost K-12 education funding in Wisconsin by about \$65 million in the next two-year state budget. The change was one of 78 partial vetoes Evers made to the \$82 billion budget approved last week by Wisconsin's GOP-controlled Legislature. "Unfortunately, the budget I'm signing here today is, in many ways, insufficient," Evers said at a Capitol event. "In recent weeks, I strongly considered vetoing the budget from the Legislature entirely because it did not do enough to ensure that our kids and our schools had the resources they needed to be successful." The governor has one of the most powerful veto pens in the country, with the ability to delete words, numbers and punctuation from the state's spending plan.

[State to invest \\$48 million in broadband expansion](#)

The telecommunications industry is ever-changing and the demand for high-speed internet access is on the rise. With the signing of the state's two-year budget a couple weeks ago, \$48 million has been allotted to Wisconsin's Broadband Expansion Grant Program. Rebecca Cameron Valcq, chairwoman of Public Service Commission of Wisconsin, said Gov. Tony Evers has set a goal to provide all homes and businesses in the state with high-speed internet by 2025. Over the six years of the broadband program's existence, more than \$20 million was invested by the state through grants. "The hope is that we can get additional providers out to the rural areas where people need it and they need it badly," said Cameron Valcq. "Twenty years ago when you talked about broadband it was considered a luxury, but now it's a necessity — farms rely heavily on internet, tourism depends on it and schools are using digital content now more than ever."

[Republicans propose constitutional amendment limiting governor's veto power](#)

Republican lawmakers have introduced a state constitutional amendment that would prevent governors from using their partial veto powers to increase spending in any bills. The proposal comes less than a week after Democratic Gov. Tony Evers used his veto power in one case to increase school funding by about \$84 million more than the Republican-controlled Legislature intended. He did that by taking a \$630 per-pupil dollar amount the Legislature had deleted from existing law, restoring the "\$63" and adding that new number to a different per pupil amount the Legislature had created.

[Wisconsin will be a hot spot for 2020 presidential candidates. Here's how the state is preparing.](#)

As goes Wisconsin, so goes the nation. That's how Democratic strategist Joe Zepecki describes the state's influence in 2020. Being a battleground state narrowly won by President Donald Trump in 2016 with 10 critical electoral votes, Wisconsin is about to see a whole lot of presidential candidates. In the last few months, we've seen a handful of presidential hopefuls, and President Trump has paid multiple visits here. "No one is going to take Wisconsin for granted," Zepecki said. Some voters say they see rallies and town halls as the key to winning a state, while others say they're just shows put on at the expense of the taxpayers. Casey Hicks, of De Pere, believes no candidate can afford to skip a visit to Wisconsin as former Secretary of State Hillary Clinton did in 2016. "We were effectively ignored in 2016 by the Clinton campaign," Hicks said. "This time around, there's no way any presidential candidate can ignore Wisconsin because in almost every scenario, Wisconsin is the deciding state in the 2020 election."

[Loudest Republican voice against 'send her back' in Wisconsin is a congressman from Trump country](#)

Wisconsin Republicans have tried their best to steer clear of the aftermath of President Donald Trump's use of a racist trope that led thousands of his supporters at a rally Wednesday night to chant "send her back" about a black Muslim congresswoman. One exception is U.S. Rep. Mike Gallagher, who represents — of all places — the heart of Trump country. "This is not a good look for the United States of America," Gallagher, of Green Bay, said in a video posted on his official Twitter account after characterizing as "abhorrent" the chant calling for the deportation of Democratic U.S. Rep. Ilhan Omar of Minnesota. "We don't want to spend the next year engaging in this endless tribal warfare and Twitter nonsense because we're not going to get anything done, the problems are just going to continue to get worse and politics are going to become an exercise in the absolute absurd," he said.

[Wisconsin's congressional races beginning to shape up ahead of 2020 cycle](#)

With few challengers officially declared in the races for Wisconsin's seats in the U.S. House, congressional matchups are far from finalized a year-and-a-half out from the November 2020 elections. The most high-profile announcement so far has come from Democratic state Rep. Amanda Stuck, who's looking to unseat GOP U.S. Rep. Mike Gallagher in northeastern Wisconsin's 8th Congressional District. The Green Bay Republican's seat

is one of five House districts held by GOP representatives, while the remaining three are occupied by Democrats. No statewide elections are on next year's ballot. So far, the Cook Political Report's House Ratings label just one of those eight seats as competitive: Democrat U.S. Rep. Ron Kind's 3rd District covering southwestern and western Wisconsin. While the seven other seats are rated as "solid Republican" or "solid Democratic," the La Crosse Democrat's district is one of 18 rated as "likely Democratic," seats that aren't considered competitive currently "but have the potential to become engaged," the report's website.

[Senators Propose \\$5 Billion Plan for Rural Broadband Buildout](#)

In their newly introduced "American Broadband Buildout Act of 2019," Sens. Susan Collins (R-Maine) and Doug Jones (D-Alabama) are calling for \$5 billion for a matching funds program that will focus on "unserved" parts of the U.S. Their six-year agenda is aimed at helping state-level broadband programs build and expand broadband service into areas with little or no high-speed access today, a sharp distinction from "underserved" regions or neighborhoods. The proposal, introduced this week, calls for the Federal Communications Commission, which would administer the grants, to "give priority to qualifying projects." It stipulates that at least 15% of the funds go to "areas that are high-cost and geographically challenged." The bill also calls for grant recipients to establish "public awareness" and "digital literacy" campaigns to familiarize potential users of the "value and benefits of broadband internet access service.

[Are States Having a Change of Heart on Electric Cooperative Broadband Legislation?](#)

It wasn't long ago that Telecompetitor was covering state-level legislation aimed at preventing municipal broadband networks. But perhaps the tide is shifting – at least when it comes to electric cooperatives. Several states have passed new laws aimed at making it easier for electric cooperatives to deploy broadband networks, notes a recent post from the Community Networks blog published by the Institute for Local Self-Reliance (ILSR). One of the first states to adopt such legislation was Indiana, where the Facilitating Internet Broadband Rural Expansion (FIBRE) Act became law in 2017, the blog post notes. That act gives electric cooperatives the ability to use easements for their electric poles to also deploy broadband networks. Previously, cooperatives that wanted to deploy broadband infrastructure along their electric easements would have to get permission from numerous landowners to attach fiber to the existing poles, Community Networks explains.

Regulatory and Industry

[DWD Unveils New Broadband Service Technician Apprenticeship](#)

The Department of Workforce Development (DWD) today announced the creation of a new broadband service technician registered apprenticeship that will support the growing demand for quality broadband across Wisconsin. "Governor Evers made broadband a priority with the signing of the 2019-2021 budget," Secretary-designee Caleb Frostman said. "This is the largest ever investment in broadband expansion in this state at \$48 million to reach more underserved areas and underserved citizens of the state. That means we'll need skilled Wisconsinites to help build and maintain infrastructure that will support small business and help even the most rural areas thrive with better access to education, commerce and healthcare." This new registered apprenticeship was created in partnership with DWD's Bureau of Apprenticeship Standards, the Wisconsin State Telecommunications Association, Wisconsin Indianhead Technical College, and Tri-County Communications Cooperative.

[Going the 'last mile': Ntera and Bloomer Telephone cyber-connect rural outliers](#)

Less than a hundred years ago, millions of Americans pumped water by hand and read and cooked under kerosene lamps. Broad rural electrification was cost prohibitive, but that began to end with the Rural Electrification Act of 1936. For many farm families, “the night the lights came on” became part of family lore. Something similar is happening in western Wisconsin, as those with limited or even no internet access are being connected to the rest of the world through a 100% fiber optic network. This goes far beyond simply being able to stream Netflix’s popular “Stranger Things” series. It can mean students can develop their internet research skills or that rural residents are now eligible for telecommuting positions.

[FCC Gets Set to Relax Telecom Unbundling Regulations](#)

The FCC took the first steps toward relaxing telecom unbundling regulations on voice services last week when FCC Chairman Ajit Pai circulated a draft order that would eliminate certain requirements for incumbent carriers. If the order is adopted, incumbents would no longer be required to provide their competitors with analog voice-grade copper loops on an unbundled basis at regulated rates. In addition, the incumbents would not have to make certain services that they provide at retail available for resale at regulated rates. According to an FCC backgrounder document, the order calls for a three-year transition period to provide “a seamless move” for competitive carriers and their end-user customers to “alternative voice service arrangements.”

[FCC Seeks to Modernize E-Rate Program](#)

For over 20 years, the Federal Communications Commission has supported broadband connectivity efforts for schools and libraries through the E-Rate program. Now, the FCC is considering making changes to how the program provides support to those institutions. E-Rate has two categories of funding that support schools and libraries. Category one provides connectivity to schools and libraries, and category two provides connectivity for services within schools and libraries. In 2014, the FCC adopted a new budget approach for category two services with five-year, pre-discount budgets for equipment and services needed to bring high-speed broadband into classrooms and libraries. The FCC decided that this test approach would last until the funding year 2019, in order to determine if the budget approach is effective in ensuring greater access to E-Rate discounts for internal connections.

[Twenty-Four States Impacted by Latest CAF-II Funding Authorization, \\$563M in Rural Broadband Funding Released](#)

The FCC now has authorized more than half of the \$1.488 billion in rural broadband funding associated with winning bids in the Connect America Fund (CAF) Phase II auction. The tally of CAF-II funding authorized crossed that tipping point today when the commission released its third list of authorized winners, who will share more than \$524 million in auction winnings. The funding in that announcement will bring broadband to more than 700,000 unserved or underserved rural locations in 23 states, the FCC said. Also today, the FCC authorized \$39.2 million in rural broadband funding for 15,442 unserved or underserved locations in rural New York, which was awarded through the New NY Broadband Program. Those awards were made by the state of New York, which contributed additional funding of its own.

[TDS Fiber Expansion Continues, Announces New Wisconsin Markets](#)

TDS Telecom has added to the list of Wisconsin communities that will have access to its fiber-to-the-home network. Networks in the new markets – Wausau, Kronenwetter and Rothschild – will be in place within the next three years, the company says. TDS says that the residential platform will deliver data at speeds as high

as 1 Gbps. TDS TV and phone service also will be part of the offering. Business customers will have access to dedicated 1 Gbps fiber connections and the provider's hosted managed IP VoIP business phone service. This fiber expansion will ultimately connect nearly 25,000 homes and businesses, TDS reports. "We couldn't be more excited to extend our fiber optic network further into Central Wisconsin," said Drew Petersen, senior vice president of Corporate Affairs at TDS. "The reliability and speed of a world-class internet connection will future-proof these communities, fostering additional growth and economic development for the region."

[FCC approves \\$100M connected care pilot to benefit low-income patients, veterans](#)

The Federal Communications Commission (FCC) is moving forward with developing a three-year, \$100 million Connected Care Pilot program to support telehealth and remote patient-monitoring services to improve healthcare access to underserved populations. The commissioners voted unanimously to adopt a notice of proposed rulemaking (PDF) calling for public comment on testing a new program, using the FCC's existing Rural Health Care Program authority, that would defray the costs of purchasing broadband internet access service necessary for providing connected care services directly to low-income patients and veterans. The program, unveiled by FCC Commissioner Brendan Carr in July 2018, would establish a three-year pilot to be funded by the FCC's Universal Service Fund to help healthcare providers defray the costs of broadband service.

Broadband and Internet

[Broadband Research: Half of Americans Can Get 500 Mbps Broadband, Monthly Costs Often Exceed \\$60](#)

Broadband speeds are quite high in many areas of the U.S. today – but so are prices. That's the key takeaway from new broadband speeds and pricing research from BroadbandNow Research. Half of Americans now have access to broadband at speeds of 500 Mbps or above. But less than half of Americans (48.5%) have wired broadband available at \$60 or less per month, researchers said. Researchers defined broadband to include service providing speeds of at least 25 Mbps downstream. Availability of 500 Mbps service varies considerably from one state to another. More than 90% of people in Delaware (97%) and the District of Columbia (99%) have 500 Mbps service available to them, followed by Maryland (89%), Utah (87%) and Illinois (85%). But at the other end of the scale, only 5% of people in Connecticut can get 500 Mbps service, and only 7% of people in Wyoming and Montana can do so.

[Windstream Outlines Fixed Wireless Efforts in Iowa, Highlights Growing Interest in Expanding Wireless Broadband](#)

Windstream said today that it has 102 fixed wireless sites operational in 26 Iowa markets, with plans for more than 100 more in the state. Windstream fixed wireless provides speeds of up to 100 Mbps, the company said. The deployments were made possible, in part, by funding that the company obtained through the Connect America Fund (CAF) program. The CAF program covers some of the costs of bringing high-speed broadband to rural areas lacking that service. Fixed wireless offers a less costly alternative to deploying fiber-to-the-home to support high-speed service and, according to Windstream President and CEO Tony Thomas, fixed wireless supports faster speeds than alternatives that rely on copper wiring. Thomas told investors recently that he sees copper becoming "irrelevant" in the future.

Cellular and Wireless

[DOJ announces agreement on \\$26 billion merger between T-Mobile and Sprint](#)

The Department of Justice announced Friday that it has reached an agreement on the more than \$26 billion merger between T-Mobile and Sprint. Following the announcement, shares of T-Mobile and Sprint hit new all-time highs of \$85.22 and \$8.06, respectively. Shares of Dish Network climbed as much as 3.5%. As part of the agreement, Dish will pay \$5 billion for a combination of divested assets including Sprint's Boost Mobile, Virgin Mobile and other prepaid phone businesses, as well as some of Sprint's wireless spectrum. T-Mobile will make at least 20,000 cell sites and hundreds of retail stores available to the company. Dish will also be able to access T-Mobile's network for seven years. Makan Delrahim, head of the DOJ's antitrust division, said without these remedies, the merger would "substantially harm competition."

[Dish confirms that it will become a major US mobile carrier](#)

In step with today's Justice Department approval of the T-Mobile and Sprint merger, Dish has confirmed that it intends to pursue a new path beyond satellite television: it's going to replace Sprint as the fourth major US carrier. The company has agreed to what it calls a "transformative transaction" with the DOJ, T-Mobile, and Sprint that will see it acquire Sprint's prepaid businesses (and customers), acquire a portion of Sprint's 800MHz spectrum, and gain complete access to the "new" T-Mobile's network for seven years. Dish already possesses a valuable pool of spectrum that it has done very little with up to this point, but that all changes now, according to CEO Charlie Ergen. He'd have you believe that the T-Mobile and Sprint merger — and the divestitures that Dish was able to take from it — is just what his company has been waiting for. The Justice Department directly acknowledged today that it would have tried to kill the \$26 billion merger if this deal hadn't been reached.

[CTIA: Industry Has Boosted Spectrum Efficiency Big Time](#)

Facing what it calls a "hockey stick" growth curve in the use of mobile data, the wireless industry is skating toward the bucks, investing billions to boost efficiency in advance of a 5G revolution. That is according to a just-released report that shows wireless providers' have increased the efficiency of their spectrum use by 42-fold since 2010. That is expressed as handling 39.9 billion megabytes (MB) for every one Megahertz (MHz) today versus 948 million MB for every one MHz of spectrum in 2010, according to a new analysis by CTIA-the Wireless Association. The paper says that efficiency comes from "refarming existing spectrum, quickly deploying new spectrum assets, deploying denser wireless infrastructure and other efficiency-enhancing technologies."

[Google, WISPA tout results of study on sharing in C-band](#)

Google and the Wireless Internet Service Providers Association (WISPA) are touting the results of a study that shows the viability of introducing shared spectrum between satellite earth stations and point-to-multipoint broadband systems (P2MP) in the C-band. Specifically, the results of the study, presented by Virginia Tech Professor Jeff Reed on Tuesday, demonstrate that exclusion zones of about 10 kilometers are sufficient to protect most fixed-satellite service (FSS) earth stations from harmful interference caused by properly engineered co-channel P2MP broadband systems. Reed, who co-founded Federated Wireless, said he and his colleagues found that P2MP systems operating outside the exclusion zones could provide gigabit broadband access to more than 80 million Americans, particularly those in underserved communities.

[Microsoft, Watch Communications ink pact to expand Airband Initiative in 3 states](#)

Microsoft and Watch Communications have signed a pact to expand broadband access in underserved areas of three states as part of the tech company's ongoing Airband Initiative to help close the digital divide. The Microsoft Airband Initiative launched in 2017 and focuses on utilizing unused broadcast frequencies between TV channels (known as TV white spaces) to help deliver enhanced connectivity coverage. The project has a goal of extending high-speed internet access to 3 million people in rural America by July 2022. As part of the latest agreement, Ohio-based Watch plans to deploy a variety of broadband connectivity technologies in Indiana, Illinois, and Ohio. The deployments are expected to cover more than 4 million people in total, including 815,000 people in areas of the states that currently lack access to broadband.

IPTV and Video

[Broadband Mobile Services Key to Prevent Cord Cutting, Says Parks Associates](#)

The customer is always right is a familiar adage in the business world, and right now, for broadband service providers, mobile services is a big issue for customers and not adhering to that could lead to more cord cutting. Parks Associates has released a new research study, "Examining Broadband Cord Cutters," broadband providers that do not offer mobile services are more susceptible to their current subscribers cutting the cord. As the study found, subscribers highly likely to cut the cord within the next 12 months watch more than six hours of video content through mobile phones a week, compared to two-and-a-half hours among all U.S. broadband households. Parks Associates note that these trends were a reason cable operators Comcast and Charter introduced their mobile services.

[Netflix stock plummets after massive subscriber miss](#)

Netflix has passed the 150 million subscribers mark, but the streaming giant missed the forecast for new memberships. The company added 2.7 million new subscribers in the second quarter of 2019, according to its latest earnings report released Wednesday. That is just over half of 5 million new subscribers that analysts were expecting. Netflix now has 151.5 million subscribers globally. The service said it expects to add another 7 million subscribers in the next quarter. Profit in the second quarter of 2019 fell to \$271 million from \$384 million in the first quarter of last year. Revenue went up 26% to \$4.9 billion. Netflix's stock plunged 12% in after hours trading. "We don't believe competition was a factor since there wasn't a material change in the competitive landscape during Q2, and competitive intensity and our penetration is varied across regions," Netflix said. "Rather, we think Q2's content slate drove less growth in paid net adds than we anticipated."

[Roku and Amazon Now Control Nearly 70% of U.S. Streaming Media Player Market](#)

What had been a wide-open market for OTT ecosystems just a few years ago is now a lot more decided. Roku and Amazon Fire TV have increased their dominance over the U.S. streaming media player (SMP) market and now control nearly 70% of it, according to a Parks Associates ranking of the top OTT systems in the first quarter. Market leader Roku controlled 39% of the installed base of SMPs at the end of Q1, according to Parks, representing narrow growth over the 37% in controlled in the first quarter of 2017. No. 2 platform Amazon Fire TV controlled 30%, growing from 24% two years prior. "The adoption of Roku and Fire TV streaming media players continues to grow at the expense of Chromecast and Apple TV," said Parks Associates Senior Analyst Craig Leslie. The race between Roku and Fire TV has been a bit subjective recently. Amazon recently announced 34 million regular users for its Fire TV platform worldwide, compared to 29 million announced by Roku at the end of the first quarter.