

CHANGE 2.0:

Breaking Down Barriers and Striving for More Certainty on the Road to 5G Through Streamlined Infrastructure Siting Policies, Universal Service Funding, and Access to Spectrum Resources

In 2017, Competitive Carriers Association (“CCA”) successfully navigated political and policy changes to advance the cause of competitive carriers to adapt and evolve under the policies of a new administration. CCA is the leading voice for competitive carriers in policy discussions at the White House, the Federal Communications Commission (“FCC” or “Commission”), and Congress, achieving significant victories under the new administration. CCA successfully represented members before Congress and in federal rulemakings, significantly lessening the negative impact of regulatory burdens and potentially anticompetitive policy directives. In addition, CCA fought to preserve universal service where necessary and encouraged Congress and the FCC to use accurate, standardized, and reliable data when making funding decisions. CCA testified in front of Congress multiple times, highlighting the need for expeditious access to mobile broadband services in rural America.

CCA continued to work toward equitable access to spectrum resources. CCA led efforts to ensure all carriers can access the millimeter wave (“mmW”) spectrum necessary to deploy next-generation technologies and services. In addition, CCA began exploring ways to best allocate soon-to-be-available mid-band spectrum between 3.7 GHz and 24 GHz with the most efficient and effective use of this spectrum for the benefit of all services and users, while maximizing innovation for next-generation wireless broadband services. In particular, CCA championed efforts to explore potential avenues for making the 3.7-4.2 GHz band available for mobile use, while protecting incumbent users currently providing critical services to unserved, underserved, and rural areas.

Additionally, CCA was appointed by FCC Chairman Pai to serve on the FCC’s Broadband Deployment Advisory Committee (“BDAC”) Removing State and Local Barriers Working Group to develop a consensus report with industry, states and localities to reduce the burdens on carriers and government alike and help spur broadband deployment. Earlier this year, the full BDAC voted on and approved the Removing State and Local Barriers Working Group’s recommendations, marking another step toward industry consensus to streamline infrastructure siting policies.

Finally, CCA secured certainty in the Wireless Emergency Alerts (“WEA”) proceeding by working alongside the Commission to garner a unanimously supported Order granting CCA’s Petition for an eighteen-month extension of the compliance deadline for certain requirements adopted in the 2016 WEA Report & Order, for members other than the five largest carriers, and to affirm the schedule for all carriers to geotarget alerts to make them most useful to consumers and public safety officials.

Despite last year’s achievements and our early successes this year, there is more work to do. Looking ahead, CCA will continue to navigate political and policy challenges and changes, targeting competitive issues that present barriers to a healthy mobile ecosystem. It is imperative that all consumers have access to ubiquitous mobile broadband services, especially as members deploy next-generation or 5G networks. Congress, the FCC, and the Trump Administration continue to share common goals of closing the digital divide and expanding broadband, and in particular mobile broadband, as a key driver of economic growth, innovation, and opportunity.

For the United States to lead the world in 5G deployments, rural America cannot be left behind. Specifically, Chairman Pai's Digital Empowerment Agenda ("DEA") and Congressional and Administration priorities for a comprehensive national infrastructure package, including broadband in rural areas, will top the list of CCA's 2018 priorities. The Commission and Congress also remain focused on unleashing valuable spectrum resources for 5G and next-generation technologies, most especially in the mid- and high-band spectrum ranges. At the same time, recent natural disasters, such as Hurricanes Harvey, Irma, and Maria, and the wildfires and mudslides in California, have sparked renewed emphasis on safeguarding the integrity and reliability of communications networks during catastrophic events as well as alerting the public when they are in harm's way. The need to ensure that consumers receive accurate public safety notices has turned national attention to the Commission's public safety protocols and priorities.

Together, these issues frame an early narrative for DC policymakers and CCA's 2018 priorities. CCA looks forward to ongoing collaboration with the Administration, FCC, Congress, and its membership to break down barriers that impede carriers from competing in today's mobile ecosystem as industry navigates regulatory and legislative uncertainty to deploy next-generation networks and 5G technologies and services.

CCA 2018 Advocacy Agenda

INFRASTRUCTURE

Infrastructure siting reform is necessary to overcome a key barrier to broadband deployment, and will be a primary policy focus, as we've already seen, for Congress, the FCC, and the Administration in the coming year. The Commission, in particular, is poised to streamline and expedite infrastructure deployment through the BDAC and a variety of rulemaking proceedings. In parallel, producing a comprehensive infrastructure package will be Congress's focus during the first half of 2018, including support for the deployment of broadband infrastructure. CCA continues to ensure that this unified momentum benefits members at every stage of the federal infrastructure deployment process.

CCA's active participation in the FCC's rulemakings and Congress's legislative efforts is shaping the discussion on how to reduce siting barriers stemming from Tribal review, state and local authorities, Federal land managing agencies, and stakeholders overseeing historical and environmental review. CCA continues to maximize the opportunity to facilitate sweeping infrastructure deployment reform that members need to achieve next-generation services, and consistently meets with the Commission and Congress to create clear national standards for application review timelines, reasonable fees throughout the siting process, and common-sense exclusions from environmental and historical review, including Tribal review. The FCC likely will consider some portion of infrastructure policy reform in early Spring 2018, and CCA remains steadfast in its collaboration with the Commission and all stakeholders to implement common-sense national siting standards and procedures.

UNIVERSAL SERVICE FUND

Mobility Fund II. Many CCA carrier members rely on the Universal Service Fund ("USF") to deploy, maintain and upgrade broadband networks in underserved and hard-to-serve areas that might not otherwise present a business case for deployment. CCA's advocacy efforts will continue to focus on outstanding issues related to Mobility Fund II ("MF II") distribution including ways to streamline the challenge process to ensure that data collected accurately reflects consumers' experience and efficiently evidences areas where federal funding is necessary to deploy mobile broadband networks. CCA will continue to work with Congress and the FCC to ensure the MF II program is executed in a manner which reflects Congressional intent and actual consumer mobile experience utilizing accurate, standardized data for mapping and directing support to areas that need it most.

Form 477 Data. CCA's successful advocacy involved resource-intensive outreach to key members of Congress with rural and member constituents, as well as legal resources necessary to explain why distributing Mobility Fund II support based on faulty Form 477 data would violate the Administrative Procedures Act. CCA will continue to work with policymakers and members to recommend data coverage challenge process mechanics and to help frame the procedures of the Mobility Fund II reverse auction.

Contribution Reform. CCA continues to monitor increases in the FCC's contribution factor and recommends that the Commission continue to explore options for contribution reform, including expanding the base where possible to reflect today's and tomorrow's network uses and Chairman Pai's rural dividend.

SPECTRUM

The FCC, NTIA and Congress are committed to bringing more spectrum to market for commercial use, focused on identifying new spectrum opportunities to facilitate 5G and next-generation technologies, including the Internet of Things. This includes a variety of low-, mid-, and high-band spectrum which will determine the viability of smaller carriers' competitive abilities as consumers' demand for data increases. Competitive carriers must have access to a robust portfolio of spectrum resources to deploy next-generation mobile broadband and require policies which protect the integrity and availability of spectrum, and ultimately, promote market competition.

Spectrum Frontiers. CCA will continue to urge the FCC to auction mid-band and high-band spectrum as soon as possible, including bands that are currently allocated for mobile terrestrial use, including the 24 GHz, 28 GHz, 37 GHz, 39 GHz, and 47 GHz bands. As the FCC, NTIA, and Congress focus on enabling next-generation networks and the Internet of Things, all levels of government must work to free-up more spectrum for licensed mobile use while protecting rural incumbents' rights in the mmW bands.

Mid-Band. Additionally, the FCC and other federal agencies continue to focus on potential licensed and unlicensed mobile use of spectrum bands between 3.7-4.2 GHz, and 5.925-6.426 GHz and 6.425-7.125 GHz and more broadly 3.7 GHz to 24 GHz. Based on member feedback and coordination, CCA initially supports exploration of licensed and unlicensed use of these bands, while protecting incumbents.

Spectrum Horizons. New to the agenda, CCA will work with members to identify areas of interest and opportunity in this high band spectrum, including 95 GHz and above, and ensure that competitive carriers of all sizes can participate in mid- and high-band spectrum auctions on the road to next-generation deployment. Competitive carriers must have access to a robust portfolio of spectrum resources to deploy next-generation mobile broadband and, eventually, 5G networks, and these proceedings represent a prime opportunity to ensure CCA's members voices are heard.

Incentive Auction/Relocation. On March 30, 2017, the first-of-its kind 600 MHz incentive auction concluded, and CCA continues to work with all stakeholders to facilitate a successful post-auction transition to expeditiously clear valuable 600 MHz resources within the FCC's post-incentive auction 39-month timeframe. Unnecessary delays will breed uncertainty and thwart competition, the public interest and the economy.

3.5 GHz. In addition to exploration of other mid-band opportunities, the FCC is seeking to auction 3.5 GHz spectrum in the near-term. Its most recent Notice of Proposed Rulemaking proposes to extend 3.5 GHz license terms from three to 10 years and expand licenses to larger geographic areas, and seeks comment on changes to the rules governing the second service tier, known as Priority Access Licenses, of the band's three-tier framework. At the current time, there is no consensus on a going-forward approach regarding license size or length of license term. CCA continues to work with members and the FCC to explore a consensus proposal related to license size, license term, and buildout requirements.

700 MHz Relicensing. CCA continues to collaborate with members to understand whether and how 700 MHz spectrum can be used for 5G and IoT deployments. With buildout requirements looming, the FCC recently sought comment on implementing the 2007 700 MHz Second Report and Order “keep what you use” (“KWYU”) rule. Under KWYU, if a licensee fails to meet its end-of-term construction deadline, its authorization to operate automatically terminates without Commission action for those geographic areas of its license authorization in which the licensee is not providing service on the date of the end-of-term deadline. Those areas will become available for reassignment by the Commission; only an unserved area that is at least 50 square miles will be returned to the Commission for relicensing.

Secondary Market Transactions. CCA objects to transactions that would degrade competition and harm member access to an equitable share of valuable spectrum resources. The Commission must closely examine AT&T’s and Verizon’s spectrum holdings and take appropriate steps to protect against saturation of all spectrum, but most recently millimeter wave spectrum bands. Consolidation stifles competition, and CCA will continue to defend members’ interest in clearly anti-competitive transactions before the FCC.

PUBLIC SAFETY & NEXT-GENERATION 911

Congress and the FCC remain closely engaged on protecting our public safety. Federal officials are focused on how and to what extent providers continue to harden their communications networks in the wake of disasters and emergencies.

Wireless Emergency Alerts. As noted above, recent natural disasters such as Hurricanes Harvey, Irma, and Maria have renewed the FCC’s and Congress’s focus on fortifying public safety announcements across the United States. In 2017, CCA worked with the FCC to secure an Order providing competitive carriers other than the top five providers additional time to comply with certain enhanced WEA requirements. This year, CCA will continue to collaborate with the Commission and Congress to enact policies that are technologically feasible and ensure consumers are provided the most accurate and timely information in times of disasters and emergencies. In particular, CCA will continue to highlight that smaller carriers do not have access to devices or technology and are often delayed at least 12-months in receiving the latest equipment due to their placement in the mobile ecosystem.

Network Resiliency. Similarly, CCA continues to monitor network resiliency requirements from Congress and the FCC, to ensure these efforts balance public safety needs without unduly burdening carrier resources.

NETWORKS

Beyond just infrastructure reform, CCA will continue to advocate for consumer-focused and equitably accessed network elements. Consumers also should be afforded the opportunity to retain their mobile telephone number regardless of a geographical move or switch in service providers. Likewise, carriers must be able to manage their networks to accommodate customer preferences and network congestion. In addition, cybersecurity will permeate many policy objectives during this Administration.

Nationwide Number Portability. Nationwide number portability (“NNP”) remains a key issue affecting the competitive health of the modern mobile wireless market. CCA therefore supports the FCC’s efforts to identify innovative solutions to facilitate NNP and promote competition between providers, for the benefit of consumers in all areas of the United States. In 2018, CCA will collaborate with members and industry through its position as Co-Chair of the North American Numbering Council’s NNP Issues Working Group to produce recommendations that provide much-needed certainty for the NNP landscape ahead.

CDMA Sunset/Tech Transitions. Verizon has announced plans to retire 2G and 3G CDMA networks on December 31, 2019. As a result, consumers currently using CDMA devices that are not VoLTE capable will not be able to access voice services, including 9-1-1, when roaming in areas where Verizon has the only CDMA

coverage available today. CCA has established a CDMA Working Group to focus on this issue as the planned Verizon CDMA sunset approaches.

Restoring Internet Freedom. Late last year, the FCC took another significant step in the Net Neutrality debate by returning broadband Internet access service to its prior classification as an information service, and reinstating the private mobile service classification of mobile broadband Internet access service. The FCC's Order overturns the 2015 Title II Order and restores broadband Internet access service to its Title I information service classification. In Congress, the politics surrounding the FCC's 2017 action surrounding the Restoring Internet Freedom Order have been a source of partisan debate overshadowing even the most congenial of telecommunications policy efforts. Fueling further uncertainty for 2018, CCA continues to monitor whether and how various stakeholders will challenge the Commission's Order. Our primary and almost exclusive objective is to ensure CCA carriers members are able to reasonably and effectively manage their networks, when necessary.

Cybersecurity. CCA continues to monitor Congressional activity on cybersecurity, encouraging lawmakers to note the limitations and availability of resources when it comes to carrier compliance of cybersecurity regulations. As an industry partner with the Department of Homeland Security's NCC Communications Information Sharing and Analysis Center ("COMMS-ISAC"), CCA has access to federal reporting resources on cybersecurity attacks and events.

DEVICES

Access. Access to devices remains paramount for smaller carriers operating in a competitive marketplace. Recognizing that the two largest mobile carriers dominate the ecosystem and that members struggle to equitably access premium devices, CCA offers business and policy solutions to ensure members have access to the devices consumers demand through the CCA Device Hub and Data Services Hub. CCA also continues to explore innovative partnership arrangements through its Business Innovation Group.

Interoperability. As the Commission moves forward in its Spectrum Frontiers, Mid-Band, and Spectrum Horizons proceedings, and auctioning any new spectrum, CCA will represent members' interests in device interoperability where appropriate. Devices must remain available and interoperable in due course as technology evolves and additional frequency bands are allocated for mobile use.

Hearing Aid Compatibility. CCA was party to the Hearing Aid Compatibility ("HAC") Consensus Proposal adopted by the Commission in December 2016. In 2018, CCA will ensure a careful balance is struck between the goal of hearing aid compatibility for all wireless handsets and the need to encourage continued innovation, to provide members the most certainty possible in meeting the FCC's compliance and reporting requirements. CCA continues to participate in policy and regulatory discussions surrounding HAC advancements.

Real-Time Text. CCA also advises the Commission with respect to real-time text ("RTT") and text telephone technology ("TTY") regulations to create policies that provide ubiquitous access for disabled individuals without unduly burdening carriers.