

September 20, 2021

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# Alexicon *insider*

INFORMATION AND ADVOCACY FOR THE  
RURAL TELECOMMUNICATIONS INDUSTRY

## Regulatory Headlines

### [EBB Program: \\$2.7 Billion Available](#)

According to the Federal Communications Commission (FCC), of the nearly \$3.2 billion in available funds for the Emergency Broadband Benefit (EBB) program, only \$378 million has been allocated, so far. That leaves more than \$2.7 billion still available to help low-income households get broadband service at a reduced cost, according to an FCC tracker page.

### [NTIA Tribal Program Applications](#)

The Tribal Broadband Connectivity Program being administered by the U.S. Department of Commerce's National Telecommunications and Information Administration (NTIA) has attracted more than 280 applications seeking more than \$5 billion in funding.

### [FCC Approves More RDOF Bids](#)

The FCC has approved 13 smaller bidders to receive funding won in the Rural Digital Opportunity Fund (RDOF) auction.

### [LightBox Broadband Map](#)

A new coverage map from LightBox indicated the U.S. might have an even bigger problem with broadband access than previously thought, showing some 60 million citizens remain unconnected.

### [US Gov't Broadband Funding Sources](#)

Thanks in part to Covid, there's been a massive influx of funding for broadband deployments. But with so many initiatives in play, it's become hard to keep track of the myriad funding sources. Fierce has compiled a run-down of some of the major programs fueling broadband deployments and the dollar amounts attached to them. This list will be updated and expanded on an ongoing basis.

### [State Technology Spending](#)

A pair of state IT officials said...they're starting to see the effects of federal pandemic recovery money flowing in, and have started using the funds to better equip remote workforces, improve network security and expand broadband.



## Market Watch

[WISPA Argues Against Fiber Overbuilds](#)

[Comcast in no Rush to Deploy CBRS](#)

[Merger Enlarges Minnesota Fiber Network](#)

[Vermont Telco Wins Broadband Deal](#)



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# Technology Trends

*New and notable technology and services*

## Surveillance Capitalism and the DNS

The economics of surveillance capitalism and a world of paranoid apps will transform the domain name system (DNS), says Geoff Huston, chief scientist at APNIC Labs, part of the Asia Pacific Network Information Centre. Knowing the domain names of the websites you visit, or servers that apps access on your behalf, is valuable intelligence. DNS traffic is especially valuable because it reflects what users are doing in real time.

## Majority Support Data Privacy Standards

Nearly three-quarters of Americans want the federal government to establish national data privacy standards, according to a poll released Thursday. The Associated Press-NORC Center for Public Affairs Research and MeriTalk survey also found that upward of 60 percent of Americans believe their social media activity and physical location information is not secure online. Lawmakers in Washington have yet to pass a digital privacy bill through Congress...

## 5G and IoT Can Reduce Emissions

Adopting 5G and IoT can reduce UK carbon emissions by 78% by 2035, says a new report by London consultancy WPI Economics for Vodafone. Deploying the new digital technologies in the key areas of manufacturing, transport and agriculture alone would cut the UK's overall emissions by as much as 4% a year. That equates to 17.4 million tonnes, or the annual emissions of the entire Northeast of England. In towns and cities, transportation would bring most (87%) of the carbon savings from digital technology.

## Coming in 2022: Leap in Smart Home Tech

Starting next year, consumers will be able to buy smart home devices — like thermostats, lighting systems and kitchen appliances — that can talk to one another through a new connectivity standard called Matter. Why it matters: Interoperability of home devices has long been a distant dream, but big boys like Amazon, Google and Apple have coalesced around Matter, hoping it will become a common brand name governing the Internet of Things (IoT).

## Alphabet's Project Taara

Alphabet's X 'moonshot labs' has beamed 700TB of data across the Congo River, offering a potentially cheaper alternative to laying fiber cables in difficult terrain. Google's solution for crossing the Congo River is to create a connection between Brazzaville and Kinshasa that relies on "free space" optics, which was also used to transmit data in its now shut down Loon project. It uses light to transmit data between two points, in this case, a 4.8km distance that would require a 400km...

## IN FOCUS

### USF Contributions Reform Proposals

USF contributions reform continues to be, as it should, a topic of interest throughout the industry and in Congress. A couple of new proposals were floated recently: one by an industry coalition ([USForward](#)), including NTCA, that concludes adding broadband internet access revenues (i.e., earned by ISPs) is the answer, while another group [recommends](#) a tax on digital advertising revenue is the way to go. A third [preliminary study](#), released earlier this year, examines the impact "big streamers" have on rural broadband networks.

These proposals all come at a time when policymakers appear to finally be ready to tackle what has been a complicated subject, and one that the FCC has delayed for years. As we reported in the 7-2-21 Insider, [Commissioner Carr](#) and [Acting Chair Rosenworcel](#) seemed to agree on the broad outlines of a USF contributions method based on taxing tech companies. Legislation was [introduced](#) that would study a similar type of mechanism.

Both the USForward and Digital Advertising Services Fee (Singer/Tatos) papers cover the problems with the current USF contributions mechanism in detail. USForward projects a USF contribution factor of 43% by 2026 if no changes are made to the interstate end user revenues-based mechanism. Singer/Tatos takes a bit of a different approach (more on that below), but suggests a method involving a fee on digital advertising would mean a 7.6% "tax" on such revenues earned in the United States.

According to USForward, the decline in the contribution base is primarily caused by the decrease in mobile service revenues. This decrease is likely due to mobile service providers reclassifying voice

services revenues, a portion of which are assessed, to data services revenues, which are not assessed. USForward proposes to fix the effect plummeting assessable revenues are having on the contribution rate by adding BIAS revenues to the revenue base. Doing this, USForward claims, would lower the assessment rate to less than 4%.

In contrast, the Singer/Tatos paper recommends identifying digital advertising service fees and applying a tax to such revenues to cover federal universal service fund needs. There are problems inherent with this proposal, many of which either have been or are in the process of being hashed out in Europe. The paper estimates that there is around \$131.9 billion of digital advertising revenues in the U.S., compared to the current \$29.3 billion current USF contributions base. By contrast, Commissioner Carr claimed that there is around \$1 trillion in revenues being generated by Facebook, Apple, Netflix, and Google just waiting to be assessed to support the USF programs.

The Singer/Tatos paper's conclusion that the "tax" on digital advertising revenues can be around 7.6% relies on the assumption that the only programs that need continuing funding are Lifeline, E-Rate, and Rural Health Care, with the Lifeline program increasing significantly. The paper assumes, then, that any necessary broadband deployment support is handled through grants programs such as are currently available or will become available in the future. This assumption completely ignores the need for the sufficient, predictable support needed to operate and maintain high cost networks in rural areas.

## Reminders

- \* **Starting on September 28, 2021**, intermediate providers and voice service providers will be prohibited from accepting calls directly from a voice service provider if that voice service provider's filing does not appear in the [Robocall Mitigation Database](#).
- \* **Beginning October 15, 2021**, Small providers will be required to report to the online [reassigned numbers database](#) on the 15th of every month.



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