

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

October 2, 2009

INDUSTRY NEWS

- President Obama signed an executive order which bans federal employees from text-messaging while driving government-owned vehicles or when using their own car and phone while on official business, and encourages federal contractors to do the same. Transportation Secretary, Ray LaHood praised Obama's signing of the order and announced plans to consider restrictions on the use of electronic devices by train, truck and interstate bus drivers. The secretary also called on state and local governments to work with his agency to make distracted driving part of their state highway plans, and to continue to pass state and local laws against distracted driving in all types of vehicles, especially school buses.
- Governor Rendell has proclaimed October as "Cyber Security Awareness Month" in Pennsylvania. "The Internet has become part of everyday life. Everyone shares responsibility for keeping cyberspace safe", Rendell said. Last year, Pennsylvania was recognized as one of the 10 most digitally advanced state governments by the Center for Digital Government. Pennsylvania is also a recognized leader in cyber security issues.
- What is the definition of broadband? That seems to be the question faced by the FCC. Until last year, the FCC defined broadband as Internet service with download speeds of at least 200 kilobits per second. However, that was too low so the FCC has since raised the minimum threshold for broadband to 768kbps. Although Verizon appears satisfied with the current threshold, Comcast wants it lowered back to 256kbps. AT&T hasn't committed to a speed limit – the issue being that the federal stimulus law passed has a target of 100 percent broadband availability nationwide. AT&T wrote to the FCC stating, "Setting that baseline too high would thwart Congress's intent to ensure universal availability and adoption of broadband services".
- State utility commissioners want the FCC to put broadband carriers on notice that the agency's own broadband data collection does not relieve carriers of their obligation to comply with state requests – as stated in papers filed last week by the National Association of Regulatory Utility Commissioners (NARUC). NARUC asked the FCC to clarify that the agency has placed no limits on state authority to collect data directly from the broadband service provider. NARUC passed the resolution during its July 2009 meeting in response to carrier resistance to state-level broadband mapping efforts.
- Beginning this fall (pending a ruling by the Office of Management and Budget), federal universal support payments will be made by electronic funds transfer. The payments include those from the high-cost, low-income, schools and libraries, and rural health programs. Recipients of the funds will provide their financial institution information on FCC Form 498.

- Broadband service providers issued comments urging the FCC to reject a petition filed in August, declaring that utility pole attachments used to provide VoIP service should pay the “telecommunications” rate for those attachments. In the petition, American Electric Power service Company, Duke Energy Corp, Southern Co. and Xcel Energy Service state that interconnected VoIP is increasingly used to replace analog voice service, yet cable companies that provide interconnected VoIP claim that the Telecom Rate does not apply to their pole attachments. American Electric et al. also argue that clarifying that the Telecom Rate applies to cable companies that offer interconnected VoIP would help eliminate billing disputes, and, by establishing regulatory parity, would facilitate broadband penetration.

Verizon, in its comments, urged the FCC to “adopt its existing tentative conclusion in this proceeding to move to a single, uniform rate for all broadband pole attachments”. AT&T said it “generally agrees” with the petition’s goal for attachment rate parity, but added that the petition stops short of the logical destination and the FCC should adopt the previous proposal of AT&T and Verizon to set a uniform rate for all broadband pole attachments.

THE DAILY NUMBER

- \$145,000,000

The amount appropriated to the Department of Agriculture for the principal amount of 5% loans under the Rural Utilities Service’s traditional rural telecom loan program.

QUOTABLE

- *“This meeting is probably the most important meeting in the history of the Department of Transportation”*

Statement by Transportation Secretary, Ray LaHood at the end of a two-day conference on distracted driving. (see related article above)