

October 9, 2009

INDUSTRY NEWS

- Earlier this week the FCC released the tentative agenda for its October 22, 2009 meeting and it was short. In fact, only one item appears on the agenda, and that is the Commission's notice of proposed rulemaking (NOPR) on net neutrality. But twenty Republican Congressmen believe that an NOI (Notice of Inquiry) would be better than an NOPR on the matter, and said as much in a letter to Commission Chairman Julius Genachowski. The Congressmen argue that prior to any regulatory initiative, the Commission should prove a market failure, wait for the completion of broadband mapping, and wait for the results of broadband stimulus efforts among other things. Complicating the Commission's endeavor, say the lawmakers, is the fact that the Commission has declared, on a number of occasions, that the nationwide broadband market is competitive.

CONGRESS NEWS

- A bipartisan group of 20 House members wrote to FCC Chairman Julius Genachowski this week, asking the agency to investigate the "nature and function" of Google's new voice service which has come under increased scrutiny amid allegations of call blocking. The congressman, representing rural districts, expressed their concern that Google was essentially "redlining rural America, and indicated serious reservations with Google's assertion that its latest offering is not traditional telephone service and, as such, should be treated accordingly. (See related story in Quotable section).
- On Wednesday, the House Judiciary Committee unanimously passed the Preventing Harassment through Outbound Number Enforcement Act (HR1110), which would prohibit the practice of Caller ID spoofing. The activity is increasingly being used by individuals who fraudulently change the number which appears on a customer's caller ID service and deceive the customer into providing personal identifying information.

THE DAILY NUMBERS

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According to a study released this week by the Consumer Electronics Association, 37 percent of the U.S. workforce works from home at least one day per month. That figure, says the study, means that the teleworking population will create a potential \$19 billion market opportunity for the consumer electronics industry.

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Domestic wireless data revenues grew 31 percent in the first six months of 2009 over the same period last year according to a report released by the Cellular Telecommunications Industry Association (CTIA) this week. Revenues for the first half of 2009 were \$19.4 billion, fueled by more than 740 million delivered text messages, nearly double the figure from a year earlier. The CTIA study also found that more than 246 million data-capable devices are in use in the U.S.

QUOTABLE

- *"I don't base my network plans on what I read on blogs. No one knows more about the wireless data customer experience than AT&T."*

Excerpts from the keynote address of AT&T CTO John Donovan as delivered to attendees at the Cellular Telecommunications Industry Association Wireless show yesterday. Donovan acknowledged that he's aware of the numerous complaints regarding the company's service quality that are surfacing on the blogosphere, but blames the dropped calls and slow connections on the sheer number of subscribers using smartphones and the increasing demand for data.

- *"If Google is allowed to operate its telephone services outside of the rules by which all other common carriers operate, we worry that the market and support for universal service will be undermined. Rural consumers, whose calls would be only selectively connected, would undoubtedly be the most harmed by this practice. There must be a policy framework that doesn't rely on artificial and formalistic distinctions between online or web-based and traditional carriers."*

Excerpts from a letter sent by 20 Congressman to the FCC this week regarding the call blocking allegations against Google Voice service.