

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

November 20, 2009

INDUSTRY NEWS

- It cleared the committee process without incident, but a resolution urging the banning of reading, writing or sending text messages could not clear the National Association of Regulatory Utility Commissioner (NARUC) Board of Directors this week at the group's meeting in Chicago. The Board believed that the issue was more of a "highway safety" concern than that of state utility commissions and ultimately did not want to meddle. NARUC Board member and Idaho PUC Commissioner Marsha Smith offered that "one of the things that we appreciate about NARUC is that we stick to our own business and we try not to go too far afield."
- AT&T has apparently lost the latest round in the ongoing saga over Verizon's 3G coverage map advertisements. A federal District Court judge on Wednesday denied AT&T's request that the ads be pulled from the airwaves, calling the commercials "sneaky" but not necessarily misleading. Stay tuned, Ma Bell has launched a comeback ad campaign of its own.
- Media mogul John Malone probably knows a thing or two about market power and, in wire report comments made this week, he said that Comcast's plan to buy a controlling stake in NBC Universal would give it too much of that power. Malone, who is chairman of Liberty Group (which has a controlling interest in DirecTV), added that if the acquisition becomes a reality it would force competitors to seriously consider similar initiatives.
- On Wednesday, the FCC unanimously adopted a declaratory ruling establishing a "shot clock" for state and local review of cell tower siting applications. Under the ruling, the governments would have 90 days to review collocated tower projects and 150 days to review other applications. If those deadlines are not met, applicants may file for court relief within 30 days.

CONGRESS NEWS

- The FCC's Notice of Proposed Rulemaking (NPRM) on net neutrality continued to take it on the chin this week as two members of the House Energy and Commerce Committee lambasted the proceeding. At a Capitol Hill event sponsored by the American Consumer Institute, Representatives Gene Green (D-Texas), and Marsha Blackburn (R-TN) took aim at the Commission endeavor, saying that government intervention/regulation it will drive up the cost of broadband plans. Blackburn also noted that she recently introduced HR3924 which would prohibit the FCC from issuing Internet regulations.

In other net neutrality news, California Representative Darrell Issa penned the FCC and the White House this week, asking for an explanation of a published report in American Spectator magazine regarding inappropriate discussions between the two entities on the matter. The article suggests that Obama administration officials had knowledge of, and potentially contributed to the drafting of the proposed NPRM.

THE DAILY NUMBER

- 3,000,000

In response to an investigation initiated several years ago by attorneys general in Wisconsin and six other states (including Pennsylvania), Vonage has agreed to pay \$3 million, issue refunds to customers in 32 states, and implement customer service improvements. The investigation was prompted by Vonage customer complaints alleging difficulty in trying to cancel service and claims that while promoting free service, the company charged fees which were not clearly disclosed. Pennsylvania Attorney General Tom Corbett said that he plans to use the expected \$249,000 windfall from the case for “future consumer protection, enforcement, and consumer education activities.”

QUOTABLE

- *“I like the bill. I’m ready to take it to the prom, but I’m not ready to marry it.”*

Texas Republican Congressman Joe Barton on a discussion draft of the Universal Service Reform Act of 2009 legislation recently unveiled by Representative Rick Boucher (D-VA). A bipartisan collection of members of the House communications, technology, and the Internet subcommittee offered general support for the concept of comprehensively revamping the Universal Service Fund but some, like Barton, raised concerns with several elements of the proposal. For example, Pennsylvania Congressman Mike Doyle took issue with urban and suburban areas funding high-cost rural areas which already have competition. From Doyle: “every dollar spent should be a dollar the private sector wouldn’t spend.”