

Pennsylvania Telephone Association

"The Communications Leader in Pennsylvania"

The Friday Report

December 11, 2009

INDUSTRY NEWS

- Slamming, spamming, phishing, spoofing, and now SMiShing. The new hybrid slang word is a combination of short messaging service, texting, and phishing and is the focus of a media initiative launched by MyWireless.org this week. The group is alerting cell phone users to be aware of text messages being sent by scammers designed to deceive consumers into divulging personal information. Specifically, consumers are urged not to respond to any text message which asks you to 'Verify' or 'Activate' anything.
- Answering the question of whether the federal Universal Service Fund should be used for broadband deployment came in a variety of forms this week as parties responded to the FCC's request for comments. The Commission has been charged with delivering a plan to Congress by February 17, 2010. CenturyLink, Consolidated Communications, Frontier Communications, and Windstream Communications were among a group of companies advocating their Broadband Now Plan which calls for targeted, incremental support dedicated to deployment of broadband facilities in high-cost areas that are currently unserved or have access only to service at speeds slower than 6mbps." The Organization for the Promotion and Advancement of Small Telecommunications Companies (OPASTCO) is suggesting the establishment of a new Universal High Speed Broadband Fund; supporting one fixed high-speed provider and one mobile wireless provider in each area where support is provided. Rural carriers could move from existing mechanisms to the new fund at any time over seven years, with initial broadband funding equal to their support under current mechanisms. Verizon and Verizon Wireless offered that the USF should be repurposed to support broadband but urged the FCC to set a budget for the fund and impose a cap. (See related story in Quotable section).
- A PTA Member Company can add "White House Telecom Provider" to its list of accolades, awards, and accomplishments. Ironton Telephone Company was tabbed by the Obama Administration during the President's recent visit to the Lehigh Valley to provide telecommunications services. The company was notified by the White House four days prior to the visit and the first services were due 24 hours later. To best serve the President, the Secret Service and the Press Secretary, Ironton deployed a Nortel Access Node (to provide almost fifty lines of service), and seven DSL circuits (wired for the White House and wireless for the media). By all accounts, the President's visit was a great success. Congratulations to Ironton for a job well done!

CONGRESS NEWS

- Will anyone be able to use their cellphones while flying after Congress completes consideration of Federal Aviation Administration reauthorization legislation? The leader of that cause said this week that airborne wireless chatters need not worry. Carl Biersack, executive director of the Inflight Passenger Communications Coalition (IPCC) said that

even though the House and Senate version of the reauthorization bill are not identical (The House version provides for a ban), ultimately Congress will do the right thing and say no to the prohibition. Biersack's comments were made in a conference call with TRDaily.

THE DAILY NUMBERS

- 55

According to a client memo released this week, Citigroup analyst Michael Rollins puts the odds of a Sprint/T-Mobile merger at 55 percent within the next year. Rollins upgraded Sprint from hold to buy on Wednesday, basing the recommendation on the company's stemming some of its subscriber losses and improved customer service.

- 335,800,000

On Tuesday night, U.S. House and Senate conferees approved a fiscal year 2010 budget for the Federal Communications Commission totaling \$335.8 million.

QUOTABLE

- *"I'm not going to give you in detail what we're going to do, but we are going to focus on giving incentives. Long term, there has to be some pricing scheme that addresses usage."*

AT&T's Ralph de la Vega to attendees at a UBS Securities investors conference this week regarding the company's consideration of alternatives to reduce data service usage by a small portion of its subscribers. While being mindful of current and future net neutrality rules, de la Vega said that there needs to be some way to address the approximately 3 percent of smartphone users who can, at times account for up to 40 percent of network traffic through heavy consumption of video and audio content.

- *"The presence of employees on leave from companies and lobbying firms invested in, or interested in, broadband development increases the potential for conflict of interest and unfair influence."*

Excerpt from a letter sent by California Congressman Darrell Issa to FCC Chairman Julius Genachowski on Tuesday. Issa expressed concern that the stimulus-funded temporary employees could use information gleaned during their time at the Commission to help their full-time employers.