

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

March 13, 2009

INDUSTRY NEWS

- On Thursday, Internet giant Google unveiled its entry into voice telecommunications with Google Voice, a free service morphed from the GrandCentral “find me-follow-me” service it bought in 2007. Google Voice adds to that service free domestic calling, inexpensive international calling, voice mail to text transcription, and other call management services. Google Voice is currently limited to GrandCentral users, but will be made available to the public in the next several weeks.
- While Pennsylvania’s expected \$2.3 billion budget deficit is certainly not encouraging, it pales in comparison to New York’s deficit of \$14 billion. But, there was some good news in the Empire State this week for Internet users: Governor David Paterson announced that he has scrapped plans to impose a tax on Internet downloads. The Internet levy was one of more than 100 tax hikes which Paterson was considering in an effort to raise an additional \$1.3 billion to help close the budget loop hole. Also taken off the table were levies on clothing (over \$100), non-diet sodas, movie tickets and haircuts.
- Department of Community and Economic Development (DCED) deputy secretary Rebecca Bagley announced the agency’s priorities for technology investment in 2009 at a speech this week to economic development professionals in Hershey. One of the priorities is application for federal stimulus money to support broadband deployment initiatives. PTA has had discussions on this topic with DCED and the PUC, and participated on a webcast hosted by the National Telecommunications Information Administration this week. At issue, of course is the expected \$7.2 billion in funding for broadband deployment from the American Recovery and Reinvestment Act (ARRA); a topic of discussion this week at a Washington, D.C. event sponsored by BroadbandCensus.com and entitled the “broadband breakfast club.” While panelists agreed that, in the grand scheme of things \$7 billion wasn’t much, it could provide “seed money” for some broadband projects.

In other federal stimulus money news, Senate Republicans in the Pennsylvania General Assembly are already working to ensure that the distribution of any revenue is a transparent process. Lancaster Senator Mike Brubaker has scheduled a news conference for next Tuesday, March 17 at 12:30 to unveil legislation creating a commission to track, monitor, and report all ARRA monies received and spent by the state government.

- Comcast announced this week that it has leapfrogged Qwest to officially become the third largest residential telco in the nation. The company reportedly serves 6.47 million customers nationwide. AT&T holds the top spot with 27.48 million customers.

LEGISLATIVE NEWS

- Montgomery Democrat House member Josh Shapiro on Wednesday took to the podium in the Capitol rotunda to push for passage of his House Bill 538; legislation banning the use of hand-held cellphones while driving. Shapiro was joined by Lancaster County native Jacy Good who was seriously injured and lost her parents in a 2008 traffic accident involving another driver who was distracted while using a cellphone. The Shapiro bill allows the usage of hands-free cellphone devices. The topic has piqued the interest of voters, if a Monday-released study by Harris Interactive is any indication. The Harris poll shows that 76% of Americans say that they would be at least somewhat likely to vote against a legislator who voted to completely ban the use of cellphones by drivers and that 46% of respondents believe that hands-free cellular devices are safe and should not be banned.

THE DAILY NUMBER

- 342,000,000

On Wednesday, President Obama signed the federal budget bill, authorizing an FCC budget of \$342 million (to be recovered from regulated entities). The legislation also directs that \$3 million of the total be devoted to the establishment of a State Broadband Data and Development matching grant program for state-level broadband demand aggregation activities and the creation of broadband inventory maps.

QUOTABLE

- *“Everyone deserves access to broadband Internet service and the opportunities it provides, so we developed and launched the We Need Broadband project to accelerate network deployments to under-served communities. We encourage those under-served by broadband to enter their location and rally their neighbors and community to do the same.”*

Vince Jordan, CEO of RidgeviewTel who announced the website <http://weneedbroadband.com> as a demand aggregation tool this week. The site proclaims that it will use the submitted information to help direct the federal stimulus broadband deployment revenue. The site also states that “Your request will be made available to all of the Internet Service Providers that subscribe to the Demand Aggregation Program.” PTA was the 354th visitor to the site this afternoon.