

# Pennsylvania Telephone Association

*"The Communications  
Leader in Pennsylvania"*

## The Friday Report

March 6, 2009

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### INDUSTRY NEWS

- Competitive telcos held their spring conference in Texas this week and developed a rather long "wish list" for the FCC. (See related story in Quotable section). Among the items on the list are revamping the ex parte process, reforming the proposed rulemaking process and heightening the importance of petitions for reconsideration. With regard to the ex parte process, the competitive providers believe that the process has been abused by large incumbents who leave out important details in their required summaries of meetings with Commissioners and rarely notify other interested parties that the meetings ever took place.
- On Thursday, President Obama announced that he has hired the first ever federal chief information officer (i.e. technology czar) who will operate directly under the auspices of the White House. The country's new CIO is Vivek Kundra, former chief technology officer for Washington, D.C. and member of Obama's transition team. He will be in charge of all federal technology spending and ensuring that federal agencies' networks are interoperable.
- While there was no specific mention of revenue for broadband deployment, Pennsylvania Governor Ed Rendell took to the podium this week to discuss his plans for spending federal economic stimulus money. Rendell appointed Department of General Services Secretary Jim Creedon as the point man for the distribution of the revenues and also announced that, within two weeks, he will hire a Chief Accountability Officer who will ensure that the stimulus money flows through the state in a transparent fashion. Rendell said that he is expecting a total of \$17-18 billion from the federal government of which \$4 billion will be spent on healthcare, \$2.5 billion for education, and \$1.4 billion for transportation infrastructure.

### LEGISLATIVE NEWS

- One more legislative hurdle for the five PUC Commissioners as they are scheduled to appear before the Senate Consumer Protection and Professional Licensure Committee next week to discuss their 2009-2010 budget. The meeting will be held at 10:00 next Tuesday in Hearing Room 1 of the North Office Building.

### CONGRESS NEWS

- Spoofing is the target of legislation introduced this week by New York Congressman Eliot Engel. Spoofing is the term used to describe the manipulation of Caller ID service

to transmit false information. Engel's "Truth in Caller ID Act" (HR1258) prohibits the practice and requires the FCC to adopt implementing regulations within six months.

## **THE DAILY NUMBER**

- 6

Six states have now given their stamp of approval to CenturyTel's acquisition of Embarq. State regulatory commissions in Florida, Georgia, Mississippi, Minnesota, Nebraska, and Ohio have approved the deal. The combined entity will operate in 33 states, with 7.7 million access lines, two million broadband customers, and 400,000 video subscribers. Expectations are that deal will be finally consummated in the second quarter of this year.

## **QUOTABLE**

- *"It's not as if those issues have been put to rest."*

Gregory Kopta of the law firm Davis Wright Tremaine LLP to attendees at CompTel's Spring Conference in Grapevine, Texas. Kopta was referring specifically to the role of state utility commissions in addressing issues which have languished at the FCC over the past several years such as intercarrier compensation reform and NXX traffic. He also noted that when federal stimulus money begins to flow from the National Telecommunications and Information Administration for broadband deployment, a number of states may be looking to their utility commissions for guidance on how to spend the money.

- *"I can think of no one better than Julius Genachowski to serve as Chairman of the Federal Communications Commission. He will bring to the job diverse and unparalleled experience in communications and technology, with two decades of accomplishment in the private sector and public service. I know him as the son of immigrants who carries a deep appreciation for this country and the American dream; and as the proud father of three children working with his wife Rachel to be responsible parents in this digital age."*

President Obama in Tuesday remarks during which he officially announced his intention to nominate former FCC staffer Julius Genachowski to head the Commission.