

Pennsylvania Telephone Association

"The Communications
Leader in Pennsylvania"

The Friday Report

April 9, 2009

INDUSTRY NEWS

- The FBI and VoIP? Phone+ Magazine reported this week that the FBI did indeed raid a collocation facility in Texas and took equipment from alleged non-access paying VoIPers Premier Voice and Lone Star Power. AT&T and Verizon say that the two companies owe them millions of dollars in connectivity fees.
- The digital divide is not necessarily an urban versus rural problem. So says a report released by Free Press this week which concludes that high-speed Internet service is too expensive for urban dwellers and that is hindering adoption rates. The report, entitled "Wired Less: Disconnected in Urban America" also claims that there is anecdotal evidence in some cities (including Los Angeles and Washington, D.C.) that some broadband providers are "redlining" or providing service in more lucrative areas and ignoring lower income areas.
- Verizon Wireless assets being divested as part of its acquisition of Alltel have attracted, by some estimates, thirty prospective buyers. Rumored to be among the bidders are U.S. Cellular, and AT&T. Private equity firms Blackstone Group, Garlyle Group and Kohlberg Kravis Roberts (jointly) have also made offers.

THE DAILY NUMBER

- 15,200,000

The latest FTTH (Fiber to the Home) Council report released this week shows that there are now 15.2 million homes in the U.S. passed by fiber, up from 13.8 million last year. The study also notes that there are now 4.42 million actual fiber service subscribers, 3.3 million RBOC customers and the rest customers of 681 smaller telecommunications companies. All of these figures point to an annual growth rate of 52 percent.

QUOTABLE

- *"We've somehow got ourselves in this mindset in the last eight years or so that unlike all the infrastructure we ever built in this country, this one was just going to get there alone. Don't worry, be happy, sail on, let the good times roll. Well it didn't happen that way, so we ended up way down in the rankings of nations in our capacity to get and our ability to get broadband out to all of our citizens. We need very much to rectify that right now."*

Comments of acting FCC Chairman Michael Copps regarding the FCC's adoption of a notice of inquiry to gather information to formulate a national broadband plan by early

next year. Commissioner Robert McDowell, (the lone Republican left at the FCC) had a slightly different take on public sector involvement, noting that “lifting of legacy regulation from broadband” played a significant role in the deployment progress that has been made to date.

REMINDER

PTA Spring Conference
The Penn Stater Conference Center
State College, PA
April 15 - 16, 2009

If you have not yet registered and plan on attending the Spring Conference please complete the forms online and fax to the PTA office by Monday, April 13th.