

# Pennsylvania Telephone Association

"The Communications Leader in Pennsylvania"

## The Friday Report

May 1, 2009

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### INDUSTRY NEWS

- Plenty of news from the FCC this week, and let's start with the make-up of the Commission itself. According to staff reports, Senate Commerce Committee chairman Jay Rockefeller (D-W. Va.) plans to hold a confirmation hearing on the nomination of Julius Genachowski prior to Congress' Memorial Day recess. Joining Genachowski at the Commission may be South Carolina Public Service Commissioner Mignon Clyburn who will be nominated by the Obama administration shortly according to a variety of sources. She is the daughter of U.S. House Majority Whip Jim Clyburn, and has served on the S.C. PSC since 1998, and as Chairman from 2002-2004. With Genachowski and Clyburn poised to join the FCC upon Senate confirmation, only the Republican seat remains up for grabs.

Reform of the FCC's decision-making processes were the foundation of legislation introduced this week by Republican Congressmen Joe Barton (TX) and Cliff Stearns (Fla). Specifically, the legislation mandates that proposed rules for comment be published prior to Commission adoption and establishes a 30-day deadline for releasing the texts of decisions after they are adopted. (See related quote in Quotable section).

Finally, the FCC is asking for \$15 million as part of its fiscal year 2010 appropriation to upgrade its phone system and website. The topic was the subject of discussion at this week's hearing of the House Appropriations Committee's financial services and general government subcommittee where acting Chairman Michael Copps admitted that his agency was "a long way from entering the digital age" and that the funding is necessary to allow consumers to more easily access documents on the Commission's website.

- Large cable companies are saying 'thanks but no thanks' to federal broadband stimulus money. So said a spokesman for the National Cable & Telecommunications Association this week during a web-based panel discussion hosted by Fujitsu Network Communications. NCTA vice president Rick Cimmerman offered that the federal statute's nondiscrimination requirements and other "unknowns" would dissuade his larger member companies from applying for infrastructure funding. Cimmerman said that partnerships on the demand side of the equation could be a different scenario.

### THE DAILY NUMBERS

- 3.3, 5

Verizon posted 3.3 percent revenue growth over the first quarter of 2009, driven primarily by wireless services. The company added 1.3 million net new wireless

customers over the quarter and also picked up 13.2 million customers through its acquisition of Alltel. Comcast also posted good numbers, although growth seems to be slowing slightly from the fourth quarter of 2008. The cable giant reported 5 percent revenue growth driven by the addition of 329,000 net new data service customers and 298,000 net new voice service subscribers.

## **QUOTABLE**

- *“As the pace of competition and technological change increases in our country’s communications markets, sound decision-making at the FCC and faith in how it makes those decisions become all the more important. Not only are the issues far more complex, they affect far more Americans and far more American businesses than ever before. The bill would do much to improve the quality of the FCC’s decisions and the country’s trust in the agency. The longer it takes for (order language) to come, the more it begins to look like the decision was not really made when the FCC said it was, but rather ironed out later through last-minute, back-room deals. Guilty or not, the FCC is widely suspected of changing its mind between decision and regulation.”*

Excerpt from the comments of Texas Representative Joe Barton, co-sponsor of FCC reform legislation introduced this week.