

# Pennsylvania Telephone Association

*"The Communications  
Leader in Pennsylvania"*

## The Friday Report

July 10, 2009

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### INDUSTRY NEWS

- Although U.S. Senator Bob Casey supports the \$7.2 billion included in the ARRA for rural communities to expand access to broadband, he is concerned that Pennsylvanians may be at a disadvantage in getting the funds. Currently, the three closest workshops to Pennsylvania are scheduled this week in Washington DC, Boston, and Charleston, West VA. With such short notice and taking into consideration travel expenses, Casey is concerned that many potential applicants will forego the chance to acquire critical information needed to apply. Senator Casey wrote a letter to the Department of Agriculture and the National Telecommunications Information Administration (NTIA) urging them to hold an additional workshop in Pennsylvania sometime during the end of July.

On another stimulus note, the NTIA and the Rural Utilities Service issued their rules for those applying for stimulus money to fund broadband projects. The first deadline for applications is August 14 and you can begin submitting applications as early as July 14. Fund recipients will be announced on November 7 with distribution 30 days later.

- Congratulations to D&E Communications for recently being named an Innovation Hero by the Central Penn Parents Magazine. At a recent event which honored "Heroes in Healthcare", D&E was recognized as an employer that seeks to provide a supportive environment for its employees to assist them in making positive and lasting changes to their personal health behaviors – recognizing that healthy employees are happier and work more productively. The D&E Employee Wellness Committee (EWC) provides programs, resources and activities to employees and their families, which offer opportunities to increase their awareness and improve their overall health. One such incentive is allowing employees to take one day off with pay for a routine annual physical. Congratulations again, D&E.
- The Wall Street Journal reported that the Department of Justice (DoJ) has launched an "initial review" to determine if large telecom carriers "have abused the market power they've amassed in recent years". One issue reported to be investigated is whether major carriers' practice of entering into exclusive handset arrangements with vendors is hurting competition in the wireless market. Also being reported in the probe is whether companies "are unduly restricting the types of services other companies can offer on their networks". The story emphasized that the probe "is in its very early stages" and that it's unclear whether an "official inquiry" will follow.

Shortly after the Wall Street Journal reported the DoJ had launched its “initial review” as noted above, Senator Herb Kohl (D-Wis) sent the FCC and DoJ a letter complaining about the dominance of major wireless carriers in the market and seeking government action on roaming, spectrum policies, exclusive handset agreements, early termination fees and special access rates. AT&T fired back with statistics supporting why the government should not intervene, and stating “This is dramatic evidence not only of sustained and dynamic competition, but also that the free market is delivering what consumers want and that consumers are responding in positive ways”.

## CONGRESS

- The Senate Commerce, Science, and Transportation Committee plans to hold a hearing July 15 on legislation that would allow state prison officials to obtain waivers to jam mobile phone signals inside their facilities to thwart use of smuggled devices by inmates. CTIA is scheduled to testify on how such technology can interfere with other wireless communications.

Later that same day, the committee plans to hold a hearing on the nominations of Mignon L. Clyburn and Meredith A. Baker to be FCC Commissioners. Ms. Clyburn is a member of the South Carolina Public Service Commission and Ms. Baker is former acting administrator of the NTIA.

## THE DAILY NUMBERS

- 640,000,000

The number of households worldwide expected to have broadband by 2013, according to a recent report by Parks Associates.

- 335,800,000

The House Appropriations Committee and the Senate Appropriations Committee’s financial services and general government subcommittee have approved fiscal year 2010 bills that grant the FCC’s \$335.8 million appropriations request.

## QUOTABLE

- *“Our mission statement includes a promise to perform our daily work safely”. “We believe that safety is a fundamental part of wellness. Congratulations to the EWC for promoting wellness activities to encourage our health & safety practices throughout all areas of the company”.*

Comments from James W. Morozzi, President and CEO of D&E Communications after the company was named an Innovation Hero by Central Penn Parents Magazine (see related article above).