

# Pennsylvania Telephone Association

"The Communications  
Leader in Pennsylvania"

## The Friday Report

July 17, 2009

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### INDUSTRY NEWS

- The Nebraska Public Service Commission and the Kansas Corporation Commission filed a petition for declaratory ruling with the FCC yesterday, asking the agency to declare that states may assess universal service contributions on the revenues of nomadic VoIP service providers. The respective commissions noted that FCC counsel has already interpreted the Commission's rules as not preempting the assessments on intrastate nomadic VoIP revenues as long as the calculation of the revenue figure does not conflict with the calculation for interstate contributions. The FCC perspective was offered in a brief filed with the U.S. Court of Appeals in St. Louis in the Nebraska PSC vs. Vonage case. Earlier this year the court upheld a lower court ruling prohibiting the Nebraska commission from collecting universal service surcharges from nomadic VoIP customers.

### CONGRESS

- Texas Republican Senator Kay Bailey Hutchinson introduced legislation this week providing tax credits for broadband deployment at speeds exceeding 10 megabits per second in unserved areas and 50 megabits per second in other areas. Hutchinson's "Connecting America Act" would also establish an Office of National Broadband Strategy within the National Telecommunications and Information Administration.

### THE DAILY NUMBERS

- 338,000,000

The Associated Press reported this week that 338 million Chinese citizens actively use the Internet. The 338 million figure represents a 13.4 percent growth in online activity since the end of 2008, and is more than the entire population of the U.S. (The Census Bureau estimates domestic population at almost 307 million). The impressive numbers are made even more so when considering that the Internet penetration rate in China is only 25.5 percent compared to our more than 70 percent. Another surge in Internet usage is expected soon in the wake of the country's recent roll-out of third-generation cellphone service which enables wireless Web surfing.

- 5,000,000,000

According to a study released yesterday, telecom-related spending may clear \$5 billion next year due, in part, to federal stimulus money and smart grid grants. Performed by the Utilities Telecom Council, the research showed that spending on telecom equipment and services was \$2.3 billion last year and could increase this year to \$2.64 billion.

- 66,600,000

The Internet Innovation Alliance released a study this week concluding that approximately 66.6 million U.S. households used broadband service in 2008, up from 10.4 million in 2001. In addition the IIA report noted that dial-up users dropped from 44.2 million in 2001 to 10.5 million last year and that homes without any broadband access fell from 53.6 million to 39.7 million during the study period.

## **QUOTABLE**

- “If confirmed, I pledge to work with each member of this committee to ensure that the FCC is fair, open, and transparent, and that it protects consumers, encourages robust competition in the marketplace, and champions technological innovation.”
- “Healthy competition can benefit consumers and, in many cases, can reduce the need for regulation.”

The respective comments of FCC nominees Mignon Clyburn and Meredith Attwell Baker to the Senate Commerce Committee during this week’s confirmation hearing. The full Senate could take up the nominations as early as next week.