

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

August 14, 2009

LEGISLATIVE NEWS

- Employees at the PUC are surely breathing a big sigh of relief with Wednesday's gubernatorial signature of House Bill 1423. The legislation provides for the fiscal year 2009-2010 budget for the Commission and, despite little recent movement on enacting an overall state budget, will allow for paychecks to start flowing for PUC employees. The funding level in HB1423 (state appropriation only), is \$52,581,000; derived from assessments on regulated utilities.

INDUSTRY NEWS

- Can you enforce a regulatory policy absent a federal law or a public hearing process effectuating a policy? That is the question at the heart of Comcast's appeal of the FCC's decision censuring the company for its network management practices (Remember BitTorrent and network neutrality?) After customer complaints of the cable giant dropping heavy users from the network hit the Commission's radar screen, the agency ultimately censured the company and ordered it to change its network management practices. But Comcast, in its filing which is hitting the judicial system this week, is arguing that the Commission's order is unlawful because, in part, it lacks statutory foundation.
- This week's FCC broadband workshop focused on the topic of how best to define broadband service and whether a minimum speed should be part of that definition. Not surprisingly, perspectives varied widely. Mark Cooper, director of research at the Consumer Federation of America said that speed should be defined by what is needed for services which "most people" use on the Internet and that is 3 megabits per second today. Verizon's vice president of federal regulatory affairs David Young offered that the array of different broadband technologies have such vastly different capabilities that it is extremely difficult to pick a particular goal or target for a minimum speed.
- As long as you plan to file electronically for some of the massive broadband stimulus pot of money, the Obama Administration is going to give you another week to apply. The new deadline is Friday August 20, 2009 for electronic applications, but remains today at 5:00 p.m. EST for paper copies. Why the extension? Apparently government servers could not keep up with the volume of electronic applications.

THE DAILY NUMBER

- 95.6

The FCC announced yesterday that telephone subscribership has hit its highest level in 25 years at 95.6 percent, based upon the Commission's statistics. The record level is an increase of .4 percent from March 2008.

QUOTABLE

- *"I think there are some people who would love to say some things and make some proposals and throw out some ideas not on the record that cannot do so because of the FCC sunshine laws, that would love to have those conversations over dinner with a Commissioner: 'This is where we would love to be in 10 years. We don't know if we'll be there, but this is where we'd like to be,' and the sunshine laws prevent that – I don't want to say honest dialogue, but you don't want to be put on the record making promises that technologically you don't know if you're going to be able to keep or not. I think that's part of it."*

Comments of Joshua Lamel, senior vice president-federal government affairs at TechAmerica at a Washington, D.C. briefing regarding the lack of constructive comment in the FCC's General Docket 09-51 establishing a national broadband policy. The agency is under the gun to deliver a plan to Congress by next February.