

Pennsylvania Telephone Association

"The Communications
Leader in Pennsylvania"

The Friday Report

August 21, 2009

INDUSTRY NEWS

- Inc. Magazine released its 26th annual list of America's fastest-growing companies this week and the telecommunications sector did fairly well. Companies in the telco category grew by over 1000 percent on average, making it one of the top growth industries behind environmental services, food and beverage, media, and health. Not surprisingly, the top telco was a VoIP concern, Cedar Point Communications, which bills itself as a provider of switching technologies for service providers and enterprise industries.
- This week's FCC workshop on broadband (see related story in Quotable section) focused on comparisons of broadband achievements between the U.S. and foreign countries. While Commission staff noted that some foreign countries are now on their "second generation" broadband plans with ambitious goals of 100mbps nationally by 2015 (Finland) and 1Gbps by 2012 (Korea), others dismissed such comparisons as dubious. Robert Atkinson, founder and president of the Information Technology and Innovation Foundation told attendees that keeping up with the Jones's wasn't necessarily a helpful methodology for comparison. Atkinson noted that differences such as population density and loop lengths must be factored in to any comparisons; making specific mention that the U.S. has the longest average loop lengths of any Organisation for Cooperation and Development (OECD) country.

THE DAILY NUMBER

- 16

ComScore released a study this week indicating that gains in broadband deployment in rural America have outpaced those in urban and suburban areas. Rural markets (defined as having a population under 10,000) experienced a 16 percent increase in penetration rates from 59 percent in the second quarter of 2007 to 75 percent during the same period this year.

QUOTABLE

- *"We really haven't done the work as a country we needed to do to understand what exactly is going on, so on an accelerated timetable that will be the first part of this process. It will be an ongoing thing too. Broadband will be a priority of the country for some time. We will have a plan, and people will continue working on monitoring broadband for a long time to come. We see other countries are currently in their second generation of plans." We will be a resource to Congress as it looks at the Universal Service Fund. It is a complex issue with broad implications, and we're organized to*

ensure that we have very good communications with Congress, that we provide information, and that we are as an agency a resource to Congress as it thinks about USF.”

Comments of FCC Chairman Julius Genachowski in this week’s interview with TRDaily. The Commission is holding a series of workshops on broadband deployment and the Chairman has previously made clear his support for using USF revenues to expand broadband deployment.

- *“The fake grassroots groups are spending major resources to deceive the public and promote agendas of the corporations that sign their paychecks. We need transparency, accountability and honest debate. The crucial policy decisions being made right now about the future of the Internet must be based on independent research, reliable data and facts. The phone and cable companies must stop distorting the issues and hiding behind their Astroturf groups, sock puppets and hired shills.”*

Comments of Free Press campaign director Timothy Karr who announced on Wednesday that the group has launched an interactive website at www.freepress.net/astroturf to “expose fake grassroots groups supported by big telco and cable companies to advance their political agenda” on issues such as network neutrality and Internet policies.