

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

August 28, 2009

INDUSTRY NEWS

- Where does the United States rank in average download speeds? According to the Speed Matters project, 28th. The average download speed in the U.S. has increased by a little more than 20% over the past year, from 4.2 megabits per second to 5.1 Mbps. This is about one quarter the average download speed of South Korea – who leads at 20.1 Mbps. The U.S. also lags Japan (15.8 Mbps), Sweden (12.8 Mbps), the Netherlands (11.0 Mbps) and 24 other countries in terms of average download speeds. The U.S. average upload speed increased 26%, from 873 Kilobits per second to 1.1 Mbps.
- According to a recent report filed by international electromagnetic radiation (EMR) activists, there is enough research to conclude that the use of mobile phones can cause brain tumors. The report also found 11 flaws in a previous study of a 13-country multi-national research initiative launched in 2000, whose findings have yet to be made public. “Exposure to cellphone radiation is the largest human health experiment ever undertaken, without informed consent, and has some 4 billion participants enrolled”, complained Lloyd Morgan, lead author of the recently released report. “Science has shown increased risk of brain tumors from use of cellphones, as well as increased risk of eye cancer, salivary gland tumors, testicular cancer, non-Hodgkin’s lymphoma and leukemia. The public must be informed.” The report has been endorsed by 43 scientific experts, political leaders, and others from 14 countries.
- At a recent FCC broadband workshop, panelists agreed that more fiber and spectrum are needed to enable broadband communications for public safety agencies. The question of how much more (bandwidth) is needed was raised, pointing out that public safety has 50 megahertz in the 400 megahertz band. One panelist said that that spectrum is “not practical for wide area data”. Another panelist suggested 6 megabits per second, which would be adequate to deliver high-definition television; or 12 megabits, if you want two-way. Harlin McEwen, chairman of Public Safety Spectrum Trust said that public safety should be able to deploy next-generation, or fourth generation, wireless networks and should have access to satellite services to extend communications to areas beyond the reach of terrestrial wireless networks.
- AT&T and Apple may be feeling some heat from the FCC regarding their contract which apparently forbids Apple from enabling VoIP application on the iPhone. “It is significant because AT&T and Apple have essentially acknowledged attempting to limit competition in wireless voice/texting service” says Paul Gallant of the Washington Research Group. AT&T said that it did not consult with Apple before Apple reportedly rejected the Google Voice application for the iPhone, while Apple said it had not rejected the application and was still studying it. Apple also said it hasn’t consulted with AT&T on Google Voice. The FCC is likely to continue to emphasize wireless service openness in the wake of letters it received on this issue.

- The Department of Justice granted clearance to Sprint Nextel Corp.'s acquisition of Virgin Mobile USA, Inc. Under the terms announced, Sprint Nextel is purchasing Virgin in a deal worth \$483 million plus assumption of \$205 million of debt. Analysts from Stifel Nicolaus & Co. said they don't expect the deal to raise much concern with antitrust regulators. Sprint Nextel and Virgin Mobile said last month that they hope to complete their deal in the fourth quarter of this year or in early 2010.
- A resolution sponsored by the National Association of Regulatory Utility Commissioners (NARUC) has dedicated the week of September 14-19, 2009, as National Telephone Discount Lifeline Awareness Week. As part of the Pa. PUC's outreach, they have asked the Governor's Office to sign a proclamation designating Pennsylvania Lifeline Awareness Week for that same week. The Pennsylvania Telephone Association has been invited to participate in a consumer/media event to reach low income consumers and educate them on the programs that are available. PTA President Steven Samara will be providing remarks, as well as PUC Commissioner Kim Pizzingrilli, a representative from the Office of Consumer Advocate and other industry representatives. The event is scheduled for Wednesday, September 16th in Harrisburg.
- Beginning September 1, telemarketers will face penalties up to \$16,000 per call violation if they send prerecorded commercial telemarketing calls to consumers without written permission stating the consumer wishes to receive such calls. The Federal Trade Commission made these changes to telemarketing sales rules a year ago.

THE DAILY NUMBER

- \$406,000,000,000

The projected value of the U.S. communications services market in year 2014 according to a report from Pyramid Research – helped in large measure by mobile data revenue increases.

QUOTABLE

- *“In short, at times the Commission has gotten it right, and at times it has gotten it wrong. The purpose of initiating today's inquiry is to make sure that we get it right as we move into the brave new world of wireless broadband”*

Quote from FCC Chairman Julius Genachowski during the launch of proceedings to consider wireless innovation and competition issues.