

Pennsylvania Telephone Association

"The Communications
Leader in Pennsylvania"

The Friday Report

August 7, 2009

PUC PUBLIC MEETING

August 6, 2009

- In unanimous votes, the PUC approved the CLEC application of the “greatest phone company ever” and began the process of de-certificating three telecom carriers who fall short of that moniker. The Commission voted 5-0 in support of the application of Velocity the Greatest Phone Company Ever to offer CLEC services in Verizon territories (and to offer IXC reseller service), and adopted tentative orders revoking the certificates of Eastern Telephone Systems, Capital Telecommunications and QuickTel for failure to file Annual Reports and being unresponsive to Commission inquiries.

In a 5-0 vote, the Commission approved a joint application transferring stock from Pymatuning Holding Company to Townes Tele-Communications.

CONGRESS

- On Wednesday, the Senate Commerce Committee approved the Truth in Caller ID Act (Senate Bill 30), which prohibits the sending of misleading or inaccurate caller identification information. Bill sponsor Florida Senator Bill Nelson said during the committee meeting that “spoofing” has become quite a problem and added that Caller ID “swatting” was becoming particularly troublesome. Nelson described swatting as calls to 911 centers with fake caller ID and address information; consequently sending SWAT teams to unsuspecting residences.

INDUSTRY NEWS

- Europe is the “world leader in broadband Internet” at least according to a report from the European Commission released this week. The report claims that more than half of Europeans regularly use the Internet, and 80 percent of those do it using a broadband connection.
- Still losing access lines, but at a declining rate. So said Frontier Communications this week in announcing its second quarter financial results. The company lost 27,700 access lines during the period, down from 45,000 lines lost during the second quarter of 2008. Frontier added 13,800 net new data service customers and 11,400 net new video service customers during the period to help the bottom line.

- Comcast reported good revenue results for the second quarter, but not quite as good as the year before. The company's 4.5 percent revenue increase to \$8.93 billion fell short of the 5 percent growth rate in the first quarter and the 11 percent growth rate of the second quarter of 2008. While the enrollment of new customers was off from the same period a year ago, Comcast still managed to sign up 233,000 net new voice customers.

The news on the customer front was not nearly so rosy for Vonage which lost 89,000 net subscribers during the second quarter. Through cost-cutting measures, the company did post net income of \$2.3 million, but a statement from CEO Marc Leifer admitted that the current economic recession is forcing many of Vonage's customers to wireless providers and services.

THE DAILY NUMBER

- 89.7

The latest edition of the FCC's phone penetration report released earlier this week noted that 89.7 percent of low income households had access to telephone service. The figure is significant in that it is the highest penetration level for that income group since the Census Bureau began tracking the number for the FCC. 80 percent of low income households had service in 1984, the year prior to the Universal Service program being implemented.

QUOTABLE

- *"First, this public workshop gives us, the FCC, an opportunity to begin to show how we are going to use broadband to make government more open and to engage the public at our agency. Second, everything flows from civic engagement. An active public offering its best ideas is the foundation of the solutions to all our challenges, and in the 21st century there is no excuse for not connecting every American with one another and their government."*

Excerpt from the opening statement of FCC Chairman Julius Genachowski at this week's initial meeting of what the FCC expects to be 20 or more workshops on broadband-related issues.