

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

September 11, 2009

INDUSTRY NEWS

- The Pennsylvania and New York telephone associations will be holding their annual joint technical showcase on October 7 & 8, 2009 at the On-center in Syracuse, NY. Registration is now open and members are encouraged to attend. Go to PTA's website at www.patel.org for a link to register or to view the schedule.
- Windstream Corporation has agreed to purchase service provider Lexcom, Inc. for \$141 million in cash. Lexcom is headquartered in Lexington, N.C. and provides service to 23,000 access lines, 9,000 high-speed Internet customers and 12,000 cable TV customers. Windstream hopes to complete the acquisition by the fourth quarter of this year, pending federal and state approvals.
- Telephone companies are greedy and too obsessed with profits to care about improving the country's broadband penetration. USIIA's Dave McClure was quick to dispel that myth to an audience at Martin Group's 2009 User Meeting and Technology Conference. McClure states that most reports claim to measure broadband deployment, but they are actually measuring broadband adoption. Both PEW Research and PricewaterhouseCoopers came to the same conclusion: The more broadband we deploy, the smaller the percentage of people buy it. The problem is, some people just have neither the need nor desire for broadband, he said. And that's an education problem, not a deployment problem. In fact, McClure said, U.S. service providers are responsible for the fastest deployment of new technology in the history of mankind, taking broadband from zero to 63 percent adoption in less than a decade.
- The FCC reported a 246% increase in complaints in the first quarter of 2009, compared to the fourth quarter of 2008. Although the majority of the complaints were attributed to the digital TV transition, complaints also rose in wireline (from 27,160 to 36,427), cable & satellite services (from 2,097 to 4,113), and wireless services (from 12,464 to 16,142) categories. Almost 87% of the wireline-related complaints involved issues related to the Telephone Consumer Protection Act and the national do-not-call list.
- The FCC has no plans to vote on anything during its upcoming meeting on September 29th. Instead, there will be a presentation on the status of the national broadband plan being developed for delivery to Congress in February.
- In a 42-page report, the Environmental Working Group (EWG) has asked the FCC to adopt more stringent radio frequency emissions standards, saying the current rules are outdated because they fail to consider long-term exposure and the harmful impact of

radiation on children. It also recommends that consumers be provided with radiation emissions information on devices at the point of sale. According to the report, “The FCC adopted radiation standards developed by the cell phone industry 17 years ago. These standards still in use, allow 20 times more radiation to reach the head than the rest of the body. They do not account for risks to children”.

THE DAILY NUMBER

- 5,000,000

The number of IPTV subscribers in North America as of the second quarter 2009 according to recent data from Point Topic. This is an 85% increase over the last 12 months, up from 2.7 million. North American subscribers now account for 18.6 percent of the total IPTV market.

QUOTABLE

- *“Though there remain a need for better data regarding the nation’s broadband infrastructure and targeted programs to build out and enhance that infrastructure, the larger and more critical issue is how to spur the adoption of broadband among the one-third of Americans who currently do not or will not utilize it”. “What’s needed, is better literacy programs”.*

David McClure, president and CEO of the U.S. Internet Industry Association – addressing an audience during Martin Group’s 2009 User Meeting and Technology Conference (see related article under Industry News).