

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

September 4, 2009

INDUSTRY NEWS

- The most recent FCC report on telco industry number assignment shows (not surprisingly), increasing utilization rates in the cellphone and CLEC sectors, while ILECs saw a decrease. The Commission report studied number resource utilization for the period ending December 31, 2008 and concludes that cellular carriers experienced an overall utilization rate of 65.6 percent (up from 65.3 percent six months earlier.) The respective rates for CLECs were 31.1 percent (up from 30.4 percent), and ILECs 49.6 percent (down from 50.3 percent).
- Qwest announced this week that it's taking a network speed traditionally seen in long haul applications and bringing it to the proverbial last mile; the customer's premises. The company says it will use technology from Alcatel-Lucent to deliver 100 gigabits per second right to the home. Translating that speed into actual customer applications, Qwest says that its network would allow the user to download a 2-hour high definition movie in less than 9 seconds.
- Unless you enjoy listening to recorded telemarketing calls and are willing to demonstrate so in writing, Tuesday was the last day for you to be subject to what are commonly referred to as "robocalls." The conditional prohibition took effect as part of last year's Telemarketing Sales Rule and includes a fine structure that can levy penalties as high as \$16,000 per call.
- Flat-rate broadband service pricing will not get this country close to anything resembling universal coverage until perhaps 2016-2017. But if providers could charge high volume users more, that situation could improve. So says the study, "Towards Universal Broadband: Flexible Broadband Pricing and the Digital Divide" released this week by the Georgetown Center for Business and Public Policy. The study estimates that universal broadband is a \$300 billion proposition over the next 20 years and that paying for it by charging everyone essentially the same price won't effectively work in a timely fashion. The study used the flat rate model and a model under which 80 percent of the deployment costs were borne by 20 percent of the most "...intensive users of broadband."

CONGRESS NEWS

- Looks like Pennsylvania's own Arlen Specter will be chairing a subcommittee hearing on purported links between cellphone usage and cancer. The event is scheduled for September 14th and will be held by the Senate Appropriations Committee's Labor, Health and Human Services, Education subcommittee which Specter actually does not chair.

THE DAILY NUMBER

- 2,000,000,000

eBay announced this week that it has agreed to sell its 65 percent equity stake in VoIP provider Skype for \$2 billion to a group of investors including Silver Lake, Index Ventures and the Canada Pension Plan Investment Board. eBay CEO John Donahoe acknowledged that the company's acquisition of Skype in 2005 failed to yield the strategic benefit that they had hoped and that Skype is a strong "standalone business."

QUOTABLE

- *"If I already know what I want to do, why am I in my office at 11 p.m.?"*

Blair Levin, head of the FCC's Omnibus Broadband Initiative on reports that the industry is not offering perspectives on national broadband policy because the Commission has already made up its mind on how to proceed. Additionally, Levin noted at the Udwin Breakfast Group meeting this week (an event held monthly in Washington, D.C. which includes attendees from the telecom, cable, and broadcasting industries), that once the broadband plan is finalized, "it is unlikely any of you will be happy with it."