

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

January 22, 2010

INDUSTRY NEWS

- FairPoint Communications yesterday named former TDS government affairs manager Mike Reed to serve as its state president in Maine. FairPoint announced several weeks ago that it was planning on establishing state presidents in Maine, New Hampshire and Vermont. Mike currently serves as Chairman of NYSTA and was active with the PTA on behalf of this state's TDS companies.
- In the wake of an FCC announced investigation into early termination fees, Verizon Wireless has removed ten handsets from the list of "advanced phones" which would have been subject to the higher levies. The company has admitted no wrongdoing; consistently saying the ETFs are justified based upon the network usage and advanced capabilities of today's "smartphones."
- According to a paper entitled "Internet Use and Job Search" released this week by the Phoenix Center for Advanced Legal & Economic Public Policy Studies, unemployed individuals without Internet access are more than twice as likely to ultimately abandon active job searching than those who have access.
- The FCC this week issued a notice of proposed rulemaking proposing changes to its "robocall" telemarketing rules making it easier for consumers to opt out of receiving recorded solicitations even if the caller has an established business relationship with the call recipient. The tougher standards for telemarketers would mirror those established recently by the Federal Trade Commission.
- Similar to what is happening in Pennsylvania with area code exhaust and the corresponding public hearing process proposed by the PUC, fewer than ten percent of available Internet addresses under Internet protocol version 4 (IPv4) are available and interested parties need to seriously consider adoption of the IPv6 protocol. So said Rod Beckstrom, CEO of the Internet Corporation for Assigned Names and Numbers (ICANN) this week. (This matter was discussed by a speaker from Vantage Point at yesterday's Small Company Committee meeting. Those interested in a copy of the presentation should contact the PTA office). IPv6 will use a 128-bit format, rather than the IPv4's 32-bit, allowing for the increase in addresses for computers, web sites etc.

CONGRESS NEWS

- The Senate Judiciary Committee and one of its subcommittees are teeing up some fairly meaty issues in our nation's capital in the next several weeks. The full committee announced that it has scheduled a hearing on combating cybercrime and identity theft in

the digital age for February 10th. The committee's antitrust, competition policy, and consumer rights subcommittee plans to hold a hearing on February 4th on the proposed Comcast-NBC merger with Comcast CEO Brian Roberts and NBC Universal's President Jeff Zucker scheduled to testify.

THE DAILY NUMBER

- 1,000,000,000,000

Research firm Informa Telecoms & Media recently predicted that revenue from mobile services will surpass the \$1 trillion mark in 2013. Not surprisingly, the mobile data revolution i.e iPhone applications will drive the explosive growth.

QUOTABLE

- *"A step backward."*

FCC Commissioner Meredith Baker, in response to a reporter's question on reclassifying broadband services as telecommunications services under the federal Communications Act. Baker had given a speech yesterday at a Media Institute luncheon in Washington, D.C. The reporter noted that the possibility of placing such services under Title II (telecommunications service), of the act exists if a federal appeals court finds that the FCC's jurisdiction over Title I (information services) is insufficient to regulate traffic management by Internet service providers.

- *"Consumers who want to switch video providers shouldn't have to give up their favorite sports teams in the process."*

FCC Chairman Julius Genachowski in a statement prior to the Commission's Wednesday 4-1 vote allowing access to certain local cable sports programming. The FCC's Cable Act barred cable companies from denying access to content provisioned over a satellite feed, but that restriction did not apply for programming transported over a terrestrial feed. Republican Commissioner Robert McDowell was the lone dissenting vote; saying that only Congress can rewrite statutes and that he expects lawsuits from the cable industry. Right on cue, Comcast's David Cohen said that the company will not surrender its regional sports network to DirecTV and the Dish Network without a fight. While not immediately filing a lawsuit, Cohen said that the company would initially pursue an administrative process at the FCC to right the wrong.