

Pennsylvania Telephone Association

*"The Communications
Leader in Pennsylvania"*

The Friday Report

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INDUSTRY NEWS

- Cell phones, (specifically the limitation on the use thereof), were directly in the cross hairs of state and federal policymakers this week. On Tuesday, the U.S. Transportation Department announced that it will immediately ban truckers and bus drivers from texting while driving. Violators could be subject to civil or criminal penalties of up to \$2,750. Department Secretary Ray LaHood announced the new policy at a news conference in Washington, D.C., noting that the agency is working to devise permanent, broader restrictions on the use of electronic devices behind the wheel.

In Harrisburg, the House of Representatives overwhelmingly passed legislation this week which, among other things, bans texting while driving for all motorists and prohibits drivers under the age of 18 from using a cell phone. Drivers over that age would only be allowed to use hands-free devices.

Meanwhile, in Congress, the Senate Judiciary Committee approved legislation by voice vote yesterday which would ban the possession or use of mobile phones by federal prisoners. Introduced by Senators Diane Feinstein (D-CA) and Charles Grassley (R-Iowa), the legislation also classifies wireless devices as contraband, consequently subjecting anyone who supplies an inmate with a cell phone with up to a year in prison. According to statistics from the Federal Bureau of Prisons, 2,607 mobile phones were confiscated in minimum security prisons and 591 were taken in more secure facilities last year.

CONGRESS NEWS

- Witnesses for the House communications, technology, and the Internet subcommittee's February 4th hearing on the proposed Comcast/NBC Universal are set and include Comcast CEO Brian Roberts and NBC Universal President and CEO Jeff Zucker. Also slated to appear are Colleen Abdoulah, CEO of multi faceted telco WOW, Mark Cooper of the Consumer Federation of America and Adam Thierer, President of the Progress and Freedom Foundation.
- On Thursday, Comcast filed a public interest statement with the FCC outlining its proposed joint venture with GE that will put it in control of NBC; saying that the new entity will improve the "quantity, quality, diversity and local focus of video content." The company also offered to impose 16 conditions on the consolidation, including voluntarily extending "key components" of the FCC's program access rules to negotiations with multichannel video programming distributors.

Comcast's Roberts also made news this week in a Wednesday speech to attendees at the Advisory Committee to the Congressional Internet Caucus's State of the Net Conference in our nation's capital. The topic was the hotly debated topic of net neutrality, and Roberts acknowledged that his company's now-abandoned practice of interfering with peer-to-peer file sharing traffic was a mistake and that he believes in network neutrality. Roberts denied that the company ever blocked traffic, merely slowed it down, and seriously questioned government's role in regulating traffic management practices.

- Has the fate of Universal Service reform legislation taken a turn for the "positive" this week? House communications, technology and the Internet subcommittee Chairman Rick Boucher (D-VA) thinks so. Boucher said this week that the subcommittee has produced a draft bill which has support from net contributor and net beneficiary companies – including Verizon and trade associations representing rural telcos. Allegedly the draft places a cap on the USF, expands the contribution base to intrastate service providers and providers of network connections, and transitions the USF to support broadband services. Stay tuned.

THE DAILY NUMBERS

- 16,900

According to the Telecom Industry Layoff Tracker, 16,900 telecom jobs were slashed in January of this year. Among the more notable companies forced to trim workforce were Verizon (13,000), AT&T (650) and Ericsson (1,500).

- 6,493

On Tuesday, the FCC released its annual telecommunications provider locator report which shows that there were 6,493 companies registered to provide interstate communications in the U.S. as of October 2008. That figure is up from 6,252 companies the previous year.

- 504

Verizon announced this week that its High Speed Internet service is now available from all of its 504 central switching offices statewide. The company has deployed broadband service to more than 85 percent of its Verizon PA customers and over 70 percent of customers served by Verizon North (formerly GTE).

QUOTABLE

- *"The FCC is currently investigating options for improving consumer information and transparency about communications services and fees, including ETFs, as a follow-up to our Notice of Inquiry on Consumer Disclosure issued in August 2009. Our discussions with wireless companies since December indicate that there is no standard framework for structuring and applying ETFs throughout the wireless industry. We also know that some companies do not have ETFs. While different companies may choose to offer different kinds of service plans to their customers, the absence of a standard framework makes it especially important that consumers have a clear understanding of terms and practices of*

individual companies which will allow them to compare services offered by different providers on a clear and consistent basis.”

Excerpt from FCC correspondence sent this week to the nation’s four largest wireless carriers and Google regarding early termination fees. Last week the Commission established its Consumer Task Force to investigate the matter.