

Pennsylvania Telephone Association

"The Communications
Leader in Pennsylvania"

The Friday Report

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INDUSTRY NEWS

- A very small percentage of broadband stimulus funding has actually been obligated to date, and 2010 should see the commitment of those funds. So said Vice President Joe Biden during an economic briefing this week. According to Biden, the Commerce and Agriculture departments have only obligated about \$300 million of \$7.2 billion, the Department of Energy still has \$1.6 billion of its \$4.5 billion allotment, and the Health and Human Services Department has all but \$1 billion of its \$20 billion Information Technology Recovery Act money remaining. (See related story on federal stimulus money in The Daily Number section)
- FCC Chairman Julius Genachowski unveiled one facet of the agency's much anticipated national broadband plan yesterday in the form of the "100 squared" initiative; a strategy focused on ensuring that 100 million U.S. households are connected to the Internet at speeds of 100 megabits per second. The proposal was immediately panned by the Consumer Federation of America for being inadequate and leaving 20-30 million households unserved. The Federation's director of research Mark Cooper remarked that Genachowski's heart was in the right place, but that the focus needs to be on households which have no Internet access of any kind. (See related story in Quotable section)

In related news, a report released on Tuesday by the National Telecommunications and Information Administration concludes that nearly half of those Americans who do not have Internet access say that they don't need or aren't interested in it. Those who have dial-up access at home or who have access at work but not at home were most likely to cite cost as the reason for not being signed up for broadband service according to the report.

- Verizon Wireless and Skype announced an agreement this week which will allow VW customers to use the latter's VoIP service on their smartphones.

THE DAILY NUMBERS

- 128,000,000

Governor Ed Rendell issued a press release yesterday, announcing that Pennsylvania will receive more than \$128 million in federal stimulus money to expand broadband infrastructure. Almost \$100 million of the total will be directed towards the PennREN project which the release describes as a "1,700-mile fiber network to expand broadband Internet access and directly connect 60 community anchor institutions in 39 counties across South and Central Pennsylvania." The remainder of the cash is to help fund a \$36 million "middle mile" project in the Northern tier area of the state which will utilize the state's public safety radio network.

- 5,000,000,000

The International Telecommunication Union announced this week that the total number of cellular subscriptions reached 4.6 billion at the end of last year, and is expected to top 5 billion during 2010.

QUOTABLE

- *“The U.S. should lead the world in ultra-high-speed broadband testbeds as fast, or faster, than anywhere in the world. In the global race to the top, this will help ensure that America has the infrastructure to host the boldest innovations that can be imagined. Other countries with broadband plans have universality goals ranging from 1 to 2 megabits. Our goal for universal service will be higher. Despite significant investments and strong strides made over the last decade, America’s broadband ecosystem is not nearly as robust as it needs to be.”*

Comments of FCC Chairman Julius Genachowski at this week’s National Association of Regulatory Utility Commissioners’ Winter Meeting in Washington, D.C.