

Communications Daily

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TODAY'S NEWS

IPAD COULD CONGEST NETWORKS because device is very bandwidth-intensive, analysts say. AT&T confident of no problems. (P. 1)

WHY ARE CELLPHONES TERRIBLE in U.S., experts ask panel. Wu says U.S. may be headed back to era of monopoly in communications. (P. 2)

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UNIONS CRYING WOLF, Frontier spokesman says of rally at FCC protesting proposed buy of Verizon landlines. (P. 5)

S. AFRICA EYES IPTV RULES but several commentators urge telecom authority to say no to online content regulation. (P. 6)

TELECOM NOTES: NTCA rejects Verizon call for telecom law overhaul ... MetroPCS urges quick inter-carrier-compensation revamp ... Verizon blames \$970 million Q1 charge on health-care law. (P. 9)

Concern Seen Over Network Congestion as iPad Goes on Sale

Some analysts warned that Apple's iPad may strain AT&T's network, but a carrier spokesman said it's ready. A WiFi-only was to be released Saturday in all Apple stores and most Best Buy stores, to be followed next month by a version that can also use 3G. Meanwhile, media companies are rushing to deliver iPad applications.

The iPad is very bandwidth-intensive, said Bernstein Research analyst Craig Moffett. The large screen lends itself to bandwidth-hungry applications like video, he said. If Apple sells 2.7 million 3G iPads this year, that could be the equivalent of 1.7 million iPhones running on AT&T's network, Piper Jaffray analyst Chris Larsen said. The iPad "certainly could put a strain" on AT&T's network, if his sales forecast is right and consumers use the Internet capabilities extensively, he said. AT&T's reputation would be hurt if it again falls short in capacity, Larsen said. Worldwide iPad sales are expected to reach 7.1 million units this year, research firm iSuppli said. Sales will double to 14.4 million in 2011 and nearly triple to 20.1 million in 2012, it forecast.

All of the work that AT&T has been doing over past several years to improve its network will serve iPad customers well, the AT&T spokesman said. "We factored the iPad into our network planning." And "we think people will use the iPad on Wi-Fi a lot," he said. "We make it easy for them to do so." The carrier has been upgrading its 3G services around the country, particularly in large cities where it has had problems such as dropping calls and slow data connections. The device could be "a network hog," said Jefferies analyst Jonathan Schildkraut. "Longer term, you could see it causing network congestion."

Media companies unveiled a batch of iPad applications and Web site tweaks they've had in the works to bring TV and video content to the device. Disney introduced an application for its ABC network shows and a version of upgraded ABC Disney and ESPN sites customized for the iPad, which doesn't support Flash, the technology used for most popular Web streaming video. Beyond

streaming TV shows, the ABC app will make it easy for users to buy the network's shows through the iTunes store, Disney said. CBS said it will have video and audio programming on the device, including shows from its broadcast network, technology content from CNET.com and an audio application from CBS Radio. Discovery said it introduced an application for its *MythBusters* series that features interactive video, games and Twitter and Facebook integration. -- *Yu-Ting Wang, Josh Wein*

Monopoly Again?

Panelists Ask Why U.S. Wireless Market Isn't Better

Government intervention is a potential answer and not impediment to the U.S. effort to create a more vibrant wireless market with faster speeds, Sascha Meinrath, director of the New America Foundation's Open Technology Initiative, said on a Friday panel sponsored by his group and *Slate* magazine. Tim Wu, professor of law at Columbia University and chairman of Free Press, said carriers have a natural interest in being a monopoly, and history suggests there's a move back to a period of consolidation and monopoly control in wireless markets. The event was about "Why Your Cellphone is So Terrible."

"In my mind we can look to what works best in other places around the globe and realize that they have much better, more thriving markets than we have in the United States for cellular coverage," Meinrath said. "They have lower prices, they have faster speeds." Consumers have fared better in countries where there's an "active interplay" between government mandates and the free market, he said. "This is actually in the National Broadband Plan here, in the United States: There's a tiny little footnote that just happens to mention that in Japan they're going for mobile 100 Mbps speeds by 2015," he said. "It just shows how far behind we are and how much further behind we're going to fall."

The government should require carriers to unbundle services, Meinrath said. "It pains me that I can buy a data-only plan for this laptop, but I can't buy a data-only plan in the form factor of my cellphone," he said. "It makes no sense. If they're going to sell me a data-only plan for \$30 a month [for my laptop], why do I have to buy a voice plan and a text plan and a data plan for my cellphone?" Meinrath said he uses 3 gigabytes of data a month on his cellphone. "I would be happy to pay \$50 a month for a damn data plan, but the problem is I can't," he said. "I'm forced to pay quite a bit more than \$50 a month for services and applications that I don't want or necessarily even need anymore."

The FCC also should impose Carterfone rules on wireless, Meinrath said. "This is literally what made the computer modem legal and what led in many ways to the development of the Internet that we know today," he said. "This same battle may have to be fought in the wireless realm." The U.S. needs more carriers that offer more business plans than are available today, he said. "What we don't need is more spectrum for the exact same companies that have already been warehousing spectrum across the country," Meinrath said. "The AT&Ts of the world don't serve Indian country in the United States and they don't provide cheap services for low income folks and that needs to change."

Tiered pricing for wireless without greater transparency would be "useless," Meinrath said. "It would actually be a disaster. Today what you get is an up-to speed, for example. You get up-to speeds on your home bandwidth. You get up-to X amount of text messages or minutes per month on your plan. You're never fully in control of what's being used on that and how much you actually are using."

Monopoly control has been the rule in communications, Wu said. "The carriers will say very often that we like competition, competition is American," he said. "But the truth is that for most of phone history it has been a

monopoly and there's a lot of reasons it has been a monopoly because the economics all tend to point in that direction ... The gravitation pull in the world of [wireless] is toward greater consolidation and toward monopoly."

Americans would have better service and coverage under a regulated monopoly, Wu said. "The only problem is we'd have no real way to complain about prices and we'd have a lot of innovation squashed." The Bell system worked well on some levels for decades, Wu said. "The problem ... was that innovation only happened if Bell wanted it to happen," he said. "I think we are approaching that danger in the cellphone world if there's too much carrier power."

Wu said he has a book coming out in November, *The Master Switch*, which makes the case that in the U.S. there are long periods of monopolies broken up by periods of disruption. "We may be headed towards another period of consolidation," he said. "All of the economic forces point in that direction. We talk about how great competition was. The truth is most of American communications policy is a story of monopoly and it has been that way for hundreds of years. We are living in an exception. We can keep it that way, but the truth is we may be going back to the ways that things have always been. ... The open age of the Internet, the last 20 years or so, I think is starting to come to a close. A lot of signs suggest that."

Wu said he supports net neutrality but doesn't oppose tiered pricing. "The iPhone and the iPad, many of these devices, the rise and the power of the phone against the computer, I see as the sort of long-running, 100-year battle between more open and more closed devices, almost like a battle between two Hindu deities or something that keeps recurring," he said. "We had the same battles in the '20s between different types of radio structures, more open radio than anyone can do versus a few networks. We had the same kind of disputes as to what television should be in the 1930s."

Meinrath and Wu disagreed about how the U.S. should be viewed with respect to other developed countries. Meinrath said: "I would argue that we sort of have this ignorance-is-bliss policy in the United States. ... Cellphones do a lot of neat stuff, but we have no idea how much we're missing out on. We declare victory" and have no idea how better technology is in Japan and other places in the rest of the world. But Wu said: "I don't think America is behind in every aspect. ... America is the world leader in applications. There's no other country that can compare," though he conceded U.S. networks are not the best in the world. — *Howard Buskirk*

Others See Significant Impact

Radio Royalty Bill's Odds Seen Unchanged Despite Administration Support

Prospects for passage of legislation requiring terrestrial radio stations to pay a royalty to performers for the music they broadcast seem little changed after the administration backed it (CD April 2 p10), said six broadcast industry officials we surveyed. Music label representatives said they're hopeful that the Performance Royalty Act (H-848 and S-379) will pass this Congress or that their industry and broadcasters will agree on a framework for royalties. Discussions have taken place between industry representatives, said people from both businesses. The Commerce Department Thursday offered "strong" support for performance royalties and said the Office of Management and Budget didn't object to that view as reflecting the administration of President Barack Obama's "program."

The talks are "substantive and serious," said President Rich Bengloff of the American Association of Independent Music. "We see it as a good sign that the NAB is having these discussions with us. To me it would indi-

cate that they have a concern about the legislation and may want to come to an agreement without legislation. For now Congress is deferring legislation subject to our negotiations." A spokesman for MusicFirst, whose supporters include the RIAA, said "very substantive discussions between MusicFirst and NAB" are taking place: "We're hopeful that those discussions will produce an agreement."

Some broadcast officials weren't as upbeat. "It's hard to imagine a deal NAB could sign on to, particularly given the economic climate for radio stations, unless the music copyright owners would give up a piece of what they already have," said a lawyer with radio station clients. "Although that is for the most part [the view of] the record companies as well, I can't see that deal happening."

"There's a pile of money we pay to the songwriters every year," said an NAB spokesman. "If you want to come to a way to redistribute the money, put a proposal forward. To my knowledge there's been nothing proffered on paper." Representatives of the sides declined to discuss other details of how the talks have progressed. They began meeting last year at the request of lawmakers (CD Nov 19 p 7).

Congress probably won't have time to debate royalties, said broadcast industry lawyers and lobbyists. The Senate might be distracted by consideration of a nominee to the Supreme Court, a lobbyist said. But the industry continues to be wary that a royalty could be included as an amendment to must-pass legislation (CD Feb 11 p5), officials said. "There is always the possibility that supporters of the PRA will look to find ways to insert the language of the bill into some piece of legislation making its way through Congress," said lawyer David Oxenford of Davis Wright, representing radio stations opposed to the bill. "Will one letter make a difference? I doubt it, but that doesn't mean that the bill is dead."

The legislation hasn't been scheduled for floor time by Senate leadership, said a staffer. Judiciary Committee Chairman Patrick Leahy, D-Vt., who received the Commerce letter, couldn't be reached for comment. Spokespeople for Ranking Member Jeff Sessions, R-Ala., who also got the letter, and bill co-sponsor Orrin Hatch, R-Utah, didn't reply to requests for comment.

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MusicFirst thinks the improving financial condition of radio stations bodes well for passage of the bills. But broadcast lawyers said the business hasn't fully recovered from the recession. "Radio's rebound is really a very, very compelling story," said the MusicFirst spokesman. "It's a very, very compelling argument. We think we've addressed the strongest argument the broadcasters have" of the financial effects. He cited a BIA/Kelsey report that industry revenue, down 18 percent last year, will rise 15 percent to \$16 billion in 2014 (CD March 25 p18). "I'm inclined to say that any improvement is probably going to be going from horrible to bad," said lawyer Francisco Montero of Fletcher Heald, who's a director of the Spanish Broadcasters Association. "Radio broadcasters are still hurting out there and the performance royalties are really going to hurt the little guys. Those are the ones who are really struggling." — *Jonathan Make, Adam Bender*

Priorities Called Necessary

Broadband Plan's Proposed Cybersecurity Role for FCC Questioned

Observers questioned the cybersecurity and privacy recommendations in the National Broadband Plan, in a panel discussion at George Washington University Law School late Thursday. The plan calls for a larger cybersecurity role for the FCC, but that might be a reach for the commission, said Jim Harper, the Cato Institute's director of information policy studies. Just because the FCC handles communications, that doesn't mean it knows cybersecurity well, he said.

The FCC needs to recognize the complexity of cybersecurity and privacy issues, said Robert Mayer, a USTelecom vice president. Many players are involved, and the threats are often very sophisticated, he said. Cyberthreats are worse than "you realize," said Dan Caprio, managing director of the McKenna Long & Aldridge law firm. The plan seeks coordination of many agencies, so identifying priorities is much needed, he said.

The FCC will come up with a two-year plan to take on the five greatest threats to communications infrastructure, said Jeffrey Goldthorp, chief of the Systems Analysis Division in the Public Safety and Homeland Security Bureau. Steps can be taken to improve the core communications structure, like having strong authentication and application layers, he said. It can be hard to get a company to take some security steps with getting others to go along, Goldthorp said. "So it has to be harmonized somehow."

With cyberspace changing constantly, any cybersecurity and privacy measures must be monitored and updated, Goldthorp said. He emphasized the importance of data and information collecting in helping the FCC understand cyberattacks and develop more-effective responses. Having real-time information is key to making fact-driven decisions, he said, adding that the commission and the Department of Homeland Security will work together on an information-reporting system. — *Yu-Ting Wang*

'There They Go Again.'

Frontier Slams CWA Opposition to Verizon Deal after Union Rally at FCC

A Thursday rally by CWA members at FCC headquarters in Washington protesting Frontier's proposed acquisition of landlines from Verizon drew sharp words from a Frontier spokesman. The CWA said about 200 members, accompanied by supporters affiliated with the IBEW and the AFL-CIO, demonstrated. "This deal will pad the pockets of Wall Street executives while only deepening the digital divide," CWA District 2 Vice President Ron Collins told rally participants. Afterwards, the union said, CWA President Larry Cohen, Collins and others met

with Commissioner Michael Copps, FCC Chief of Staff Edward Lazarus and other agency officials. Responding to the event, a Frontier spokesman evoked Ronald Reagan's retort to Jimmy Carter during a 1980 presidential campaign debate.

"There they go again," spokesman Steve Crosby said. "We do not understand why the CWA leadership continues to oppose a transaction that is good for network and broadband investment, good for jobs, and good for West Virginia and the other involved states. Union leadership continues to spread inaccurate information about the transaction announced between Frontier Communications and Verizon." He said the union "has devoted itself to dog-in-the-manger tactics designed to scuttle the transaction."

Before the Verizon deal, his company barely made the radar screens of unions representing Frontier employees, Crosby said. "Our relationships were based on ... respect, teamwork and a focus on the customer," he told us in an e-mail. "Suddenly, issues are being raised that were *never* a concern in the past." In six of nine states requiring approvals, Frontier and Verizon have reached settlements on many issues with commission staff, competitors and others "to the satisfaction of all parties, *except* the unions," he said.

Frontier has agreed to widen broadband offerings in every state where it's acquiring Verizon access lines, Crosby said. "Today, Frontier makes broadband available to more than 91 percent of its customers in the 24 states it serves and plans to bring all of the soon-to-be-acquired properties to at least 85 percent availability within approximately three years," Crosby said. "Frontier has agreed to spend millions of dollars to achieve this goal; that money translates into good news for jobs, the community and local and state taxes." The company has said in public and in writing that the acquisition would result in no job reductions at the customer service level, he added.

The FCC, state regulators and prospective customers should recognize that Frontier keeps its word, Crosby said. — *Michael Dolan*

EU Model Criticized

South Africa Starts Debate on IPTV Regulation Despite Lack of Broadband Services

South Africa shouldn't regulate Internet Protocol TV services, commentators told the country's telecom regulator late last month. Although IPTV hasn't taken off in there, there's "considerable interest from stakeholders," the Independent Communications Authority of South Africa said in a discussion paper. After reviewing how the EU, U.S., U.K., France, South Korea, India and Canada handle IPTV rules, ICASA said it will focus on content issues. Respondents urged it to stay out of content regulation.

The market for IPTV services is still relatively small compared to satellite and terrestrial markets but there's growing demand for them, ICASA said. IPTV offerings are being held up in developing countries by a "minimal uptake of broadband services" that prevents telecom operators from entering the market, it said.

Regulation, particularly with regard to the status of VOD, varies by country depending on national definitions of broadcasting, ICASA said. Some define IPTV as a broadcasting service, subjecting providers to the same rules and license conditions as subscription broadcasters, it said. Content regulation is one of the key challenges facing IPTV rollout, ICASA said.

ICASA sought input on several regulatory and policy questions. These included how to separate IPTV and Internet broadcasting which isn't susceptible to regulation, and what framework is needed to license IPTV without

regulating Internet broadcasting services. Other questions included: (1) Whether there's social and economic value in the current separation of non-linear services as electronic communications and linear services as broadcasting services. (2) Whether South African law should be changed to allow a unified licensing regime to allow convergence between broadcasting and e-communications. (3) Whether, if linear and non-linear services are separate, it's necessary or feasible to regulate content on non-linear services.

Three key principles should guide ICASA's decision on whether to change the law or regulations for IPTV, the Freedom of Expression Institute, Association for Progressive Communications, Shuttleworth Foundation and SANGONeT said. They are the protection of free speech, ICASA's duty to promote convergence and the requirement that it foster competition.

"Introducing new regulations for IPTV may conflict with all" of them, the groups said. Broadband isn't developing quickly enough to provide affordable services to most South Africans, and regulatory intervention at this point could either encourage or stifle it, they said. There are dangers of vertical integration if fixed-line telecom companies use their market power as network providers to compete in the content services space, they said.

ICASA shouldn't distinguish between IPTV and Internet broadcasting, the organizations said. Radio stations don't need a new kind of license to stream content, and TV stations shouldn't either, they said. If content creators or owners want to distribute material over the Internet, they don't need a license now and should not need one in the future, they said.

South African law doesn't refer to linear or non-linear services, the groups said. ICASA is making an arbitrary distinction based on the EU audiovisual media services directive and "definitions of 'IPTV' from Wikipedia," they said. South Africa "should not slavishly follow European examples as there is a tendency in the EU to over-regulate and stifle innovation," they said. Nor should ICASA regulate content provided on non-linear services, they said: "No one regulates content on the Internet."

ICASA "would face trying to unscramble an omelet" if it plans to separate IPTV and Internet broadcasting, said Professor Guy Berger, head of the Rhodes University School of Journalism and Media Studies. Online content of whatever description isn't pushed into society like free-to-air broadcasting but must be accessed, even when free, by consumers who have to pay ISPs, he said. It can't be equated to unilinear content broadcasting streams, so any regulation should have a light-touch or, better yet, be nonexistent, he said.

The issue isn't the service offered but whether society has legitimate claims based on the use of a public resource such as the airwaves, and legitimate concerns about messages that may harm children and other vulnerable groups, Berger said. Online content, whatever its mode of communication, doesn't fall into either category and ICASA should have "very little or no involvement with it" because content rules fall to laws and agencies outside it, he said. Instead, the regulator should "avoid further activities in regard to the online arena, and focus on its core offline business that concerns traditional broadcasting and telecoms," he said.

The consultation ended March 26 but ICASA hasn't yet posted responses. It's holding public hearings April 8-9. — *Dugie Standeford*

Comm Daily® Notebook

Inquiries and complaints to the FCC decreased from the second quarter to the third in radio and TV broadcasting, wireline, and cable, satellite and wireless services, and wireless, the Consumer & Governmental Affairs Bureau said Friday. Inquiries dropped from 585,164 in the second quarter to 26,605 in Q3. Broadcasting had the biggest decrease of about 99 percent, from 563,397 to 6,307. The wire-

less category saw an increase of 14 percent to 3,875. The remaining categories had an increase in complaints, including a 22 percent rise in cable and satellite. "The existence of a complaint does not necessarily indicate wrongdoing by the company at issue," the bureau said.

The National Telecommunications Cooperative Association believes no Telecom Act overhaul is needed, said Tom Wacker, vice president of government affairs. The association disagrees strongly with calls by Verizon Executive Vice President Tom Tauke for a hands-off approach to telecom policy (CD March 25 p1), Wacker said. It's "not the reality" that without regulation, a free market will get broadband access to everyone, he said. And the FCC can handle most issues under the current law, Wacker said. If the U.S. Court of Appeals for the District of Columbia Circuit decides the FCC lacks authority over broadband services, it may be time to turn to Congress, but the commission should be allowed to invoke its Title II authority under the Communications Act, he said. — **AB**

The FCC Public Safety Bureau scheduled a workshop April 13 on communications infrastructure and information collection. "It is critical for the FCC to gain a better understanding of the survivability of existing networks and explore potential measures to reduce network vulnerability to failures in network equipment or severe overload conditions in emergencies," the bureau said Friday. "Discussion will address both protecting and securing communications and information systems and incentives that should be in place to encourage increased resiliency and security in communications networks."

Capitol Hill

Government and industry "must build a strong public-private partnership for cybersecurity in the 21st century," said Senate Commerce Chairman Jay Rockefeller, D-W.Va., and Sen. Olympia Snowe, R-Maine. Rockefeller and Snowe are sponsors of cybersecurity legislation (S-773) approved last month by the Commerce Committee (CD March 25 p11). In a *Wall Street Journal* op-ed Friday, Rockefeller and Snowe said the U.S. is "not prepared" to deal with constant cyber attacks that could jeopardize national and economic security. The Rockefeller-Snowe bill "does not take private management responsibility away from private networks," but rather "empowers the owners and operators of critical networks to meet cybersecurity challenges."

Wireline

Verizon made false accusations and posted misinformation aimed at misleading lawmakers in responding to a report analyzing the economic impact of free conference calling services, Free Conferencing Corporation said in an FCC filing. "Verizon supplied no numbers to prove their expenses or profits." Free Conferencing has millions of real users who use an average 21 minutes per month at an average cost at or below 2 cents a minute to the inter-exchange carriers, and "our traffic is not artificial," the conferencing company said. Free Conferencing suggests a hearing with the FCC and public officials "where Free Conferencing and the IXCs would be required to reveal profits and expenses," to determine who is telling the truth, it said.

A federal judge threw out some claims Friday in an SEC lawsuit against former Qwest executives, the Associated Press reported. The insider-trading case involves two former accountants and three former executives, including Joe Nacchio, who was CEO, and Afshin Mohebbi, who was president. U.S. District Judge Marcia Krieger in Denver dismissed some claims concerning whether defendants improperly back-dated sales or record revenues from its fiber network leases. Krieger said the SEC didn't show that certain defendants were to blame for any alleged deceit, the AP reported. A hearing is scheduled April 14 for the SEC to clarify the remaining claims. In 2005, Nacchio was indicted on 42 counts of insider trading for allegedly selling \$100.1 million in Qwest shares while possessing information that the company was strug-

gling (CD Dec 21 2005 p8). Nacchio is serving a six-year jail term for insider trading, but an appeals court has ruled that sentence was too harsh. He is scheduled to be re-sentenced.

Insular support for broadband penetration in Puerto Rico "is at bottom a civil rights issue," the Minority Media and Telecommunications Council said in an FCC filing. Deployment costs on the island are "much higher than costs for urban areas on the mainland," due to weather, shipping, poverty and other factors. The cost of supporting the 200,000 unserved there is "minimal relative to the urgent need, and Universal Service Fund reform can rationalize those costs."

Wireless

The FCC should reform the intercarrier compensation system "as soon as practicable" and any transition period should be "as short as possible," MetroPCS General Counsel Mark Stachiw said during a meeting with Wireline Bureau officials. The company also asked the agency to put in place safeguards "to assure that traffic exchanged under existing reciprocal compensation arrangements, including de facto bill-and-keep arrangements, continues to be exchanged at rates no higher than the rates in place on the date that the National Broadband Plan was adopted," said an ex parte filing. "MetroPCS also advocated that the Commission move at this time to a Report & Order based on the extensive record that has already been compiled rather than injecting additional delay into the process by seeking further comment." Stachiw also met with Wireless Bureau officials to discuss spectrum proposals in the broadband plan, as well as "the critical need for additional paired spectrum to be offered in manageable spectrum block sizes and geographic areas to meet substantial unsatisfied needs" and the FCC's proposal on incentive spectrum auctions.

State Telecom Activities

The Maine Public Utilities Commission plans expert witness hearings Tuesday to Friday on a petition by County Roads Communications to require local carriers Oxford Telephone, Oxford West Telephone, Unitel, Lincolnville Telephone and Tidewater Telecom to negotiate with it for interconnection. Deals would allow Time Warner Cable, a partner of County Roads, to provide digital phone service where the rural telcos now offer the only service. The Telecom Act generally requires local carriers to negotiate agreements for interconnection and access to specified portions of their networks, but there are some exceptions for rural telcos, the commission said. "The central question ... is whether the Commission should lift this so-called 'rural exemption' which would then require interconnection negotiation and would enable CRC/Time Warner to compete for telephone customers in these territories," it said. "The Commission must examine ... the technical feasibility of the requested interconnection, the economic burdens possibly placed on the rural telephone companies by lifting the exemption, and, consistency with the state goal of quality phone service at just, reasonable, and affordable rates for all Mainers (as well as access to advanced telecommunications and information services)," said Chair Sharon Reishus. The hearings, starting at 9 a.m. daily, will be open but aren't a forum for public input, the commission said. The sessions at 101 Second St. in Hallowell, to be streamed at www.maine.gov/mpuc, will be closed during discussions of proprietary information.

Telecom Notes

Verizon expects to take a charge of \$970 million in the first quarter because the new health care law changes the tax treatment of the Medicare Part D subsidy. The law means the company would "no longer receive a Federal income tax deduction for the expenses incurred in connection with providing the subsidized coverage to the extent of the subsidy received," it said in an SEC filing late Thursday. AT&T has said it will take a \$1 billion

charge because of the law. Democratic leaders of the House Commerce Committee wrote both companies about the issue last week (CD March 30 p3). The \$970 million charge wouldn't harm Verizon's 'A' credit rating, Standard & Poor's said. "The size of this charge relative to Verizon's revenue and cash generation, coupled with deferral of the actual higher cash taxes that will eventually result from the legislation, will not materially impact Verizon's overall credit profile."

Broadcast

The FCC should let conflicts between low-power and translator FM stations be resolved before acting, as Educational Media Foundation suggested last month, two broadcasters said in a Thursday filing. With a related item now on circulation (CD March 31 p6), Edgewater Broadcasting and Radio Assist Ministry said neither they nor any others who sought translators in a 2003 window "should be penalized for properly and timely filing" with a limit of 10 applications from each entity.

The FCC said KXAN-TV Austin can assert rights to be carried exclusively in Round Rock, Texas, because another NBC affiliate, KCEN-TV Temple, "attains approximately no viewing" there. KXAN lost on a similar request for Georgetown because KCEN's digital noise limited service contour encompasses the town, said a Media Bureau order released Friday. Suddenlink Communications, with a cable system in Georgetown and Temple, had opposed KXAN's request for Georgetown.

Cable

Nagravision sought a waiver of FCC CableCARD and FireWire port rules for an HD set-top box. Because HD programming has become widespread, the FCC should no longer consider HD an advanced capability for set-top boxes, the company said. "High-definition is no more an 'advanced' feature than color was in the mid-1970s." It's seeking the waiver for its HD2000 box, a one-way device that lacks recording, pay-per-view and switched-digital features and can't be upgraded.

The Carlyle Group private equity firm sold its minority stake in Insight Communications to another group of private investors led by Crestview Partners and MidOcean Partners, Insight said. The new investors got Carlyle's 42 percent of the cable operator for an undisclosed price. Insight agreed to offer to buy some shares from its stockholders at the price that Crestview and MidOcean paid. The transaction doesn't involve a change in control, CEO Michael Willner said on his blog. "Insight's current management structure will remain the same and there will be no impact on customers, employees or day-to-day operations." The transaction doesn't affect Insight's credit rating, Moody's said.

Mass Media Notes

The FCC should promptly act on petitions for reconsideration of a 2008 order resulting from the media ownership review two years earlier, umbrella group Public Interest Advocates told Commissioner Michael Copps last week. "Because the Third Circuit has lifted the stay and allowed the revised newspaper-cross-ownership rule to take effect, it is important that the FCC give prominent public notice of any waiver requests," said an ex parte filing. Free Press, Georgetown University Law Center's Institute for Public Representation and Media Access Project representatives met with Copps. Supporters and opponents of the order allowing common ownership of a daily paper and a broadcast station in a market in some cases agree that the FCC should act on a reconsideration petition from Common Cause (CD April 2 p1).

Comcast's proposed purchase of a controlling interest in NBC Universal should be blocked, the Black Economic Council said, as expected (CD March 30 p10). "The Comcast, General Electric, NBC Universal filing contains more than 10,000 times more words than the Ten Commandments, but it offers no specifics to specifically benefit the Black community," the group said in an FCC filing last week. "Over the last decade neither NBC nor Comcast has made any significant efforts to reverse this tragic media history" of exclusion of minorities, the group said. Separately, the American Cable Association asked the commission to let it take part in the proceeding on the deal.

Satellite

The FCC Office of Engineering, International Bureau and Wireless Bureau are seeking input on potential changes to interference rules for wireless communications service (WCS) and satellite radio, they said in a public notice released Friday. The rules would create a 2.5 MHz guard band on each side of the satellite radio spectrum and place caps on power ratios and duty cycles of WCS transmitters, the public notice said. The rules would require WCS licensees to correct any interference even if the interference occurs while in compliance with the technical standards, it said. Satellite radio terrestrial repeaters, which have been deployed through special temporary authority since 2001, would also see new technical and licensing requirements. Comments are due by April 16. The WCS Coalition and Sirius XM both advocated for further discussion of the potential changes before the agency took up a rulemaking.

The FCC should resolve two petitions for reconsideration filed in 2002 involving L-band spectrum allocation, Harbinger Capital Partners told the Wireless Bureau, International Bureau and General Counsel's office, said an ex parte filing. The petitions were filed by Mobile Satellite Ventures and Mobile Satellite Ventures Canada. The petitions don't have a major impact on current business for any of the companies involved and is considered just a "loose end," said industry executives.

DirecTV said Citadel Communications agreed to allow it to continue to carry TV stations in Davenport and Des Moines, Iowa, and Lincoln, Neb. The Des Moines and Lincoln stations are ABC affiliates. The Davenport station is a CBS affiliate. The terms weren't disclosed.

China will build and launch a telecommunications satellite for Bolivia, the Bolivian government said. Bolivia has been in discussions with the Chinese and the ITU for several months and formed a national space agency in February in preparation. The Associated Press reported Bolivia is negotiating a loan from China for about 85 percent of the worth of the satellite.

The Mississippi Public Service Commission fined telemarketer Allstar Satellite \$10,000 for violating the state no-call law, Commissioners Brandon Presley and Leonard Bentz said Monday. The Agoura Hills, Calif.-based company failed to register with Mississippi or buy its no-call list and called a resident on the list, they said. The company didn't respond to a commission complaint, Presley said. Allstar is barred from phone solicitation in the state and from buying the list until the whole fine is paid.

Stratos Global said it's seeking a loan from parent company Inmarsat to refinance the unit's long-term debt. Stratos has about \$209 million worth of debt through a senior secured Term B facility and \$150 million in senior unsecured notes. Discussions with Inmarsat are preliminary and the refinancing isn't assured, Stratos said.

Communications Personals

FairPoint Communications Chief Financial Officer **Alfred Giammarino** resigned Wednesday, citing personal reasons; **Lisa Hood**, senior vice president and controller, named interim CFO ... Tennessee Regulatory Authority director **Eddie Roberson** to head the National Association of Regulatory Utility Commissioners Subcommittee on Education and Research ... **Thomas Murray**, ex-Vermont Telecom Authority, rejoins TDS Telecom as manager, state government affairs.

Communications Daily Calendar

- April 5 First Amendment and the media conference, 4 p.m., George Mason University Law School, Arlington, Va. — iep.gmu@gmail.com
- April 6-9 IEEE symposium on dynamic spectrum access networks, Singapore — www.ieee-dyspan.org/2010
- April 7 FCC workshop on Consolidated Licensing System, 10 a.m., Commission Meeting Room, 445 12th St. SW, Washington — www.fcc.gov/live
- April 7 DC Bar Association panel on National Broadband Plan, noon, D.C. Bar Conference Center, 1101 K St. NW, Washington — 202-626-3464
- April 7-8 China Mobile Internet Summit, Beijing — www.china-mis.com
- April 8-10 National Conference of State Legislatures spring forum, Marriott Wardman Park, Washington — www.ncsl.org/forum
- April 8 Media Institute lunch, FCC Chief of Staff Edward Lazarus, 12:30 p.m., St. Regis Hotel, 923 16th St. NW Washington.
- April 10-15 NAB convention, Las Vegas Convention Center — www.nabshow.com
- April 13 FCC workshop on critical infrastructure and information collection, 9 a.m., Commission Meeting Room — 202-418-0703
- April 13 WRC Advisory Committee Working Group 4 (regulatory) meeting, 10 a.m., Wiltshire & Grannis, 1200 18th St. NW, Washington — 202-418-2142
- April 13 FCC Chairman Julius Genachowski speaks at NAB convention, 9 a.m. PDT, Las Vegas Convention Center
- April 13 FCC Commissioners Michael Copps, Mignon Clyburn and Meredith Baker and NTIA Deputy Administrator Anna Gomez speak at NAB convention, 2:30 p.m. PDT, Las Vegas Convention Center
- April 13-15 FCC staffer Carol Matthey speaks at IP Possibilities conference in St. Louis — 703-351-2104

- April 14 Senate Commerce Committee hearing on National Broadband Plan, 2:30 p.m., Room 253, Russell Building, — 202-224-8374
- April 15-16 LSI Telecom Law conference, Crowne Plaza Hotel, Seattle — 800-854-8009
- April 16 Free State Foundation seminar on FCC Future of Media inquiry, noon, National Press Club — sreichbart@freestatefoundation.org
- April 16 Progress & Freedom Foundation briefing on "Super-Sizing the FTC," noon, Room SVC 208, Capitol Visitor Center Room SVC 208 — mwendy@pff.org
- April 18-21 IEEE Wireless Communications Conference, Sydney, Australia — www.ieee-wcnc.org/2010
- April 19-21 American Cable Association conference, Gaylord National Hotel, National Harbor, Md. — www.acasummit.org
- April 19-21 EComm emerging communications conference, San Francisco Airport Marriott, Burlingame, Calif. — <http://america.ecomm.ec/2010>
- April 20 FCC Media Bureau media ownership workshop, 3 p.m., University of South Florida, Tampa — 202-418-2449
- April 20 CES on the Hill, 5 p.m., Caucus Room, Russell Building — 703-907-7419
- April 21 FCC monthly meeting, rescheduled from April 22, 10:30 a.m., 445 12th St. SW, Washington.
- April 29 Practising Law Institute seminar on trademark law — webcast at <http://xrl.us/bhffp3>
- April 30 FCC Future of Media workshop on non-profit media, 9 a.m., Commission Meeting Room, 445 12th St. SW, Washington.
- April 30 Practising Law Institute seminar on copyright law — webcast at <http://xrl.us/bhffp5>
- May 6 National Security Telecommunications Advisory Committee meeting on Communications Resiliency and the Cybersecurity Collaboration task forces, 2:30 p.m., 1616 H St. NW — <http://xrl.us/bhfdds>
- May 11 Cable Hall of Fame Celebration, JW Marriott Los Angeles — 303-871-4022
- May 11 Free Press policy summit on future of media, Newseum, Washington — www.freepress.net/summit
- May 11-13 NCTA Cable Show, Los Angeles Convention Center, www.ncta.com
- May 12 Region 12 (Idaho) 700 MHz public safety planning committee meeting, 1 p.m., Red Lion Inn, Idaho Falls — 208-236-7130
- May 13 FCC Chairman Julius Genachowski speaks at NCTA convention, 9 a.m. PDT, Nokia Theater, Los Angeles — www.thecableshow.com