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**For more information, contact John Kennedy at  
[Johnk@pabroadbandnews.com](mailto:Johnk@pabroadbandnews.com).**

*In this issue ....AT&T announces yet another round of sweeping job cuts in a bid for survival. At the same time, the company says that it has strengthened its position as the "clear market leader" in enterprise Internet Protocol Virtual Private Network (IP VPN) market. VOIP dominated the week's news. Consumers are benefiting from a price war and Cox Communications starts selling VOIP in more cities. EarthLink launches a free VOIP package. In DC, the debate over regulating VOIP continues and, closer to home in Harrisburg, GOP lawmakers and the wireless telephone industry launch an effort to repeal the cell phone tax. They face some stiff odds, most observers contend.*

### **From the Papers**

Hoping to appeal to people juggling voice mail, cell phones, faxes and e-mail, SBC Communications will launch a service today allowing customers to get all their messages from those devices funneled into one spot, reports The Sacramento Bee.

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Federal Communications Commission Chairman Michael Powell unofficially recommends that the agency approve Cingular Wireless' proposed \$41 billion purchase of Redmond's AT&T Wireless.

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Star-Ledger: "Analysts, and markets, put stock in massive layoffs at AT&T."

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More good news for consumers: "Price wars ensue over VOIP service," reports The Miami Herald.

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Cox brings VoIP service to more cities.

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In Harrisburg, GOP lawmakers and wireless telephone industry launch effort to repeal cell phone tax.

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AT&T announces that it has strengthened its position as the "clear market leader" in the highly competitive enterprise Internet Protocol Virtual Private Network (IP VPN) market.

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EarthLink launches free VOIP.

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U.S. Rep. Chip Pickering (R-MS) and 61 other members of Congress urged the Federal Communications Commission (FCC) Tuesday to "immediately declare" that the FCC has sole jurisdiction to regulate Voice over IP (define) services.

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BellSouth, SBC not interested in long distance acquisitions.

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## Repealing State Tax on Wireless Carriers Will Be Tough Battle

A recent major push in Harrisburg by wireless carriers to repeal a nearly year-old state tax on their gross receipts marks the concerted beginning of a very tough fight. Officials with some of the carriers acknowledge that even if the General Assembly votes to repeal the tax, the Administration is unlikely to agree to eliminate a source of revenue that is almost certain to increase for years to come.

“It’s an expansive tax, one that will keep growing as the business keeps growing,” explained an official with one of the wireless carriers. “Unless we have budget years as fat as some in the 90s, it’s going to be very hard to convince them to make it go away.”

The carriers, nevertheless, argue convincingly for the repeal. The tax - a five percent gross receipts levy - is typically levied on regulated utilities. But wireless services don’t fall under the jurisdiction of the Public Utility Commission. “We’re in a very competitive environment not only with other wireless companies but with other communications companies,” said one wireless carrier official. “The tax is completely unfair.”

The carriers are putting their fight behind state Representative Kelly Lewis, R-Monroe and state Senator Rob Wonderling, R-Montgomery. Both have introduced bills calling for the repeal of the tax. The tax is projected to raise between \$250 and \$300 million over its first year.

## All Customers Can Now Take Advantage of Verizon's Lowest Price Broadband Service

Broadband customers are no longer required to buy a package of Verizon services to get the company's lowest price offering for DSL broadband. Customers can receive the \$29.95 a month basic service even if they buy their voice and other services from another carrier.

"The new plan is being offered nationwide to all consumers," said Verizon spokesperson Bobbi Henson. "It's another way for us to give our customers maximum value and stay competitive in the marketplace."

The service is offered to all customers who sign an agreement for a year. It also comes with a free modem and router, hardware that usually costs about \$100.00.

Qualifying new and existing Verizon Online DSL customers nationwide now can receive DSL service with a maximum connection speed of 1.5 Mbps (megabits per second) downstream and 384 Kbps (kilobits per second) upstream for just \$29.95 a month when subscribing to an annual service plan or when purchasing the service as part of a package of Verizon local and long-distance calling services. Other customers will pay \$34.95 a month for this service.

The company also now offers a new, higher maximum connection speed of up to 3 Mbps downstream and 768 Kbps upstream in a dozen Northeast and Mid-Atlantic states for \$39.95 a month with an annual service plan or as part of a package of Verizon calling services. Other customers who qualify for this plan will pay \$44.95 a month. The company plans to expand this higher-speed offering to the rest of its service territory soon.

***For more information, contact John Kennedy at [johnk@pabroadbandnews.com](mailto:johnk@pabroadbandnews.com).***

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