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In this issue, VOIP continues to dominate the telecom sector. At home, the Pennsylvania Public Commission wins industry praise for its unanimous vote to refrain from subjecting VOIP services to regulation and yet another player emerges in the state's "burgeoning" Wi-Fi market, says The Patriot-News. Pennsylvania rural electric companies will offer satellite broadband service. Nationally, AT&T continues to rollout VOIP service. Covad is winning praise for its comeback as it becomes a full-fledged provider of voice and data services. Major phone companies are working to resolve disputes with competitors over access to networks and cable remains "king" of high-speed access market.

From the Papers

"Some of the nation's largest phone companies are taking tentative steps to resolve disputes with competitors over access to their local telephone networks," reports The Washington Post.

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Richard Wiley, former chairman of the FCC, says VOIP will dominate telecoms. Article focuses on regulatory issues.

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Cable is king but DSL makes gains, says The NY Times.

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Pennsylvania Public Utility Commission holds off on Net phone rules.

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Covad/Qwest Deal: Another Step Forward in Telecom Agreements

In another indication that telecommunications carriers are heeding regulators' calls to reach network agreements, Internet provider Covad announced this week that it will lease lines from Qwest Communications International to sell DSL service to commercial and residential customers. A Covad spokesman said that the agreement with Qwest should pave the way for similar agreements with other regional carriers.

“This definitely sets a good tone for us, and for the industry,” said Valerie Cardwell, Vice President for External Affairs for Covad. “I’m confident we can reach come to terms with other ILECs.”

Cardwell added that negotiations with Qwest had been ongoing, but that the recent urging from the Federal Communications Commission (FCC) prompted the sides to reach an agreement.

“Clearly, the FCC wants us to stop fighting through the regulatory process, and get some deals on the table,” Cardwell said.

FCC Chairman Michael K. Powell urged carriers to come to terms over network access after a March 2 federal court ruling that the Commission had no authority to give state regulatory bodies the right to set access rates that CLECs would pay incumbent carriers to use their networks. Along similar lines, the FCC in August 2003 ruled that the ILECs were not required to share lines with any competitive carriers. The FCC said in August it would treat line-sharing agreements for digital subscriber line (DSL) high-speed Internet service differently than deals for long-distance and other voice service.

Powell said that when the Commission voted to eliminate line sharing in August, he was concerned that they were eliminating an important source of supply in the broadband market. But the Qwest/Covad announcement eased some of his concerns.

“This agreement demonstrates that even without government compulsion, commercial arrangements negotiated in the market are possible,” Powell said. “We hope this agreement will stimulate additional line sharing and unbundling arrangements, negotiated in the market. I urge all carriers to take the necessary steps, during the Commission’s call for a 45 day negotiation period, to ensure that consumers in all other regions of the country can enjoy the same benefits. Consumers clearly benefit from line sharing services. With this action, we are one step closer to achieving ubiquitous broadband connectivity.”

Rural Electric Cooperatives to Offer Satellite Broadband

Working with WildBlue Communications and the National Rural Telecommunications Cooperative, Pennsylvania’s local electric cooperatives expect to offer broadband via satellite to rural residential customers beginning in the fall of 2004. A spokesman for the Pennsylvania Rural Electric Association (PREA) said that their service may be the only way some rural customers will ever have access to broadband.

“A lot of people in rural areas couldn’t access broadband even if they wanted to,” the PREA spokesman said. “They’re running farms, other small businesses, have kids at school...they could really benefit from this.”

Just last week, state Senator Jake Corman, R-Centre, a key legislative figure in telecommunications issues, said that he expected emerging technology, and not legislative or regulatory mandates, to bring about universal service in broadband technology.

The PREA service will also be able to deliver a television signal down the road, and compete with other satellite TV and cable TV services. The PREA has developed no pricing schedules yet, they expect prices to be competitive with other broadband services, even for the most rural customers. Through their regulatory efforts, the FCC and state regulatory agencies are encouraging new technologies offering broadband. Most industry officials hope it stays that way. "It's really better for the growth if this is carefully regulated," said a Verizon official when talking about emerging broadband. "It's the best way to get to universal service."

In related action, the FCC has announced that it will begin rulemaking that will help encourage development of broadband services in rural areas. The new rules will cover wireless broadband and operations in the 3650-3700 MHz band ("3650 MHz band"). In response to requests by wireless internet service providers (WISPs), the FCC proposed to allow unlicensed devices to operate in some or all of the 3650 MHz band with higher power than currently authorized under Part 15 of the Rules, subject to cognitive technology safeguards. The FCC is also seeking comment on options that would allow for licensed operations in this band, or for segmenting the band between licensed and unlicensed uses.

WISPs, among others, have been asking the Commission for additional spectrum for higher power unlicensed devices in order to more economically provide backhaul links to internet gateways as well as broadband access networks serving individual customers in sparsely populated areas. Because the 50 megahertz block of spectrum in the 3650 MHz band falls midway between the existing 2.4 GHz and 5.8 GHz bands now in use for unlicensed Wi-Fi devices, and because the fixed satellite service (FSS) earth stations that currently occupy the 3650 MHz band are located primarily on the east and west coasts, this spectrum appears to be a natural fit for service expansion, especially in rural areas.

Unlicensed devices would be allowed to operate in all, or part, of the 3650 MHz band at higher power levels than usually permitted for unlicensed services, which should enhance the utility of unlicensed devices and services in rural areas. These devices also would be subject to smart (or cognitive) requirements and other safeguards designed to prevent interference to the licensed FSS earth stations now resident in the band. Fixed unlicensed devices, for example, would be subject to a professional installation requirement and would be prohibited from being located with a defined protection zone surrounding each FSS earth station. Non-fixed, unlicensed devices would be subject to "listen-before-talk" requirements that would detect the presence of any FSS earth station in the vicinity, and make an appropriate decision of whether to transmit and to make appropriate adjustments to the transmit power. Unlicensed devices would also be required to emit a standardized identification signal which would possibly provide contact information, as well as location. That signal would allow easy identification of possible sources if interference

arises. As with other unlicensed devices, these devices would not be permitted to cause interference to licensed services, such as the FSS earth stations, and would have to accept interference.

PUC Makes “Wise Move” Concerning VOIP

A spokesman for Verizon said that the Pennsylvania Public Utility Commission’s (PUC) decision not to take regulatory action concerning Voice over the Internet Protocol (VoIP) was the right move.

“It’s being looked at on the federal level and they realize that the best thing is just monitor the situation, and see how it plays out over time,” said Harry Mitchell, with Verizon. “It’s really a wise move.”

On Thursday of last week, the PUC approved a motion holding back from "reaching any conclusion regarding jurisdictional and policy issues" surrounding VoIP. Verizon plans to roll out a nationwide VoIP service this spring.

Broadband Wireless to Highlight FCC Advisory Council Meeting

The council charged with advising the Federal Communications Commission on developments in technology, will focus on the state of wireless broadband during its Friday, April 23 meeting in Washington D.C. The Technological Advisory Council was formed to provide the Commission with technical insights concerning innovations in communications and related industries. The Council is a Federal Advisory Committee and is comprised of a broad array of well-known technologists.

Agenda for the meeting

10:00 AM- Opening	Jeffery Goldthorp, DFO (FCC Designated Federal Officer)
10:05- Introductions and Opening Remarks Focus Topic: Spam	Commission Representatives, Robert Lucky, Chairman, and TAC Members
10:20- Technology vs. Spam	Simson L. Garfinkel, MIT Computer Science and Artificial Intelligence Laboratory

10:50 - Open Discussion	TAC Members and Speakers
Focus Topic: Broadband Wireless	Dewayne Hendricks and Ted Rappaport, Organizers
11:20 Introduction and Thesis	Dewayne Hendricks and Ted Rappaport
11:35- International Broadband Landscape	Ted Rappaport
12:05 - 1:00 PM	-Break-
1:00- A Chip Maker's View of Broadband Wireless	Ron Resnick, Intel
1:30- Real World Issues, Practical Pitfalls and Opportunities	Dewayne Hendricks
2:00- Open Discussion	TAC Members and Speakers
2:45-Summary and Recommendations	Ted Rappaport and Dewayne Hendricks
2:55-Topics for next meeting	Commission and TAC Members
3:00 PM- Adjourn	Jeffery Goldthorp, DFO

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