

**The Weekly Telecom Report provided by www.PaBroadbandnews.com.
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In this issue, the FCC establishes a taskforce to look at wireless broadband access and continues to spar with Nextel over “prime cellular spectrum.” The USDA has announced \$190 million in loans for rural broadband “last mile access.” In the industry, Qwest sues AT&T; the wireless boom continues and Verizon offers a faster DSL plan. Cable companies continue to push into telephone service and The Washington Post says that wireless continues to grow. In Pennsylvania, Dallas, Pa.-based Commonwealth Telephone Enterprises Inc. touts increased sales of high-speed Internet access, enhanced services and a general increase in phone use.

From the Papers

Wireless boom continues.

[Click Here](#)

USDA Announces \$190 Million in Loans for Rural Broadband

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Verizon offers faster DSL plans

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Dallas, Pa.-based Commonwealth Telephone Enterprises Inc. maintains stable revenue and earnings in the first quarter of 2004.

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The NY Times looks at “... effort by the cable companies to make deeper inroads into telephone services by using Internet technology.”

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Qwest Sues AT&T Following FCC Decision Concerning Access Charges for Internet Calls

Qwest Communications International Inc. has sued competitor AT&T for payments it contends the rival owes for Internet calls routed over Qwest's network. The suit follows an FCC ruling that AT&T should pay access fees to SBC Communications Inc. for two years worth of calls that traveled over the Internet but still required SBC's networks to complete the calls.

Qwest filed the suit in U.S. District Court in Denver.

AT&T has claimed that the calls involving both Qwest and SBC were not subject to access fees since they traveled over the Internet, and as such should fall into a category under the law not subject to the fees. In short, the calls constitute an information service rather than a telecommunications service. But the FCC ruled in April that while the calls route through the Internet but still need incumbent networks to be completed, they are subject to the fees.

The FCC ruling isn't clear on whether the charges should apply retroactively. In the SBC case, AT&T said that it would pay the access fees in the future. SBC claims that AT&T owes it \$141 million in back fees, and has filed a suit similar to the one filed by Qwest.

"These aren't calls that start on the Internet and move to a receiving end through a broadband service and end up being picked up using the Internet on the other end," explained one Verizon official. "These calls might route for a short time over the Internet but still need local switches to complete."

PA PUC Monitoring SBC's Efforts to Keep State Regulators from Reviewing Portions of Wholesale Deals

The Pennsylvania Public Utility Commission is keeping an eye on a brewing controversy involving SBC Communications Inc. and state regulatory bodies in at least four states in the company's service area. The states, Michigan, Texas, Kansas, and California, insist that they either approve portions of a recent wholesale deal made with Sage Communications, or at least review it.

SBC and Sage are resisting providing portions of the deal to the state regulatory bodies in those states and have appealed to the FCC to step in.

“In March, the FCC encouraged us to make access deals outside the regulatory scheme, and we’ve done that,” said SBC spokesman Dave Pacholczyk. “Now, some of the states are saying that need to review or even approve the deals. Nothing in the federal telecom act requires that.”

Pacholczyk said that parts of the deal with Sage outline products and services that are being provided, and they have no obligation to make them public. “We want to keep commercial agreements private,” he said.

FCC Chairman Michael K. Powell encouraged the regional incumbents and CLECs to negotiate access deals outside the regulatory scheme after a March federal court decision saying that state regulatory bodies had no authority to set access fees CLECs should pay for using regional networks. The SBC/Sage agreement was the first network deal finalized since the ruling.

In Pennsylvania, a spokesman for the PUC said that officials there await the FCC’s decision regarding the SBC/Sage deal before deciding if such a deal in Pennsylvania would have to meet with PUC approval.

Wireless Broadband Task Force to Advise FCC

A newly formed advisory committee to the Federal Communications Commission (FCC) will help the Commission encourage the development of wireless broadband services. “The task force is going to reach out to stakeholders to help wireless Internet providers,” said Meribeth McCarrick, a spokesperson for the Commission. “We’re really looking for input from the industry.”

The new committee, the Wireless Broadband Access Task Force, has issued a public notice seeking comments on wireless broadband:

1. To what extent are both licensed and unlicensed wireless broadband networks providing an alternative facilities-based platform to other broadband services, including cable and DSL? To what extent have wireless broadband service providers increased broadband access and competition in rural and underserved areas? If so, are regulatory changes needed to promote or advance these trends?
2. Does the Commission currently provide sufficient spectrum suitable for wireless broadband networks? Is the relative availability of spectrum for licensed services or unlicensed devices appropriate? If not, how so?
3. Do the services offered using unlicensed devices and those using licensed networks complement each other? If so, how?

4. There are several different regulatory approaches that determine access to the spectrum for wireless broadband service providers. Service providers using networks composed of unlicensed devices do not pay for access to the spectrum, but must not cause interference and must share the spectrum with other operators of unlicensed devices, whereas access to other spectrum is obtained through licensing after successful bidding at auction. In addition, some spectrum has been made available on a first come, first served basis. Has the method for access to spectrum affected the development of wireless technologies and the provisioning of wireless broadband services? If so, how?
5. Wireless broadband offers clear advantages over other broadband alternatives in terms of both portability and mobility. Do the Commission's rules effectively provide for or account for these capabilities? Could these rules be more flexible? If so, how?
6. Are there regulatory incentives that would foster continued investment in and deployment of state-of-the-art technologies? If so, what are they? Are the incentives different for licensed services as compared with services offered using unlicensed devices?
7. We seek comment on the extent and nature of the deployment of wireless broadband services. For example, we are interested in data regarding market penetration rates; the geographic distribution of wireless broadband services; the extent of competition in the areas in which wireless broadband is deployed; and whether licensed services, unlicensed devices, or a combination of both licensed service and unlicensed devices are used; and the types of technologies used in the networks deployed.
8. With the continued development of new technologies and network configurations, including mesh networks and integrated wireless broadband networks and devices that use both licensed and unlicensed spectrum, are there any rules that require review for updating or increased flexibility?
9. We also seek comment on the types of applications associated with wireless broadband deployment.
 - a. What types of applications are or will be offered over wireless broadband networks? Are they similar to the applications of the wired Internet (email and web surfing), or are other, more personalized, niche applications being developed? Do the applications differ between licensed and unlicensed networks? What is the relationship between network operators and content providers?
 - b. What are typically available data rates, and at what pace are they increasing?
 - c. Is the traffic associated with wireless broadband more typically symmetric or asymmetric? Does the relative distribution of these traffic patterns affect the required bandwidth for wireless broadband systems? If so, how?
 - d. What is the distribution of wireless broadband between fixed, mobile, and portable installations?

10. While we are interested in these deployment data across larger geographic regions and on an aggregate basis, we are also interested in information about wireless broadband deployment in specific communities -- rural or urban, large or small, and in varied geographic regions. With a view toward using successful deployments as models or examples for other service providers or communities, have there been pilot or full-scale programs that have been particularly innovative or successful in terms of increasing access to broadband through wireless facilities?

11. Are there ways in which federal wireless broadband policies could facilitate better available policy options for states and municipalities? If so, how?

12. What barriers (information, infrastructure) to entry remain for WISP entrepreneurs particularly for unlicensed services? To the extent identified, how can government address these issues?

Interested parties may file comments no later than June 3, 2004. Reply comments are Due July 1, 2004. All filings should refer to GN Docket No. 04-163.

Portability Issues Considered at Next FCC Meeting

The Federal Communications Commission will hold an Open Meeting on the subjects listed below on Thursday, May 13, 2004, which is scheduled to commence at 9:30 a.m. in Room TW-C305, at 445 12th Street, S. W., Washington, D.C.

<u>ITEM NO.</u>	<u>BUREAU</u>	<u>SUBJECT</u>
1	WIRELESS TELE- COMMUNICATIONS, WIRELINE COMPETITION, AND CONSUMER & GOVERNMENTAL AFFAIRS	The Wireless Telecommunications Bureau, Wireline Competition Bureau and the Consumer & Governmental Affairs Bureau will present a progress report on number portability implementation.
2	WIRELINE COMPETITION	TITLE: Access Charge Reform (CC Docket No. 96-262); Reform of Access Charges Imposed by Competitive Local Exchange Carriers; and Petition of Z-tel Communications, Inc. for Temporary Waiver of Commission Rule 61.26(d) to Facilitate Deployment of Competitive Service in Certain Metropolitan Statistical Areas. SUMMARY: The Commission will consider an Eighth Report and Order and Fifth Order on Reconsideration concerning amendments to and clarification of the rules governing the tariffing of interstate switched exchange access services provided by competitive LECs.

- 3** **WIRELINE
COMPETITION** **TITLE:** The Use of N11 Codes and Other Abbreviated Dialing Arrangements (CC Docket No. 92-105).
SUMMARY: The Commission will consider a Notice of Proposed Rulemaking seeking comment on various abbreviated dialing arrangements that could be used by state “One Call” notification systems in compliance with the Pipeline Safety Improvement Act of 2002.
- 4** **INTERNATIONAL** **TITLE:** AT&T Corp. Emergency Petition for Settlements Stop Payment Order and Request for Immediate Interim Relief (IB Docket No. 03-38); and Petition of WorldCom, Inc. for Prevention of “Whipsawing” on the U.S.-Philippines Route.
SUMMARY: The Commission will consider an Order on Review that will address petitions for review of the March 10, 2003 Order finding that the Philippine carriers named in that Order “whipsawed” U.S. carriers, and ordering the suspension of payments for termination services to the Philippine carriers pending restoration of circuits.
- 5** **OFFICE OF
ENGINEERING AND
TECHNOLOGY** **TITLE:** Unlicensed Operation in the TV Broadcast Bands; Additional Spectrum for Unlicensed Devices Below 900 MHz and in the 3 GHz Band (ET Docket No. 02-380).
SUMMARY: The Commission will consider a Notice of Proposed Rulemaking concerning unlicensed operation in the TV broadcast bands.

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