



Communications Daily

The Authoritative News Service of Electronic Communications

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Today's News

2 DTV BILLS PART of continuing resolution Congress must pass by week's end. No time for more DTV fixes, Hill staffers tell MSTV conference. (P. 1)

LOCATION ACCURACY AGREEMENTS among Verizon Wireless, AT&T and public safety miss some carrier concerns, T-Mobile and RCA say. (P. 5)

M2Z SAYS AWS-3 TESTS show free broadband service doesn't raise interference problems. (P. 6)

BROADBAND GAINS IMPORTANCE in politics, taps broader social goals, officials and advocates say during OneWebDay celebration. (P. 6)

TELECOM NOTES: Commissioners expected to vote on FOIA item ahead of Thursday meeting... Stupak says FCC should explain AWS-3 conclusions... AT&T won't take advantage of Dobson's ETF status in New York. (P. 8)

MEDIA INDEX: Comcast details net-management plans... Free Press opposes Schurz LPTV plans in South Bend, Ind... Mobile DTV system set for a vote at ATSC... Extra DTV coupons to cost NTIA \$2.17 each. (P. 11)

Congress Puts 2 DTV Funding Items in Resolution

FCC and NTIA DTV-related funding requests appear in a draft continuing resolution Congress will take up later this week, according to a copy of the bill. NTIA Acting Administrator Meredith Baker plugged the \$7 million the agency has told Congress it may need to mail recycled converter box coupons, she told a Monday Association for Maximum Service TV conference. NTIA has been in constant contact with House and Senate leaders on the NTIA's funding proposal, Baker said.

"Everyone knows the legislative package will have important implications," and all parties are working toward a quick resolution, Baker said. "NTIA wants to be as prepared as possible to maximize consumer participation in the coupon program," she added. Broadcast stations could help by stocking converters for donation to viewers late to deal with the analog cutoff, she said. "I'm certain that a donated converter box with a station logo on it will go a long way to securing viewer loyalty," she said.

Congressional appropriators met over the weekend to hammer out details of what to include in the continuing resolution. The measure, which must pass by Sept. 30, is expected to fund the government through mid-November. That could mean a lame-duck session. "Key Appropriations Committee members and congressional leadership signaled their intention to address" funding for FCC consumer education and NTIA processing of additional coupons, said David Taylor of Capitol Solutions.

Other DTV bills likely will fall by the wayside for lack of time left in this Congress, House and Senate telecom aides said at the conference. One proposed bill would allow TV stations to send analog signals after the Feb. 17 transition, but only to tell viewers how to buy and install converters. Some Wilmington, N.C., stations do so now, which policymakers thought a good idea

to adopt nationally, aides said. But legal issues must be resolved since the government technically is relinquishing authority over the spectrum. A bill on the issue was pulled from a calendar released last week for a Tuesday House Commerce Committee markup.

That legislation is a "good idea," said House Commerce Committee Senior Counsel Amy Levine. But "it's very tricky to get anything done" this Congress, she said. "We are intrigued by this idea," said Jessica Rosenworcel, Senate Commerce Committee senior communications counsel.

Another DTV-related measure (S-2507), passed in August by the Senate, would allow TV stations along the U.S. border with Mexico to continue analog broadcasts post-transition. But the House Commerce Committee isn't convinced the proposal is a good idea. Delays in the transition along the border could leave no converters for people needing them when the switch finally comes, said Levine and minority counsel Neil Fried.

Nor are lawmakers likely to get NTIA to change its rules so people can reapply for coupons if those they have expired before they could redeem them. "NTIA said the statute wouldn't let them do it," Levine said. "It doesn't seem likely that NTIA is going to change its rules," Fried said. NTIA argued that this revision would make it difficult to run the program. "The benefit of expiration is that coupons can be recycled," he said. "There is a real procrastination problem here. We don't want everybody to wait until the last minute" to apply for coupons, he said.

Remaining DTV Issues

Learning from Wilmington, NTIA is changing its marketing for the coupon program to encourage viewers to buy and test boxes promptly, Baker said. "The new message is 'Apply, buy and try,'" she said. "We're also emphasizing that the time to 'apply, buy and try' is now -- not January or February next year, but this year, before the end of the year."

Meanwhile, FCC work on DTV issues won't end with this Congress. A "clean-up" DTV rulemaking is in the works to deal with provisions on analog left in the TV rules, said Eloise Gore, associate chief of the FCC Media Bureau. And the media bureau is looking at imposing a quiet period for retransmission consent talks, she said, without saying whether to commission will take that up by rulemaking, notice or a notice of inquiry or other proceeding.

The commission is also looking at cases where a station's signal coverage will change considerably with the DTV switch, said Michelle Carey, aide to FCC Chairman Kevin Martin. "We're hoping to get a better understanding of the scope of the problem in the next few weeks," she said. But a big focus of the commission is enforcing its consumer education DTV rules, Carey said. "The focus right now is to make sure that every entity is complying with our consumer education rules," she said.

The Media Bureau has been dealing with technical matters related to the transition, having processed more than 600 applications from broadcasters to maximize their signals and coverage areas, said Clay Pendarvis, associate chief of the Media Bureau's Video Division. More than half the orders processed have been granted, he said. The FCC expects to complete the rest before November, he said. To speed the process, broadcasters should respond quickly to information requests from the commission, he said. Such applications have already translated into requests for work on broadcast towers and transmitters, said Jay Adrick, Harris Corp. vice president of broadcast technology, and Don Doty, president of Stainless LLC. "Those orders will go in line after we've taken care of the necessary transition orders," Adrick said. Tower crews will probably stay busy throughout 2009, Doty said. "We expected a surge leading up to February, but what we're now facing is a long list of projects into the summer and fall of 2009," Doty said. Many of those involve maximization projects and removing analog antennas from towers so digital antennas can get the prime spaces, he said.

Coordinating soft cutoff tests -- when broadcasters simulate turning off their analog signal for a few minutes -- will continue to be important, several industry and government officials said. The NAB drew kudos for its efforts to keep others aware of those tests. It's helpful for the FCC to know when they take place so the commission can prepare for the likely increase in calls to call centers, Gore said. Retailers also like being in the loop so

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they can make sure they're adequately stocked, said lawyer Robert Schwartz. Cable systems also need to be alerted when the test occur, especially those that receive broadcasters' signal over the air rather than over fiber, said Bill Check, senior vice president of science and technology at the NCTA. Those systems can run into problems, because their viewers may mistakenly believe they need a converter box after seeing a soft test. "It's important that the broadcasters have an announcement at the end that says 'If you're a cable subscriber, this doesn't really apply to you,'" he said. -- *Anne Veigle, Josh Wein*

MSTV Notebook...

FCC commissioners would rather not step into retransmission consent negotiations between broadcasters and cable operators this year, their aides said, discussing a proposed "quiet period" during which talks would be on ice. "One idea is to put this out [for comments] so we can very quickly develop a record to flesh this out," said Rick Chessen, aide to Commissioner Michael Copps. That way the FCC could learn "what we may expect to see this time that may be different from previous negotiations," he said. But leaders of the broadcast and cable lobbies didn't seem close to accord in a panel discussion after the aides spoke. NCTA President Kyle McSparrow told the broadcasters that freezing carriage negotiations is in everyone's interest. "Let's just get through the transition," he said. But NAB President David Rehr accused the cable industry of misrepresenting the issue. "This is not really about the DTV transition," he said. It's about leverage in those carriage negotiations, he said.

Work on an industry standard for mobile DTV is set to pass a milestone this week when the Advanced TV Systems Committee subgroup in charge of the process is expected to approve the technology as a candidate standard, Ion Media CEO Brandon Burgess said. The subgroup will vote Thursday on the system, setting in motion eight months' work that will produce a final ATSC standard, said Robert Rast, project leader of LG's mobile DTV system, MPH. After that, the goal will be to persuade makers of transmission gear and receivers to embrace the standard, he said. LG, which plans to meet next week with transmission gear makers in Chicago, is working with CEA to coordinate a similar meeting soon among receiver makers, he said. "We want to have as many people interested in this project as possible and ultimately LG and Samsung agree with that because everyone operates on a scale economy," Burgess said. Meanwhile, CE companies may decide to put mobile DTV

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receivers in stationary sets because they will be capable of picking up a much weaker digital signal, Rast said. "If you install this technology, you have a default case where you can at least get a picture at lower resolution," rather than losing service altogether, he said.

Seeking Consensus

FCC Seeks Broad Comments on Revised E-911 Location Accuracy Rules

The FCC Public Safety Bureau on Monday sought comment on E-911 location accuracy. These include separate agreements between Verizon Wireless and ATT and major public safety groups APCO and the National Emergency Number Association. The bureau also asked whether it should set up a broader task force on the E-911 location rules. T-Mobile and the Rural Cellular Association warned late Friday that not all carriers are ready to endorse the Verizon Wireless or AT&T agreement.

"We... seek comment on the proposed changed accuracy requirements, including the benchmarks, limitations, and exclusions ... for handset-based and network-based location technologies... as well as any alternative modifications to location accuracy requirements," the bureau said. Comments are due 10 days after the notice appears in the *Federal Register* and replies seven days later.

T-Mobile and RCA urged the FCC to set up a committee on location accuracy rules like the broad-based panel that wrote rules for emergency alerts to wireless phones. AT&T and Verizon Wireless separately made arrangements with the two public safety groups at FCC Chairman Kevin Martin's urging. Officials of other carriers said at the time that those agreements were unusual in not involving broad industry discussions.

"Significant work remains to be done to evaluate whether these new proposals are a technically feasible means of achieving wireless E-911 location accuracy for carriers other than the proposing parties and whether other possible approaches may be preferable," RCA and T-Mobile said in a filing to the FCC. Because the U.S. Court of Appeals for the District of Columbia Circuit remanded the issue to the FCC for further decision "it is essential that the Commission follow appropriate procedures to perform that evaluating with input from all affected parties," they said.

RCA and T-Mobile said the other carriers' agreements with public safety reflect timetables they do find "technically achievable," but that may not be so "for other carriers with different network topologies or handset and network deployments."

Today in **Green** Electronics Daily

- **PANASONIC, SONY SCORE HIGH** for responsiveness in Carbon Disclosure Project survey on CO2 emissions.
- **E-WASTE TAKEBACKS** no substitute for U.S. law, CE makers say. With no federal mandate, e-waste handling will be 'a mess,' Panasonic says.
- **ENERGY EFFICIENCY:** New 802.11v standard to debut features that 'green up wireless LANs,' backer says.
- **GREEN NOTES:** Most home viewers watch flat-panel TVs 'too brightly,' LG says.
- **E-WASTE:** U.K. must prevent illegal e-waste dumping in developing countries, PC charity group demands.

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Todd Lantor, regulatory counsel to RCA, said the FCC was correct to seek comment. "Providing the opportunity for all proposals to be thoroughly considered and commented on is a prerequisite to the Commission's ability to adopt well-founded rules," he said." -- *Howard Buskirk*

Microwave Ovens, Bluetooth

M2Z Says Rules Proposed by Carriers for AWS-3 Spectrum Make Little Sense

Interference limits sought by T-Mobile and other wireless carriers to protect AWS-1 licensees from any free broadband service in the AWS-3 band are far too strict, M2Z said in a filing at the FCC. It analyzed recent interference tests at the Boeing Lab in Seattle. Microwave ovens, Bluetooth devices and Wi-Fi probably would fail tests at the levels T-Mobile seeks, M2Z said. "The opponents to AWS-3 broadband use basically are setting rules that make it unusable for broadband," M2Z CEO John Muleta said.

The filing comes with FCC officials and carriers waiting for the next move by Chairman Kevin Martin. He has indicated he still supports a free broadband offering in the AWS-3 band. But that proposal continues facing opposition at the Commerce Department and in the White House (CD Sept 19 p1). The tests, which ended Sept. 5, looked at interference that AWS-3 decisions could cause for the AWS spectrum, which the FCC sold in a 2006 auction. The FCC Office of Engineering and Technology was present for some of the tests but isn't expected to speak out on any risk to AWS-1 licensees.

M2Z representatives, including Muleta and Paul Kolodzy, a company adviser and former FCC spectrum official, discussed the company's arguments with reporters Monday. Company officials said "spurious" emissions from all sources pose the same risk to AWS 1 operations as out-of-band emissions in adjacent spectrum bands. The FCC in June proposed setting the emissions protection levels at 60+10 log(P), slightly above M2Z's recommended 55+10 log (P). Carriers led by T-Mobile instead recommend 90+10 log(P), M2Z said. Opponents also are asking that AWS-1 transmissions be protected at the -105 dbm level, which M2Z is below the levels usable for most handsets.

"What the tests reveal is that spurious emissions... from any device will emit more energy than they are saying they can handle," Muleta said. "Every laptop, every microwave oven, every Bluetooth device, emits more energy than they say they are able to handle in order to initiate a call."

Muleta said he met with acting NTIA Administrator Meredith Baker after reports surfaced of the Commerce Department's concerns with the free broadband proposal. Muleta said he hasn't seen an opposition letter from the department, which hasn't been released. "It's hard for us to comment on something we haven't seen," Muleta said. He said M2Z sought a meeting with Commerce Secretary Carlos Gutierrez after reports first surfaced that he had concerns about the plan. The company was directed to speak with the NTIA.

T-Mobile will provide a detailed response later this week, a company official said. "They're engaging in fear mongering tactics as opposed to real engineering and T-Mobile will put a response in the record accordingly," said Kathleen Ham, vice president of federal regulatory affairs for the carrier. -- *Howard Buskirk*

Challenges Seen

Broadband Can Help with Media Consolidation, Civil Engagement, Officials Say

Broadband triggers democracy participation and increases government openness and has profound potential for broader social goals, Rep. Donna Edwards, D-Md., and FCC Commissioner Jonathan Adelstein said during the

OneWebDay celebration at New America Foundation. Broadband has “transformational power” for democracy, through citizen debates, avenues for political expression and tools for journalists and commentators, Adelstein said. The Web restores decentralized, locally rooted and entrepreneurial voices to the media landscape, he said. It can also vastly increase government openness, an opportunity that hasn’t been taken advantage of, he said. Edwards said the Web is an organizing tool for political participation and online activism.

Setting a national broadband strategy that fosters better use of the Web is crucial, Adelstein said. A central part of any strategy must be “preserving the open and interconnected nature of the Internet,” he said, noting a recent FCC order of enforcing federal law and the principles behind the commission’s Internet policy statement (CD Sept 22 p4).

Executive Director Ellen Miller of the nonprofit Sunlight Foundation said the Web strengthens the relationship between citizens and officials and promotes public trust in Congress. The next administration should ensure that the federal government becomes more responsive, open and effective, she said. BroadbandCensus founder Drew Clark said publicly available broadband data is critical to increasing broadband availability and competition.

Broadband adoption, competition, speed and affordability are the major challenges, Adelstein and Edwards said. Consistent research shows low incomes, seniors, minorities and rural area residents trail behind in Internet access, Adelstein said. Information overload is another challenge, said John Wheeler, managing director of the nonprofit Democracy in Action. -- *Yu-Ting Wang*

Comm Daily® Notebook

Traffic from high-bandwidth users on Comcast’s network will be moved temporarily to a “lower priority” category, Comcast told the FCC. Late Friday was the deadline for the company to explain its existing network-management practices, which include blocking P2P applications consuming disproportionate amounts of bandwidth, and the practices it will adopt this year. The company is creating “priority best-effort” and “best-effort” service levels that will apply to customers depending how they use the network. All customers will be in the priority category until the network approaches a “near congestion state” that could degrade user experience, Comcast said. That will start at 70 percent of upstream capacity being used or 80 percent of downstream capacity for 15 minutes on the same port. At such times, any subscribers using at least 70 percent of their upstream or downstream capacity for 15 minutes will go into the best-effort category, and they may notice that “a webpage loads sluggishly, a peer-to-peer upload takes somewhat longer to complete, or a VoIP call sounds choppy,” for example, the company said. Comcast said in a footnote that using either VoIP or “most” video alone shouldn’t trigger the downgraded priority. It said Hulu.com’s streaming video uses 2.5 Mbps of the typical 6 Mbps connection. Management of some users’ traffic should happen rarely, with users perceiving “little, if any, effect,” if results of Comcast trials are any indication, the company said. Trials showed that less than a third of 1 percent of subscribers change priority categories in a day -- 22 users out of 6,016 in Colorado Springs, the largest test market -- the company said. Managed subscribers will regain priority level when their traffic drops below half capacity for 15 minutes. Comcast compared the situation to a theoretical “bus stop” at which best-effort packets must wait for another “bus” during congested periods: “In reality, this all takes place in two-millisecond increments, so even if the packets miss 50 ‘busses,’ the delay only will be about *one-tenth of a second.*” Comcast tests with consulting firm NetForecast, first in a testbed and then in five market trials, showed the theoretical state of “bandwidth starvation” for best-effort subscribers -- in which priority traffic fills available bandwidth for an extended period -- never came about. Sandvine, the equipment vendor that has handled Comcast’s network management (CD July 9 p7), will be joined by two more vendors under Comcast’s changed policy, Comcast said. The first new vendor, as yet not chosen, will provide application servers that measure each subscriber’s aggregate usage over a time. Sandvine will judge when the network reaches near-congestion. Camiant Technologies application servers then will decide which users get lower priority. The new system won’t use the “reset packets” that Comcast now uses to slow P2P traffic, the company emphasized. Consumer groups and FCC Chairman Kevin Martin have likened that practice to an eavesdropper on a phone call pretending to participate and hanging up (CD Aug 4 p1). Comcast is running trials of the new service in Cham-

bersburg, Pa., Warrenton, Va., Lake City, Fla., East Orange, Fla., and Colorado Springs, the company said. No customers in the trials have complained about traffic hiccups, Comcast said. In another FCC filing, Comcast made public some details on current management practices, including their 2005 start. BitTorrent degradation prompted the original FCC inquiry, but Comcast also has been degrading four other P2P protocols -- eDonkey, Ares, Gnutella and FastTrack, which is also in Skype. BitTorrent has the lowest threshold for triggering management due to its high ratio of bidirectional-to-unidirectional transfers, which sap bandwidth, the filing said. Comcast critics urged the FCC to scrutinize Comcast under its new management protocols. Comcast's "newfound candor" can be credited directly to FCC oversight, said Ben Scott, policy director of Free Press, adding that his group worries about Comcast's stated right to change its policies without notice in 2009. "Transparency should never have an expiration date," he said. Gigi Sohn, president of Public Knowledge, said the group appreciates the "time and effort" put into Comcast's new plan, which seems include no protocol-specific "discrimination" or deep-packet inspection technology. But several questions remain, she said. These include why Comcast needs to have both this plan and its new 250 GB monthly cap (CD Aug 29 p8), whether it's fair to "punish" customers who don't fully use Comcast's advertised speed, and whether it's anticompetitive for Comcast to limit consumer use of online video when its own cable network isn't affected, Sohn said. -- *GP*

Wireline

FCC commissioners probably will vote on an order related to a Freedom of Information Act request ahead of this week's agenda meeting, a commission official told us. Commissioners probably will vote 5-0 to reject Fusion Telecommunications' challenge to an order granting an FoIA request by *Wall Street Journal* reporter Mary O'Grady, the official said. O'Grady, researching Haitian President Jean Bertrand Aristide's finances, asked the FCC for international traffic-tariff material on Fusion. When the FCC found it didn't have the information, it asked Fusion to file it. Fusion complied but asked the agency to keep the material confidential. The FCC gave O'Grady the information, saying it should be public. -- *AB*

The FCC wants comment on a request to merge by two Rural Health Care Pilot Program participants. If allowed to combine, the University of Mississippi Medical Center wants to be designated successor to As One Together for Health, the commission said. Comments are due Sept. 26, replies Oct. 3.

Verizon met Thursday with FCC general counsel officials on the agency's authority to impose a \$0.0007 terminating rate, according to an ex parte by the Bell. Verizon filed an intercarrier compensation overhaul plan Sept. 12 (CD Sept 15 p2). The National Telecommunications Cooperative Association and other foes of the plan claim the FCC lacks authority to preempt states in this area.

TIA revised terminal phone equipment labeling standard TIA-168-A. The update eliminates the ringer type Z and reduces the pool of valid equipment ringer equivalent number (REN) codes, TIA said. The Z ringer type typically saw use in phones with an older message waiting lamp indicator. Gear approved with the type Z designation may be used only with local phone operator consent, TIA TR41.9 Subcommittee Chair Phillip Havens said in an interview. -- *YW*

ATIS Ordering and Billing Forum launched a new Practice and Form in the Access Service Ordering Guidelines to clarify ordering requirements for Virtual Concatenation Services (VCAT). VCAT enables greater bandwidth than traditional synchronous optical network service. The guideline aims to maximize use of resources on busy networks, ATIS said.

Wireless

The FCC should make public the Office of Engineering and Technology's conclusions on interference AWS-3 devices may cause for AWS-1 incumbents, House Commerce Oversight Subcommittee Chairman Bart

Stupak, D-Mich., told the agency in a Sept. 18 letter. "Doing so will provide a clear understanding to all parties," he said. "Auctioning spectrum without giving a proper analysis would be counter to your fundamental role." OET Chief Julius Knapp said last week OET will discuss the results with commissioners and their staff but did not plan to release its analysis.

AT&T gave up the eligible telecommunications carrier designation Dobson Cellular acquired in New York before being purchased by AT&T. AT&T "has not submitted to USAC any line count filings for this designation and, as such, Dobson has not received and will not receive any federal high-cost support for this designation," AT&T said: "AT&T plans to continue providing service in the Dobson N.Y. ETC area as it did prior to the [Competitive ETC] Cap Order, but it will do so as a non-ETC."

Google co-founder Larry Page will pitch to open the TV white spaces for unlicensed mobile use at a Wednesday Capitol Hill event sponsored by the Wireless Innovation Alliance.

Microsoft will be exclusive third-party ad provider on CNBC's mobile Web site, the companies said Friday. The deal marks Microsoft's entry into mobile ad syndication in the U.S. No terms were disclosed.

State Telecom Activities

A North Dakota landowner wants class action status for his federal suit alleging that AT&T violated property rights statewide by burying its cables in the shoulders of public roads and highways without getting adjacent property owners' permission. In the suit, in U.S. District Court, Bismarck, Don Gerber of Dickinson claims state law on government highway rights of way limits government use of road easements to transportation purposes. The suit (Case 1:08-CV-80) claims that the state, county and municipal governments overreached in letting AT&T bury cables along public road shoulders. If AT&T didn't get permission for cable installations from individual landowners whose property is crossed by a public highway, it had no legal right to install its cable and was trespassing, the suit claims. Mike Miller, Gerber's attorney, is seeking class action status for all affected North Dakota landowners, and asks for the greater of \$75,000 or actual damages for each affected landowner, he said. But North Dakota's right-of-way situation may be unique, he said. He said he checked other states but found their easement laws allow a government entity to use its highway easements for other public purposes such as utility installations. AT&T had no comment on the litigation.

Verizon asked a New York state court to void a property tax assessment by the town of Hebron on grounds that the assessment is nearly twice the value of its outside plant and structures. The town valued Verizon's assets at \$594,000. Verizon cited a host of market factors it said indicate a fair market value of \$318,000. Verizon turned to the Washington County Supreme Court, a state trial court, after the town assessor rebuffed Verizon's challenge. A Verizon spokesman said the company rarely balks in this way but when it's being taxed unfairly it must appeal. He said the company wants to work with the town to settle the affair quickly.

A damaged fiber cable knocked out Verizon E-911 service for hours Monday in parts of three Michigan counties north of Saginaw. The mishap near the town of Mio in Ogemaw County cut off 911 in that county and in parts of Arenac and Oscoda counties. Saginaw itself wasn't affected. Local seven-digit emergency numbers worked, as did wireless E-911, carried on a different cable. The problem, which occurred mid-morning, was fixed by midafternoon, Verizon said.

The California Legislature sent two bills on prepaid phone services to Gov. Arnold Schwarzenegger. AB-2136 would require prepaid service providers to disclose in ads, marketing materials and packaging any geographic limitations, fees or other conditions reducing the stated value of prepaid service being sold. AB-2885 would give the Public Utilities Commission authority to regulate limitations and ancillary fees applied to prepaid service and to enforce consumer-disclosure requirements. "It's like the old Wild West," said state Rep. Hector De La Torres, D-South Gate. Prepaid services need oversight to protect buyers from unfair terms and fees, he said.

The Albuquerque Public Schools signed a five-year, \$7.2 million contract with Qwest for a high-speed telecom network offering services used to run the district's 131 schools and online learning opportunities for 87,000 students. District officials said the Qwest Metro Optical Ethernet network became feasible through federal e-rate funding.

The Delaware Public service Commission allowed Verizon to raise its "dishonored payment" penalty to \$20 from \$15 (Case 08-014T). The fee applies to any check, money order, debit card or credit card payment not honored by the issuer. Verizon wanted to make the fee \$30. But PSC staff and the state Public Advocate Division noted that Verizon's competitors charge lower fees.

International Telecom

A European Commission proposal for regulating fixed and mobile call termination rates isn't consistent with evidence-based best practice and should be rethought, the U.K. Office of Communications and the Department for Business Enterprise and Regulatory Reform said Monday. Lower termination rates can reduce what consumers pay for calls, but any regulatory plan must weigh possible "offsetting disadvantages," said the authorities. The proposal, under which some providers might start charging call recipients rather than callers, probably would alter retail tariffs' level and structure, they said. That could help some customers but hurt those who spend little. The agencies said 2011 is too soon to impose price controls such as the EC proposes. They urged the EC to: (1) Assess the proposal's varying effects on classes of consumer and market players. (2) Better justify an entirely new tack offering no reasonable allowance for fixed and common costs in setting cost-oriented termination charges. (3) Explain better why termination deserves treatment different from that given other price-regulated services. (4) Explain the draft's inconsistency with accounting separation and cost accounting system rules. "The fact that the Commission has recommended a particular approach does not of itself provide sufficient justification for adopting it," the authorities said. The draft should spur more strategic debate on call-termination regulation given major mobile communications market changes, they said.

Results of Canada's recent AWS auction look to stir up competition, SeaBoard Group analysts said. Final payments on high bids in the sale, which brought C\$4.25 billion, were due Sept. 2. The auction was dominated by Canadian incumbents Rogers, Telus and Bell Canada, which spent 61 percent of all money raised. But the sale also seems likely to stir new rivalries, SeaBoard said. New entrant Globalive, which got a 10 MHz national license, likely will pursue a prepaid model like that of MetroPCS in the U.S., the analyst firm said. Globalive suggests it will be operational in key markets in Q2 2009, they said. Globalive lacks coverage in southern Quebec, which shouldn't be a problem given that the company has mandated roaming privileges on incumbent networks, they said. Globalive might consider partnerships to build a national brand, they said. Potential partners include Cogeco, Jaguar Wireless, SSI Micro and MTS Allstream. MTS is an "ideal partner" due to its large base of enterprise customers and a national fiber network with dense urban deployment, SeaBoard said. Cable companies also are angling to enter the wireless game, SeaBoard said. In particular, Videotron, with nearly a million cable phone customers, stands to benefit, analysts said. "Each cable telephone household represents a potential of three added Videotron wireless customers -- exciting times at Videotron," they said. And the company's ties to Canada's largest French-language TV network, Quebec's largest music distributor and the Sun Media newspapers create "significant" potential for synergies, they said. SeaBoard was intrigued by the extent of bidding for the G block, given that this spectrum range is unique to Canada, Denmark and the U.S. No equipment ecosystem exists for the spectrum, which doesn't work with new AWS handsets deployed for T-Mobile and MetroPCS U.S. networks, analysts said. SeaBoard believes the spectrum could best be used for cellular backhaul, it said. -- **AB**

Telecom Notes

Motorola said it won a contract from Hotwire Communications to offer fiber-to-the-home, MPEG-4 HD encoder and IP set-top solutions for the delivery of residential and commercial broadband services. The new de-

poyments using gigabit passive optical networking technology will allow Hotwire to expand its service tiers with HD and VoD programming and provide Internet speeds to 100 Mbps, Motorola said.

Broadcast

Schurz Communications shouldn't be allowed to own three LPTV stations in South Bend, Ind., because it already owns four TV stations and two radio stations there, as well as the market's only daily newspaper, according to a petition to deny filed by Free Press. "The fact that Schurz... may even claim it has a record of superior service" in the market "is irrelevant to whether it, or any applicant, should be afforded so much power in any community," Free Press said. Representing Free Press, Andrew Schwartzman of the Media Access Project said LPTV rules normally might allow FCC staff to approve the deal without full commission input, had Free Press not filed a petition. The stations, WMYZ-LP, WCWW-LP and WBND-LP, would be owned by WSBT Inc., which Schurz owns.

New Technologies

Veoh's decision to offer a browser plugin for video content, alongside its VeohTV desktop application, had nothing to do with Joost's decision to scrap its desktop app in favor of a browser plugin (CD Sept 22 p14), a Veoh spokeswoman told us. An alpha version of the Veoh plugin has been available via the company's public "labs" page for weeks, with Veoh sifting user comments, the spokeswoman said. The plugin will go live this week for all Veoh users, she said. "Unlike Joost's desktop app, our VeohTV application is actually quite popular with viewers," she said, with 30,000 installations daily and 5 million viewers watching "actively." The desktop app once was the only way to watch videos 30 minutes or longer, but Veoh heard from many users who wanted a "lighter application" for watching long-form content, the spokeswoman said. -- *GP*

Satellite

The FCC shouldn't impose a sunset on the proposed selected output waiver that the Motion Picture Association of America is seeking to allow it to deliver HD films to pay-TV subscribers, MPAA representatives told Media Bureau staff last week. Any "time-based restrictions" on the MPAA waiver from plug-and-play rules "would fail to provide the regulatory certainty needed by movie producers to enter into negotiations with multichannel video programming distributors for the distribution of early-release, high-definition films," wrote Natalie Roisman, MPAA outside counsel, in an ex parte notice. MPAA is also against the commission's "mandating the availability of content over specified output," Roisman said. She said the requirement would "compromise" MPAA member's technology flexibility "while balancing the need to protect their content."

MHR Fund Management's \$300 million investment in Loral Space & Communications didn't meet the "entire fairness standard" under Delaware law, the state Chancery Court said Friday. MHR's 9.5 million shares must be converted into nonvoting common stock, the court said. After the conversion, MHR will own 56 percent of Loral's stock with 35.5 percent voting power — what it had before the financing, Loral said. Loral and MHR have 15 days to tell the Delaware court how they will carry out its order, Loral said. The court also dismissed a suit regarding the early redemption of Loral Skynet's 14 percent senior notes due 2015, Loral said.

Industry Canada extended TerreStar's implementation milestone to Aug. 30, 2009, TerreStar told the FCC. "The circumstances giving rise to the manufacturing delay and final implementation are not within TerreStar Canada's control," said Chantal Beaumier, Industry Canada director of space and international regulatory activities. TerreStar's satellite launch was delayed until next year after its reflector was damaged. TerreStar has requested an extension of its launch and operations milestones from the FCC.

After a 24-hour delay to replace an avionics component, International Launch Services successfully boosted Telesat's Nimiq 4 into geostationary orbit Saturday. Nimiq 4, carrying 32 Ku-band transponders and 8 Ka-band transponders, will orbit at 82 degrees west. Nimiq 4 is fully leased to Bell TV. The satellite was built by EADS Astrium.

Inmarsat said it will increase its IP data speeds on its Broadband Global Area Network to a guaranteed streaming rate of 384 kbps by mid-2009. A BGAN terminal with good line-of-site to the satellite should get even higher rates, Inmarsat said. The increased speed will be available on existing terminals and compatible with Streambox, LiveWire and Quicklink, Inmarsat said. By streaming 384 kbps, Inmarsat will offer "near-broadcast quality video," Inmarsat said.

Arianespace was chosen by the European Commission and the European Space Agency to launch the Galileo system, the EU said. Arianespace's selection was announced along with the finalists for other pieces of the satellite navigation system. The European Commission cut in half the number of companies competing for pieces of the Galileo satellite navigation system. The EC and European Space Agency chose 11 applicants including Arianespace to continue in the process. The first cut was made from applicants' "request to participate" filings. ThalesAleniaSpace and Logica will compete for the Galileo system support and ground mission system. Astrium will compete with Lockheed Martin for the ground control system and OHB System for the space segment. Inmarsat will compete with the DLR/Telespazio team to run the constellation.

Qualcomm will integrate L- and S-band connectivity into two of its upcoming multi-mode mobile chipsets, a Mobile Satellite Ventures spokesman told us Monday. Qualcomm said it's working with MSV and ICO Global Communications on chipsets to be available for mobile-phone vendors in 2010.

Gilat Satellite Networks said it's designing satellite terminals and ground infrastructure components for O3b Networks. The very small aperture terminals will be adapted to O3b's planned medium-earth-orbit satellite constellation using Gilat's SkyEdge platform, Gilat said. The terminals will include automatic tracking and seamless handoff of the constellation's satellites, Gilat said. Specialized terminals are expected for cellular backhaul services, small businesses and ISP backhaul, Gilat said. O3b hopes to begin offering satellite broadband service to Africa and to countries elsewhere in the Third World by 2011.

EchoStar 11 began commercial operations last month, EchoStar told the FCC. EchoStar 11 is orbiting at 110 degrees west.

Finisar Corp. said it developed new optical components for satellite and cable-TV broadcast equipment using the emerging SMPTE 424ME standard. Designing the components to maintain a "significant jitter injection margin" was challenging. Without this margin, video applications "are vulnerable to quality degradation," Finisar said.

Norsat said it will be paid \$5.5 million to provide satellite terminals, equipment and training to the U.S. military.

Merrimac Industries said it will be paid \$2.5 million from an unidentified satellite builder to provide custom radio-frequency components for two communications satellites.

Communications Personals

Rita Mullin, ex-Discovery Health Channel, becomes vice president-development at TLC.