

Patton Boggs TechComm Industry Update
May 7, 2010

Genachowski Announces Move to Reclassify Broadband

Yesterday, FCC Chairman Julius Genachowski announced his plan to change the classification of broadband service from a Title I information service to a hybrid Title I - Title II classification. This would enable the FCC to exert more authority over broadband. The move comes in the wake of a U.S. Court of Appeals' decision last month concluding that the FCC exceeded its authority in enforcing network neutrality principles against Comcast. The decision brought into question the FCC's authority to regulate broadband. On May 5th, Senate Commerce Chairman Jay Rockefeller, D-WV, and House Energy and Commerce Chairman Henry Waxman, D-CA, sent Chairman Genachowski a [letter](#) urging Chairman Genachowski to "consider all viable options" for establishing its authority over broadband services, including classifying broadband as a telecommunications service under Title II of the Communications Act of 1934, as amended.

Internet access is currently classified as a more lightly regulated information service. In his statement, Chairman Genachowski outlined a "third way" to regulate broadband to achieve the goals established in the National Broadband Plan:

- Recognize the transmission component **only** of broadband access service as a telecommunications service;
- Apply **only** a handful of Title II regulations to broadband (Sections 201, 202, 208, 222, 254, and 255) that, prior to the *Comcast* decision, were widely believed to be within the Commission's purview;
- Forbear from application of the many sections of the Communications Act that are unnecessary and inappropriate for broadband access service; and
- Put in place up-front forbearance and meaningful boundaries to guard against regulatory overreach.

The Chairman indicated in his statement that the FCC will seek public comment on this approach, as well as other approaches the FCC could take in order to achieve its goals in the National Broadband Plan. Senate Commerce Communications Subcommittee Chairman John Kerry, D-MA, supported Genachowski's move in a [statement](#), calling it a "measured middle path" to address the issues following the court decision.

NTIA Announces New Stimulus Awards

Last week, the National Telecommunications and Information Administration (NTIA) announced the last of its Round 1 broadband stimulus awards. NTIA made one sustainable broadband adoption award and eight broadband infrastructure awards totaling just under \$115 million. In total, out of the \$1.6 billion it had available for Round 1 grants, NTIA made 82 BTOP grants worth \$1.2 billion. Of NTIA's 82 grants, 50 awards were for infrastructure projects and only eight awards were for last mile projects. Of these eight last mile projects, only five projects proposed wireless technology. In total, despite the Administration's stated focus on the promise of

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wireless broadband for rural unserved and underserved areas, NTIA awarded only six grants that proposed a primarily wireless solution. NTIA's final Round 1 awards are summarized below:

- **One Economy Corporation: \$28.5 million: Multiple States** -- sustainable broadband adoption grant to implement a comprehensive program of computer training, wireless Internet access, broadband awareness marketing, and online content and applications in 50 cities and towns across 31 states and the District of Columbia.
- **Digital Bridge Communications: \$1.9 million: Idaho** -- broadband infrastructure grant to bring affordable wireless broadband service to rural, underserved communities in Cassia County, Idaho, including the towns of Albion, Burley, Declo, Malta, and Oakley. The project would expand Digital Bridge Communications' existing network by adding five towers, 46 miles of new fiber, and a nine-mile microwave link. The project also proposes to offer speeds of up to 3 Mbps using both fixed and mobile wireless technology, as well as directly connect approximately 25 community anchor institutions at no charge.
- **Digital Bridge Communications: \$980,000: Idaho** -- broadband infrastructure grant to bring affordable wireless broadband service to rural, underserved communities in Jerome County, Idaho, including the towns of Barrymore, Falls City, Greenwood, Haytown, Hunt, Hydra, Jerome, McHenry, and Sugar Loaf. The project would expand Digital Bridge Communications' existing network by adding three towers, 15 miles of new fiber, and two microwave links. The expanded network intends to offer speeds up to 3 Mbps using both fixed and mobile wireless technology, as well as directly connect approximately 25 community anchor institutions at no charge.
- **Digital Bridge Communications: \$1.4 million: Idaho** -- broadband infrastructure grant to bring affordable wireless broadband service to underserved communities in Twin Falls County, Idaho, including the towns of Buhl, Burger, Clover, Deep Creek, Fairview, Filer, Godwin, and Hansen. The project would expand Digital Bridge Communications' existing network by adding eight towers, three miles of new fiber, and nine microwave links. This expanded network intends to offer speeds up to 3 Mbps using both fixed and mobile wireless technology, as well as directly connect approximately 25 community anchor institutions at no charge.
- **City of Williamstown, Kentucky: \$535,000: Kentucky** -- broadband infrastructure grant to deploy a high-speed fiber-to-the-home broadband network to unserved and underserved communities south of its existing network in Corinth, and north of its existing network to areas of Grant and Owen counties in northern Kentucky. The project intends to offer broadband speeds up to 10 Mbps and directly connect the three municipal organizations within the service area – Corinth City Hall, the Corinth Water District, and the Corinth Volunteer Fire Department – free of charge. In addition, the project expects to offer broadband Internet access for local consumers, including approximately 680 households and 20 businesses, and spur economic growth and job creation in the region.
- **Pine Telephone Company, Inc.: \$9.5 million: Oklahoma** -- broadband infrastructure grant to deliver affordable wireless broadband service to underserved areas of Southeastern Oklahoma, including the Tribal lands of the Choctaw Nation and its 10 counties. The project intends to directly connect 20 community anchor institutions, including Choctaw Nation agencies, public schools, public safety agencies, fire and police departments, and a health clinic. The project's last mile network plans to offer broadband speeds ranging from 1 Mbps to 3 Mbps to as many as 7,000 households and 75 businesses.
- **Critical Hub Networks, Inc.: \$25.8 million: Puerto Rico** -- broadband infrastructure grant to provide fast, affordable broadband connectivity for last-mile Internet service providers and underserved areas of Puerto Rico, including of the islands of Culebra and Vieques. The project plans to purchase a 10 Gbps undersea fiber-optic cable directly connecting to Miami and deploy more than 180 miles of terrestrial middle-mile microwave network using 11 towers. The network will offer speeds from 100 Mbps to 1 Gbps to anchor institutions, including more than 1,500 K-12 schools, and local Internet service providers.
- **Buggs Island Telephone Cooperative: \$19 million: Virginia** -- broadband infrastructure grant to bring high-speed affordable broadband services to 15 underserved counties and the cities of Emporia and Franklin in South Central Virginia by expanding and enhancing its existing high-speed broadband and voice communications wireless network. The BIT Wireless project intends

to offer wireless broadband at speeds of up to 10 Mbps to as many as 100,000 households, 14,800 businesses, and 800 community anchor institutions. In addition, the project will promote broadband adoption by discounting the cost of the equipment necessary to subscribe at home.

- **Public Utility District of Pend Oreille County: \$27.2 million: Washington** -- broadband infrastructure grant to bring high-speed, affordable broadband to underserved areas of Pend Oreille County in northeastern Washington State, which borders Idaho and Canada. The proposed fiber-to-the-premises network would deploy approximately 526 miles of fiber-optic cable to deliver last-mile broadband Internet services and facilitate critical network redundancy in this rural area. The project plans to offer affordable, high-speed broadband access to as many as 3,200 households, 360 businesses, and 24 community anchor institutions.

The final statistics for Round 1 for NTIA and RUS are as follows:

Round 1	Number of Awards	Allocated Funds	Awarded Funds	Remaining Funds
NTIA	82	\$1.6 billion	\$1.28 billion	\$320 million
RUS	68	\$2.4 billion	\$1.1 billion	\$1.3 billion
Total	150	\$4 billion	\$2.38 billion	\$1.62 billion

We are keeping detailed charts of all grants by agency and by program. Please let us know if you require more information.

For Round 2, RUS and NTIA received 1,643 applications requesting almost \$22.2 billion dollars in funding for Round 2, a 25 percent drop in applications from Round 1. Because there is more available funding, \$4.8 billion, and the agencies received fewer applications, applicants in Round 2 have a better chance of receiving an award.

At a recent broadband conference in Dallas, David Villano, Assistant RUS Administrator, said RUS will release the Satellite, Technical Assistance and Rural Library RFP within the next week. RUS allocated \$100 million for Satellite projects and \$5 million for Technical Assistance and Rural Library projects. RUS hopes to have all broadband stimulus money committed by August 1, 2010.

FCC Eliminates the Home Roaming Exclusion; Seeks Comment on Mobile Data Roaming Requirements

The FCC released an Order modifying its automatic roaming obligations. The FCC expanded the availability of mobile voice services by eliminating a home roaming exclusion that the Commission found in many circumstances discouraged facilities-based competition. The FCC also established a general presumption that a request for automatic roaming is reasonable in the first instance, if a requesting CMRS carrier's network is technologically compatible with the host carrier's network. A CMRS carrier receiving a reasonable request must now provide automatic roaming on reasonable and not unreasonably discriminatory terms and conditions. The general presumption of reasonableness is rebuttable, and parties may request that the FCC resolve roaming disputes either through a Section 208 complaint process or a petition for a declaratory ruling. The FCC also affirmed that carriers, like Sprint Nextel, must provide push-to-talk roaming upon reasonable request.

In a second action, the FCC issued a Further Notice of Proposed Rulemaking (FNPRM) seeking further comment on whether to extend automatic roaming obligations to data services that are provided without interconnection to the public switched network including fixed and mobile broadband services. In 2007, the FCC declined to extend the scope of its automatic roaming obligations to include non-interconnected services, such as wireless broadband Internet access services. In this FNPRM, the FCC seeks comment on obligations governing the provision of roaming for data services by CMRS carriers and non-CMRS carriers alike. The FCC also seeks comment on:

- the importance of roaming for non-interconnected data services;
- how consolidation of the CMRS marketplace has affected the availability of data roaming agreements;
- technological concerns regarding capacity and traffic management;
- the terms, conditions and restrictions the Commission should include in a data roaming order; and
- the appropriate processes for dispute resolution.

Comments on the wireless data roaming FNPRM are due June 14, 2010. Reply Comments are due July 12, 2010.

FCC Begins its USF Reform

To begin implementation of its recommendations in the National Broadband Plan, the FCC released a Notice of Inquiry (NOI), seeking comment on possible cost models and the possibility of using reverse auctions for the determination of high cost support., and a Notice of Proposed Rulemaking (NPRM), seeking comments on how to cut legacy universal service spending in high cost areas and how to shift support away from voice service to fund broadband service. In the National Broadband Plan (Plan), the FCC concluded that private investment alone will not likely extend broadband into areas of low population density. As it did in the Plan, the FCC recommends creating a Connect America Fund (CAF) that directly supports broadband without increasing the size of the fund over the current baseline projection, including providing any ongoing support necessary to sustain service in areas that already have broadband because of the existing high-cost universal service program. In its NOI, the FCC seeks comment on the use of an economic model to precisely target support for areas where there is no private-sector business case for carriers to provide broadband and voice services. The FCC also seeks comment on interim steps the FCC can take to provide consumers in unserved areas with broadband access while the Commission considers final rules to implement the new CAF funding mechanism.

In its NPRM, the FCC seeks comments on a number of proposals to cut legacy universal service spending in high-cost areas and to shift support to broadband communications including:

- capping the overall size of the high-cost program at 2010 levels;
- re-examining the current regulatory framework for smaller carriers in light of competition and growth in unregulated revenues; and
- phasing out support for multiple competitors in areas where the market cannot support even one provider.

In addition to the NOI and NPRM, the FCC also released a technical White Paper analyzing the most effective and efficient mechanisms for ensuring broadband access by all people in the United States. The Plan indicated that the level of additional funding to extend broadband to those who do not have access today is \$23.5 billion. The FCC's White Paper entitled "[The Broadband Availability Gap](#)" documents the underlying analyses, assumptions and calculations that support the \$23.5 billion funding gap. You can find a complete copy of the White Paper on the FCC's website. Comment dates for the NOI or the NPRM have not yet been established.

FCC Seeks Comment on Voluntary Cyber Security Certification

Enhancing the cyber security of the nation's infrastructure is critical to preserving the communications networks that serve financial institutions, the energy grid, medical institutions, educational institutions, and public safety. Yet, broadband communications networks are susceptible to malicious attack. A 2008 Data Breach Investigations report concluded that 87 percent of cyber breaches could have been avoided if reasonable security controls had been in place. A voluntary cyber security certification program aims to achieve the following:

- Increase security of the nation's communications infrastructure;

- Promote a culture of more vigilant cyber security among participants in the market for communications services; and
- Offer consumers or end-users more complete information about their communication providers' cyber security practices and protections.

The FCC adopted a Notice of Inquiry (NOI) that invites public comment on the proposed creation of a new voluntary cyber security certification program that would encourage communications service providers to implement cyber security best practices. The National Broadband Plan recommended implementing a comprehensive roadmap to help counter cyber attacks and improve the nation's communications infrastructure.

The NOI seeks comment on a voluntary certification program under which private sector auditors or the FCC would conduct security assessments of participating communications service providers' networks, including their compliance with stringent cyber security practices developed by a public-private partnership. Providers whose networks successfully completed this assessment would be able to market their networks as complying with FCC network security requirements. Deadlines for Comments and Reply Comments have not been set.

Among the questions the inquiry seeks comments on are:

- Should the Commission collect fees from those communications service providers that decide to participate?
- Should the program, if implemented, be open to all communications service providers or should it be limited to certain types of providers?
- The FCC seeks comment on four possible security objectives proposed as the starting point of the security regime: (1) secure equipment management; (2) updating software; (3) intrusion prevention and detection; and (4) intrusion analysis and response. The FCC asks whether these are sufficient as the initial set and whether there should be more or fewer objectives.

FCC Releases Roadmap for Funding Public Safety Network

The FCC on April 23rd released a study that builds on the National Broadband Plan recommendations to create an economically viable and robust interoperable public safety wireless broadband network. The [study](#) offers a detailed analysis of how the FCC's plan for creation and funding of the network would meet public safety needs for accessibility, reliability, and affordability. The plan would also ensure interoperability for public safety across the nation to include urban areas and rural America.

The study's analysis shows that the FCC's recommendation to leverage a commercial network build-out at the same time the public safety network is created would cost approximately \$6.5 billion over 10 years, less than the projected \$15.7 billion in capital costs associated with building a stand-alone public safety network. Aside from capital costs, the study projects \$6 to \$10 billion in network costs for upgrades and operations within the first 10 years of the network's existence. The same expenditures for a stand-alone public safety network over the same 10-year period is projected to be \$25 to \$30 billion.

The study concludes that costs would increase for a stand-alone public safety network because public safety would not be able to easily leverage commercial resources and technologies associated with the build out of the network, and public safety could not gain access to equipment, including portable radios, at commercially competitive prices, among other reasons. The FCC's plan for an incentive-based partnership to build the public safety wireless broadband network would establish a public grant funding program to pay for capital and operating expenses and would build in incentives to enable public safety to leverage commercial technologies and resources.

FCC To Issue WCS Technical Rules at Its May Open Meeting

The FCC scheduled its next Open Meeting for Thursday, May 20, 2010. On its tentative agenda is a long awaited Order issuing technical rules for Wireless Communications Service (WCS). The FCC plans to address the following items at its May Open Meeting.

- **WCS-SDARS Report and Order:** A Report and Order that enables robust mobile broadband use of 25 MHz of spectrum in the 2.3 GHz WCS band while protecting neighboring incumbent operations.
- **E-Rate NPRM:** A Notice of Proposed Rulemaking initiating reforms to the E-Rate program to make broadband more accessible in schools and libraries.
- **Pole Attachments Order and FNPRM:** An Order and Further Notice of Proposed Rulemaking to implement the National Broadband Plan recommendations to foster competition and broadband deployment by ensuring nondiscriminatory, just, and reasonable access to utility poles.
- **Mobile Wireless Competition Report:** A Mobile Wireless Competition Report, analyzing the state of competition in the mobile industry by expanding upon previous FCC inquiries and considering the broader mobile wireless ecosystem.
- **Local Number Portability Report and Order:** A Report and Order standardizing the processes for transferring telephone numbers in one business day to ensure the benefits of competition for consumers.

FCC Calls for “Smart” Video Devices

In an April 21st Notice of Inquiry that should be of great interest to video distributors, broadband content providers, and video equipment manufacturers, the FCC called for comments on steps it can take to unleash competition in the retail market for smart, set-top video devices (smart video devices) that would be compatible with all multichannel video programming distributor (MVPD) services. The FCC’s stated goal in the proceeding is to explore the potential for allowing any electronics manufacturer to offer smart video devices at retail that can be used with the services of any MVPD. The Commission believes that this could foster a competitive retail market in smart video devices to spur investment and innovation, increase consumer choice, allow unfettered innovation in MVPD delivery platforms, and encourage wider broadband use and adoption through consumer televisions.

This NOI essentially acknowledges that the FCC’s CableCARD initiative has not met the goal of innovation that Congress sought in the Telecommunications Act of 1996 and also appears to recognize that advances in digital and IP video mandate a new approach. (As an interim measure, the FCC is revising its cable card regime). A smart video device would permit additional functions such as combining MVPD content with over-the-top video services (such as videos offered from, for example, Amazon, Hulu, iTunes, or NetFlix), Internet access, manipulating the channel guide, providing more advanced parental controls, providing new user interfaces, and integrating with mobile devices. This proceeding has the potential to significantly impact the home video market. It could open the door for greater access to online video, gaming, and general Internet functionality, such as email and web-browsing, but at the same time there could be huge implications for MVPDs. Comment dates for the NOI have not yet been established.

Broadband to Reduce Health Care Costs, Witnesses Tell Senate Panel

On April 22, the Senate Aging Committee held a [hearing](#) on the recommendations in the FCC’s National Broadband Plan to advance the provision of health care through broadband services. Witnesses told Committee members that investments in broadband infrastructure can help to defray health care costs while improving quality of care. Dr. Mohit Kaushal, the FCC’s health care director, reported that the Veterans Hospital System has established a Care Coordination/Home Telehealth Program (CCHT) for veterans with chronic conditions. The program costs \$1,600 annually per patient, compared to the cost of the hospital system’s home-based primary care services at \$13,121 per patient, and nursing home care at \$77,745 annually per patient. Kaushal described barriers to adopting broadband solutions for health care delivery as the broadband connectivity gap, misaligned incentives in reimbursement for health care services, and outdated health care regulations. He stated that the National Broadband Plan addresses the connectivity gap by proposing to create a permanent

infrastructure fund under the FCC's Rural Health Care Program and continuing to subsidize monthly Internet charges for health care providers. Kaushal noted that the FCC is working with HHS' Office of the National Coordinator so that "meaningful use" criteria for health information technology will be applied to FCC subsidy programs. Kaushal told Senators that the FCC and the Food and Drug Administration will convene a workshop soon with industry stakeholders to propose solutions to the regulatory barriers that are inhibiting widespread adoption of such technologies.

Dr. Farzad Mostashari, senior advisor at the Office of the National Coordination for Health Information Technology (ONCHIT) at the Department of Health and Human Services (HHS), stated that telehealth will increase access to specialty medicine in rural areas, allow seniors to remain in their homes, and reduce hospital readmissions. He estimated that 50 million people in rural areas have difficulty accessing health care services.

Mostashari cited privacy and security concerns, licensing and credentialing, and the regulatory approach to new and evolving technologies as challenges that may delay adoption of telehealth. Telehealth models will be tested by at least 15 communities under the Beacon Community Grant Program, Mostashari told the committee.

FCC Launches Inquiry on Resilience of Broadband Networks

The FCC on April 21st initiated an inquiry on the ability of existing broadband networks to withstand significant damage or severe overloads as a result of natural disasters, terrorist attacks, pandemics or other major public emergencies, as recommended in the National Broadband Plan.

The FCC launched the inquiry to understand the survivability of existing networks and explore potential measures to reduce network vulnerability to failures in network equipment or severe overload conditions in emergencies. Although core broadband networks are presumed to be resilient, weaknesses may exist closer to the network edge. As a result, the [Notice of Inquiry](#) (NOI) seeks comment, analysis and information on the existing state of the resiliency and redundancy of broadband networks to withstand physical damage and severe network overload. Deadlines for Comments and Reply Comments have not been set.

The NOI seeks comment on the following questions:

- What are the major single points of failure in broadband architectures (for example, edge router, gateway router, transport links, cell sites)?
 - What measures do communications providers already take to minimize the potential for single points of failure? For example, to what extent are core and edge network links protected with "dark" backup links? Are there instances where backup circuit paths occupy the same physical link as a primary circuit path?
 - What provisions are made by communications providers to ensure the survivability of cell sites relied on by first responders?
 - What are the most effective and widely deployed physical security best practices?
 - Should traffic to and from critical emergency response agencies and for critical services be prioritized on the networks during emergencies?
 - What steps have been taken to ensure redundancy and diversity of physical network links to hardware?
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Rural Health Care Pilot Program Proposals Released

To date, 53 of the 68 participants who were approved to participate in the Rural Health Care Pilot Program have published requests for proposals (RFPs) on USAC's Web site, seeking vendors and service providers to assist them in building broadband networks to support rural health care. Of the RFPs, the ones below were most recently posted to USAC's Web site. Participants must wait at least 28 days before entering a contract date with a vendor. Please contact us for more information about these opportunities.

Applicant	Location	Date Posted	Allowable Contract Date
Iowa Health System	Iowa Illinois	4/13/2010	5/11/2010
Illinois Rural HealthNet Consortium	Illinois	4/19/2010	5/17/2010
Pennsylvania Mountains Healthcare Alliance	Pennsylvania	4/16/2010	5/14/2010

- Iowa Health Systems' (IHS) RFP is for Phase II construction of first-mile large bandwidth (100 Mbps lit or greater) dedicated connections from health care facilities to the its existing core backbone network. IHS' existing core backbone network supports rural communities in Illinois and Iowa. Maximum federal support for the project is approximately \$7.8 million.
- The Illinois Rural HealthNet Consortium seeks proposals for providing Last Mile facilities, equipment, or services to selected locations within the State of Illinois in order to connect rural Illinois hospitals and clinics with specialists at larger facilities. Maximum federal support for the project is approximately \$21.1 million.
- The Pennsylvania Mountains Healthcare Alliance seeks proposals for the construction of a network with Ethernet WAN networking capability for 5 rural hospital and clinic locations, which will provide scaleable bandwidth from 10 Mbps to 1 Gbps. Preference will be given to solutions utilizing dual homed Optical Fiber infrastructure. Maximum federal support for the project is approximately \$2.5 million.

CenturyTel Announces Acquisition of Qwest Communications

During a recent investor call, Qwest and [CenturyTel](#) announced their planned merger. CenturyTel will acquire Qwest in an all-stock deal that will require FCC and DOJ approval. The merger will provide CenturyTel with additional financial strength, diversified revenue, and a larger national network, which will allow it to better compete with multi-play bundles from cable companies and to more successfully compete for business and wholesale customers. Qwest and CenturyTel both bring landline assets to the merger, a national fiber network and CLEC operations but it is unclear how the merged company will compete in the video and wireless markets. The merged company will have operations in 37 states with some overlapping CLEC and national fiber operations. The expectation is that the merger will receive DOJ, FCC and state approval with conditions focusing on broadband deployment, fiber/backbone assets, service quality issues and wholesale pricing. Since broadband is included in the merger, net neutrality conditions are also possible.

New Campaign Finance Legislation Introduced to Limit Special Interest Spending

In an effort to combat the U.S. Supreme Court's recent Citizen United v. Federal Election Commission ruling, which [eliminated](#) controls on corporate and union money to fund political issue advertisements, Hill Democrats introduced The Democracy Is Strengthened by Casting Light On Spending in Elections (DISCLOSE). DISCLOSE would require executive stand-by-your-ad statements in advertisements, restrict advertisements from companies with government contracts, and limit advertisements from companies with certain levels of foreign ownership. President Obama supports the legislation and efforts to reduce special interest money in the upcoming 2010 midterm election. Republicans are expected to filibuster the legislation in the Senate while the Republican National Committee asks the U.S. Supreme Court for expedited review to reconsider the current ban on soft money, which they unsuccessfully challenged in 2003.

Regent Communications Exits Bankruptcy and Changes Senior Management

Shortly after exiting bankruptcy protection, [Regents Communications](#) changed its name to Townsquare Media. Townsquare also replaced its CEO with Steven Price and the new Executive VP/CFO is Stuart Rosenstein, the co-founders of media investment firm FiveWire Ventures. Post bankruptcy, Townsquare is controlled by the Los Angeles-based private equity firm Oaktree Capital. Townsquare operates 62 radio stations in 13 mid-sized markets and received a \$115 million investment from GE Capital in a pre-packaged bankruptcy filing. Through bankruptcy, Townsquare was able to eliminate \$87 million of debt.

Deutsche Telecom Announces Path to Gigabit Broadband

Deutsche Telecom (DT) announced that its new [strategy](#), Fix-Transform-Innovation, will position it to compete in the gigabit broadband market. DT is focused on developing from a telecommunications company into a multi-product Internet company. This will be driven by increases in its intelligent networks, Internet, and network services offerings. It identified five growth areas: mobile Internet, broadband to the home, private Internet services, network solutions and intelligent networks for businesses in the energy, healthcare, media and Internet access in automobiles.

Senator Coburn Blocks Spectrum Inventory Bill

The wireless industry is pressing a key Senator to clear the way for a spectrum study that could accelerate plans to free up more airwaves. Senator Tom Coburn, R-OK, has blocked spectrum inventory legislation from moving through the Senate out of concern that the measure would cost \$22 million.

An April 27th meeting between Coburn and CTIA President Steve Largent raised hopes for relief. "We're making progress and are hopeful this bill will be fully offset," Coburn's spokesman, John Hart told Reuters. Coburn is working with Senator Olympia Snowe, R-ME, to find ways to pay for the spectrum study required by the bill. The House recently passed its spectrum inventory legislation.

The spectrum inventory bills being considered in Congress would require federal regulators to conduct a survey of the airwaves being used by the government and commercial providers, possibly recommending reallocating blocks of spectrum for commercial use. One proposal that Coburn does not favor would use proceeds from future spectrum auctions to pay for the costs of the study. Coburn is considering proposals to use funds left over from the digital television transition program and possibly tapping the Commerce Department's budget for conference and travel expenses that would total about \$10 million.

Portable People Meter Settlement Reached

The PPM Coalition and Arbitron recently [settled](#) their differences regarding the methodology employed by Arbitron's Portable People Meter (PPM). House Oversight and Government Reform Committee Chairman Edolphus Towns, D-NY, helped broker the settlement between the parties. Beginning this summer, a series of steps, all agreed to by the PPM Coalition, Arbitron and the Media Ratings Council, will be implemented to increase minority participation in the PPM service. Minority broadcasters support the improvements and look forward to working with Arbitron on improving its PPM service.

INDUSTRY CALENDAR - <http://www.pattonboggstechcomm.com/industrycalendar/>

If you have any questions about the foregoing or if you require additional information, please contact:

Rebecca Murphy Thompson

202-457-5312

rthompson@pattonboggs.com

Jennifer A. Cetta

202-457-6546

jcetta@pattonboggs.com

Carly T. Didden

202-457-6323

cdidden@pattonboggs.com