



Communications Daily

The Authoritative News Service of Electronic Communications

MONDAY, OCTOBER 6, 2003

VOL. 23, NO. 193

Today:

POWELL TASK FORCE ANNOUNCES 6 PUBLIC HEARINGS for new Localism Task Force in acknowledgment that public participation is important part of mission. (P. 1)

REGULATORS IN 4 MORE STATES SAY UNBUNDLED SWITCHING isn't needed in enterprise market. Qwest says it plans to contest need for unbundled mass market switching in all of its states. (P. 2)

FCC WIRELINE BUREAU CHIEF OUTLINES WIRELESS EFFORTS that are part of upcoming proceedings, including voice over IP, intercarrier compensation, local number portability. (P. 3)

ITU BUDGET TENSIONS COME TO FORE as Telecom World show is set to open in Geneva. Council show-down over budget brewing. (P. 4)

NETWORKS PLAN HEAVY USE OF WEB, BUT NO DTV EXPERIMENTATION, in 2004 election coverage. Opportunities seen for local stations to compete with cable. (P. 6)

STUDY FOR NAB SHOWS 76% SATISFIED WITH RADIO: Executives see need for more and better promotion. Ferree says structural rules shouldn't be used to describe localism. (P. 6)

TELECOM NOTES: D.C. Appeals Court denies FCC's request that it transfer to another court 2 ILEC petitions for UNE order writs of mandamus... Senators urge Powell to take 'final step' in implementing local number portability. (P. 7)

MASS MEDIA NOTES: S&P tightens financial ratio guidelines for cable... CBS issues social responsibility report... FCC denies petition for reconsideration on STL fine. (P. 9)

6 Sessions To Be Held

LOCALISM TASK FORCE ANNOUNCES SCHEDULE OF PUBLIC HEARINGS

After FCC Chmn. Powell was criticized for not holding more than one public hearing on media ownership, his newly created Localism Task Force on Fri. announced 6 hearings to solicit input from consumers, industry, civic organizations and others on broadcast localism. The announcement came after Comr. Copps had said once again that he was considering going out on his own to hold hearings around the country tied to radio station license renewals (CD Sept 19 p3). Powell and other FCC officials have acknowledged being taken by surprise by the level of public outrage after the Commission announced its new media ownership rules, which currently are under a court stay.

Each of the new hearings will be led by one or more commissioners, giving the official imprimatur to them, where Copps had little in the way of logistical or other support from the agency when he held his sessions on media ownership. FCC officials we talked with said Copps was happy with this latest development but wouldn't hesitate to play the part of the renegade commissioner again if the hearings proved to be a way to merely go through the motions.

In announcing the hearings, the agency said an important focus would be to gather information and to conduct outreach for the nationwide round of broadcast station license renewals that is just beginning — precisely what

Copps had said he would do. The hearing schedule is as follows: Charlotte, N.C., this month; San Antonio, Dec.; Santa Cruz/Salinas, Cal., March 2004; Rapid City, S.D., April; Portland, Me., May; Washington, June. The first hearing will be Oct. 22 in the Charlotte-Mecklenburg Govt. Center Meeting Chamber in Charlotte.

Copps said last month that he hoped other commissioners would join him and that he was in talks with Powell's office (CD Sept 19 p3) to gain FCC support. An adviser said those talks were continuing. Asked for comment on the public hearing announcement, Copps released a statement saying the discussions since Powell proposed his localism initiative "seem to be headed" in the right direction: "I am pleased such hearings will provide the American people with an opportunity to weigh in on how well they think their local license holders are meeting their public interest obligations and whether they think these licenses should be renewed."

The Localism Task Force was announced by Powell Aug. 20 (CD Aug 21 p1) to conduct studies to measure localism and the efficacy of the FCC's localism-related rules, advise the Commission on recommendations to Congress relating to the licensing of thousands of additional low-power FM radio stations, make recommendations next fall on how the agency could promote localism in TV and radio and advise on legislative recommendations to Congress that would strengthen localism.

FCC Gen. Counsel Robert Ratcliffe and Deputy Gen. Counsel Michelle Ellison are leading the group. On Fri., they announced additional members, all of whom are FCC staff. The task force chief of staff will be Royce Sherlock, chief of the Industry Analysis Div. of the Media Bureau. Serving as special counsel will be Eric Bash, an attorney in the bureau's Policy Div., Kimberly Reindl and Harry Wingo of the Office of Gen. Counsel, and Elizabeth Valinoti of the Industry Analysis Div. Task force members will include, among others, Simon Wilkie, chief economist in the Office of Strategic Planning & Policy Analysis; Linda Blair, deputy chief of the Enforcement Bureau; Kris Monteith, deputy chief of the Consumer & Governmental Affairs Bureau; and Mary Beth Murphy, chief of the Media Bureau's Policy Div.

While the task force is an internal FCC organization, the group stressed that it would seek participation by members of the public, broadcasters, civic organizations, academics, local govts and any other individuals or institutions as it conducted its review of broadcast localism. The task force has established a filing number (RM-10803) for submitting comments or other information through the FCC's Electronic Comment Filing System. — *Brigitte Greenberg*

Qwest Challenge Due

4 MORE STATES SAY UNBUNDLED ENTERPRISE SWITCHING IS UNNECESSARY

State regulators in N.C., Ida., N.D. and Me. say they agree with the FCC's Triennial Review Order (TRO) conclusion that unbundled switching isn't required for effective local competition in the enterprise market for large business customers, but left open windows for CLECs to contest that conclusion. Meanwhile, Qwest told all its state commissions that it planned to challenge the need for unbundled switching in the mass market for residential and small business customers.

The N.C. Utilities Commission tentatively agreed with the FCC presumption against unbundled enterprise switching. It said evidence provided by BellSouth, Verizon and Sprint showed only 4 CLECs ordered unbundled switching on a total of 16 DS-1 loops, which it said indicated negligible demand for such services. But it gave CLECs until Oct. 10 to contest its tentative conclusion, otherwise it will close the 90-day docket (Case P-100, Sub 133p) on Oct. 13.

The Idaho PUC tentatively concluded the FCC was correct in its presumption that lack of unbundled switching wouldn't impair local competition in the "enterprise" market for large business customers served by DS-1 and higher loops. The PUC (Case GNR-T-03-22) gave CLECs until Oct. 10 to challenge the PUC's tentative conclusion. If no one challenges, the PUC said it wouldn't address the FCC finding.

The N.D. PSC said it had no plans to open a docket to rebut the FCC's presumption and advised carriers that take issue with it to take their case directly to the FCC. The PSC said the TRO allowed the FCC to step into the role prescribed for the states if a state commission didn't exercise its authority. The PSC said it didn't have the time or resources to conduct parallel 90-day and 9-month proceedings.

A Me. PUC hearing examiner advised the PUC not to challenge the FCC's presumption unless CLECs by Oct. 8 could make a convincing showing that they could rebut the FCC's no-impairment presumption. CLECs (Case 2003-629) must specify the market at issue and include a detailed summary of their arguments to keep unbundled enterprise switching.