

## Broadband News

### Broadband fiction versus broadband facts

How much do you know about broadband? The following table provides some basic facts and fiction about broadband telecommunications according to a variety of current Internet resources.

Fiction	Fact
Broadband platforms like wireless and satellite services compete with copper and coaxial high-speed technologies.	Until spectrum caps and other regulatory barriers are eliminated, wireless is no threat to traditional copper-wire or co-axial cable delivery systems.
There are technological barriers to providing open or shared access to cable company infrastructures.	The technology exists today. The only thing that does not exist is the motivation to implement shared access across cable systems.
High-speed cable access is not a telecommunications service—it is an information service that should remain regulation-free.	The U.S. Ninth Circuit Court ruled in AT&T v The City of Portland that high-speed Internet access is, indeed, a telecommunication service.
DSL is not a telecommunications service—it is an information service.	The Telecommunication Act of 1996 considers DSL a telecommunications service, and as such, wholly regulated by the FCC.
The national telecommunications policy does not need to include provisions protecting state and local rights to regulate telecom services.	Without FCC and FTC provisions, both state and local regulatory agencies would lose control over their respective technological futures.



# Affiliate Newsletter

Copyright © 2002, ZCorum, Inc. All Rights Reserved. Volume 1, Issue 2, Winter 2002

## ZCorum building another Customer Care facility



The telecommunications industry is facing great change. With the convergence of voice, video and data, customer demands on our services are growing at a rapid clip. To meet our customers' ever increasing demand for technical support services, ZCorum has added a new Customer Care facility. Located in Swainsboro, Georgia, this facility has been open for some months with a gradually growing staff to accommodate the necessary and intensive training required.

New employees are very familiar with the Affiliates, systems, and proprietary tools at ZCorum before they do any hands-on work. Currently, 30 employees are at work at the new facility, and the number is expected to swell to 150 over the next year.

To prepare for this large staff, ZCorum is constructing a 20,000 square foot facility in Swainsboro. The distinctive architectural achievement is designed to blend with the local environment. Located on a beautiful piece of ground adjacent to East Georgia College, ZCorum's new center will be an asset to the community both in terms of jobs and the accompanying tax revenue.

This new facility in no way affects other ZCorum facilities. Swainsboro provides additional redundancies and more resources to ensure that operations continue to run smoothly as ZCorum grows. Affiliates can rest assured that ZCorum will always remain ever diligent in its mission to provide world-class customer service.

## ZCORUM NEWS

### ZCorum develops web-based chat tool

ZCorum has developed another useful tool to support you and your customers. Our web-based Chat tool allows an Internet user to correspond with a Customer Service Representative at ZCorum's Customer Care Center anytime, any day. After Beta testing is completed in early spring, instructions will be emailed to you.

### In this issue

Industry news	2
National news	2
Trends	2
2002 Calendar of events	3
Policy issues	3
Broadband news	4

## Industry News

### Louisiana attends AMTA Convention



In a show of inter-state cooperation, members of the Louisiana Telecommunications Association attended the 2001 Alabama Mississippi Telecommunications Association

(AMTA) Annual Convention, and AMTA members plan to attend Louisiana's convention in February.

ZCorum was officially added as an Associate Member of AMTA at its convention. In addition, ZCorum was a gold corporate sponsor of the event.

The strong AMTA leadership was largely responsible for the success of the annual convention. 2001 AMTA officers included Chairman and President Larry Taylor, First Vice President Tom Butler, Jr., Second Vice President Terry Collums, Third Vice President Jerry McGee, Treasurer Woody Setzer, and Executive Vice President Jerry Renfroe.

## Trends

### How are dinosaurs like free dialup?

They both are a thing of the past. The free dialup ISP market has all but disintegrated. According to an online census performed by Telecommunications Reports International (TRI), the free ISP market had lost more than 10 million of the 14.8 million subscribers they had at the start of this year. Only one significant free service provider remains in business.



### Internet usage up, TV watching down

A recently released survey on the impact of the Internet on American life reports that Internet usage is increasing while TV watching is declining. Funded by the National Science Foundation, the UCLA Internet Report 2001 states that Internet users watch less television than non-Internet users. Internet users also spend more time with their families and get more exercise than non-users.

The study states that more than 72 percent of Americans have Internet access, up from 67 percent last year. More than 44 percent of those without access expect to get online in the next year. Internet users spend an average of 9.8 hours online a week, up from 9.4 hours a week last year.

### Demand grows for Video on Demand

Video On Demand (VOD) revenue is expected to climb to \$1.98 billion by 2005, according to a recent report from the Yankee Group. The window of opportunity is opening wider for VOD since "equipment costs, plant upgrades, and digital set-top penetration have finally begun to achieve critical mass required for commercial deployment."

Due to the vast revenue potential of VOD, five major motion picture studios formed a joint venture to deliver films on demand to broadband users in the United States. The five studios include Metro-Goldwyn-Mayer Studios, Paramount Pictures, Sony Pictures Entertainment, Universal Studios and Warner Bros.

## NATIONAL NEWS

### No new taxes

President Bush recently signed a two-year extension of the ban on new Internet taxes. In his statement, Bush said: "Online spending is estimated to account for 15 percent of total holiday purchases this year. The bill will protect American consumers from an unwanted tax surprise when they purchase gifts online for friends and family."

The ban had expired last month when lawmakers couldn't agree on provisions for the collection of sales taxes on online purchases, which remains a thorny issue. A coalition of states is in the process of simplifying their tax codes with the hope that Congress eventually will allow them to collect sales taxes on remote sellers.

### New modem standards

The new modem standards mean good news for the 50 million dial-up Internet users. Modems using the recently approved v.92 and v.44 standards provide faster connections to the Internet, quicker downloads, and the ability to suspend an Internet session in order to accept or place a phone call.

The v.92 standard enhances upstream transmissions, meaning improvements to services such as Voice-Over-IP (VoIP), e-mail, newsgroups, and FTP. The v.44 compression protocol offers a 6:1 compression ratio, which means an increase in data throughput and modem efficiency.

By implementing the new technology, service providers can offer dial-up customers a better Internet experience, which translates into increased customer retention. In addition, service providers gain enhanced revenue opportunities.

### Wireless access growing

Wireless access is growing with the decrease in price of customer premises equipment (CPE) and the reduction in CPE installation time. With these and other developments, total subscriber count is expected to grow to an estimated 887,000 by 2006.

## 2002 Telecommunications Calendar of Events

Who?	Event?	Place?	Dates?
NTCA	Business Briefings	Phoenix, Arizona	January 7-8
NTCA	Broadband Strategies	Phoenix, Arizona	January 7-8
OPASTCO	39 <sup>th</sup> Annual Winter Convention	San Antonio, Texas	January 19-23
NTCA	2002 Annual Meeting and Expo	Anaheim, California	February 10-14
OPASTCO	Annual L&R Conference	Washington, DC	March 6-7
USTA	Telco Leadership Roundtable	San Diego, California	March 16-20
USTA	Technical Disciplines Conference and Exhibition	Tempe, Arizona	April 7-10
NTCA	Legislative Conferences	Washington, DC	April 8-12
NTCA	Business Briefings	Minneapolis, Minnesota	May 2-3
USTA	National Issues Conference	Washington, DC	May 9-10
USTA	SUPERCOMM	Atlanta, Georgia	June 2-6
OPASTCO	39 <sup>th</sup> Annual Summer Convention	San Francisco, California	July 13-18
NTCA	Region 1, 2 & 3	Amelia Island, Florida	July 22-24
NTCA	Region 7, 8 & 10	Salt Lake City, Utah	July 15-17
NTCA	Region 4 & 5	Indianapolis, Indiana	August 18-20
NTCA	Fall Conference	Las Vegas, Nevada	September 23-26
USTA	105 <sup>th</sup> Annual Convention and Exhibition	Boca Raton, Florida	September 29-October 2
NTCA	Business Briefings	Nashville, Tennessee	October 7-8
NTCA	Region 9	Billings, Montana	October 14-16
NTCA	Region 6	Fargo, North Dakota	October 22-25
USTA	17 <sup>th</sup> Annual Billing and Customer Care Conference	New Orleans, Louisiana	November 4-6

## Policy Issues

### Tax credits urged for rural broadband providers

In late November, the National Research Council recommended tax credits and grants to hasten the deployment of high-speed Internet services in rural areas. According to the federal research panel, the value of broadband Internet access for educational and economic uses is worth federal help, even when telecommunications companies have difficulty justifying the expense.

Sen. Jay Rockefeller (D., W.Va.) has sponsored a corresponding bill that calls for a tax

credit of 10 to 20 percent to companies that provide broadband access to rural areas. Nikil Jayant, chairman of the National

*"Significant areas remain underdeveloped, including the sophistication of Internet applications and national network ubiquity fulfilling demanding performance requirements. For example, in rural America, even in technologically advanced areas such as San Diego, the notion of high performance quickly falls apart outside major populated areas, where even cell phone systems often turn into an illusion of reachability. However, the technology needs of rural areas—of perhaps no immediate business case to commercial service providers—should not be underestimated. Stimulating data communications needs and solutions today can pay off significantly over time."*

Hans-Werner Braun

Research Council, said only 8 percent of American households currently have high-

speed Internet connections. The National Research Council also reported that unbundling requirements could be relaxed in exchange for broadband investments. The object is to encourage the private sector to invest in greater deployment of broadband rather than creating and enforcing additional legislation to reach the same goal.

During a July 31 congressional hearing before the U.S. House Subcommittee on Research, Hans-Werner Braun emphasized the need for continued federal funding for under-served communities.