

September 08

## Comcast Ordered to Revise its Practices

On August 1, 2008, The Federal Communications Commission (FCC) ruled that Comcast violated federal policy when it blocked Internet traffic for some subscribers. The FCC ordered Comcast to end discriminatory network management practices.

Although the FCC did not impose a fine, it ordered Comcast to stop interfering with

transfers of large data files from users using peer-to-peer connections.

This important decision sets precedent affirming the FCC's authority to enforce policy that guarantees open internet access to customers.



## USF International Exemption

Telecommunications carriers providing services directly to end-users are subject to Universal Service Fund (USF) fees imposed on revenue (currently about 11.3%).

However, carriers with more than 88% of international traffic can be exempt from paying USF on the international portion. These carriers would still be subject to USF on the interstate traffic. Let's analyze two scenarios for a company with \$10 million in revenue to demonstrate the importance of

the exemption:

Case 1. 90% of traffic is international, 10% is interstate.

Fees would be assessed only on \$1 million revenue for interstate traffic at 11.3%. USF fee = \$113,000.

Case 2. 80% of traffic is international, 20% is interstate. Fees would be assessed on the entire \$10 million of revenue at 11.3%.

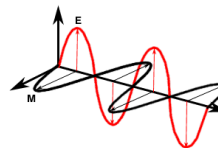


## What is Linear Polarization of Waves?

Linear polarization is a property of waves that describes the orientation of oscillations with respect to the direction of travel of waves.

Electromagnetic waves have two components: an electric field (E) and a

magnetic field (M) which are 90 degrees apart. These fields are perpendicular to the direction of travel. *Continued on page 2.*



**Did You Know** The Law Office of Raul Magallanes assists with filing FCC comments and reply comments in FCC Notices of Proposed Rulemaking (NPRM)?

An NPRM is the FCC's way of requesting input from the public regarding proposed rules.

**On Your Radar Screen** FCC regulatory fees are due September 25.

Current FCC fees for various services can be found at [www.fcc.gov/fees](http://www.fcc.gov/fees).

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### Facts of Interest:

- A list of companies that contribute to the Universal Service Fund can be found at <http://fjallfoss.fcc.gov/cgb/form499/499a.cfm>
- A Telecommunications Certifications Body (TCB) is a private organization that is authorized to issue grants for equipment certifications on behalf of the FCC.

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## Polarization (continued)

In satellite communications, linear polarization is a two-edged sword. On one side, it doubles satellite capacity because satellite operators can lease the same frequencies on both the Vertical and Horizontal sides of the linearly polarized electromagnetic wave.

On the other hand, signals from, say, the Vertical side can, at times, interfere with signals on the Horizontal side. This is especially true when an antenna's feed has not been correctly aligned and thus transmits mostly on its intended

pole (the co-pole), but "spills" energy into the unintended or opposite pole (the cross-pole).

The signal isolation (or cross-pole discrimination) of the co-pole to the cross-pole is an important ratio to consider in satellite system design.



## FCC Seeks Plan for 700MHz "D" Block

Last summer the FCC raised more than \$19 billion in an auction for 700MHz spectrum. This spectrum is scheduled to be available February 2009 due to the migration from analog to digital TV broadcasting. The spectrum was divided into A, B, C, and D blocks.

But, only the A, B, and C blocks were auctioned. The D block, originally intended for the commercial partner to

public safety, was not sold because it did not raise the FCC's expected revenues.

In response to a rulemaking notice, the FCC received a myriad of proposals regarding how to dispose of the D block. It will be interesting to see what FCC Commissioners decide on the new auction rules for the 10MHz of bandwidth currently allocated to the D block.

## The True Cost of Regulation

Companies providing telecommunications services to end-users need to take into account the true cost of regulation and how it affects their profits.

The Universal Service Fund (USF) fee, currently at 11.3% of revenue, is the most prominent in regulatory planning. Carriers that have a USF liability of less than \$10,000 per year are considered *de minimis* and are not required to make direct contributions to the fund. However, even carriers that meet the *de minimis* exception are required to register with the Universal Service Administration Company

(USAC) and may still be subject to TRS, LNP, and NANP fees which combined are applied to about 1.5% of revenue.

TRS is the Telecommunications Relay Service fee designed to support telecommunications relay services allowing hearing impaired individuals to communicate using the telephone. LNP is the cost recovery mechanism for Local Number Portability. NANPA is the contribution requirement for the North American Numbering Plan, a system of 3-digit area codes and 7-digit telephone numbers used to direct calls to the public telephone network.

## VSAT Licensing in Angola

VSAT Licensing and the use of frequency spectrum in Angola is regulated by INACOM (Instituto Angolano das Comunicações). INACOM, also regulates mobile and data services, was created June 25, 1999 through decree No. 12/99.

VSAT Service or Fixed Service (*Serviço Fixo*) in Angola can be provided exclusively by a handful of licensed in-country operators:

1. Angola Telecom
2. Mercury
3. Nexus
4. Mundo Startel
5. Wezacom

