



**January 2009**

## **Updates on the News**

***Out with the old*** – The Kevin Martin Era ended not with a bang, but with a whimper . . . or maybe it was more like a whine. Martin’s resignation was effective January 20, Inauguration Day. As reported elsewhere in this issue (*see* page 6), he made it to the office on January 19 – even though it was a federal holiday (Martin Luther King Day) – in order to get his last licks in on the cable industry. He also managed to crank out a letter to Congressman Dingell, defensively responding to the report issued in December by the majority staff of the House Committee on Energy and Commerce. (That report was described in last month’s *Memo to Clients*.) His letter had the persuasive power of the classic schoolyard retort, “am not!!” Or perhaps it more closely resembled the seemingly outraged yipping of a small dog who, in the safety of its owner’s car, feels the need to give the 150-pound Rottweiler on the sidewalk what for. One may well ask why Martin bothered. After all, it was reasonably clear that little if anything was going to come of the House report, at least as far as Martin himself was concerned. With his departure from the FCC, the Committee would likely have little or no continuing interest in him or his management style. But for whatever reason, he apparently wanted to get the last word in, and that he did, for what it was worth.

***In with the new*** – The smart money has been saying for some time that President Obama’s choice for Chairman will be Julius Genachowski, a Harvard Law School buddy of Obama and Chief of Staff to former Chairman Hundt during the Clinton years. As of this writing, however, the Genachowski nomination has not been formalized. (This could just be the result of routine start-of-the-administration distractions, although one observer has suggested that Genachowski’s activities in the private sector may brush up close enough to “lobbying” to give some Obama advisors pause. Ideally we’ll have a better idea about all this before our next *Memo to Clients*.) In any event, in the interim the President has elevated Commissioner Copps to the position of Acting Chairman. Copps lost little time in serving notice on one and all that he plans to run the show differently from Martin in at least three areas: “how the various Bureaus and Offices work with each other; how the Commissioners communicate with one another and with the Bureaus; and how the Commission communicates with the public.” It had been said that, in the Dark Days of the Martin Chairmanship, Martin insisted on controlling virtually all communication flow – so that Commissioners could not contact Bureau personnel without the Chairman’s OK, and Bureaus could not even speak with each other absent preapproval from Martin. Copps is apparently committed to allowing communications to flow freely. Let’s hope that he is willing and able to make good on that.

The effect of Copps's declaration of change – given in remarks made to the entire Commission staff – was apparently something like the climax of *Yellow Submarine*, when the Beatles arrive, the Blue Meanies are routed, and blue skies and pretty flowers return to the previously desolated Pepperland. According to several folks, after Copps's remarks morale among Commission staffers immediately skyrocketed out of the depths to which it had plunged under Martin.

***Recession? What recession?*** – Apparently the place to be this month was in line for funding for DTV-related projects. The Commission doled out more than \$20 million in the hope of facilitating the DTV transition. A number of grassroots groups – including AARP, Communication Service for the Deaf, the Hispanic Information and Telecommunication Network, and several state public broadcasting organizations – copped a total of \$8.4 million for plans to target seniors, people with disabilities and Spanish-speaking households with preparations for the transition. But the big winner was IBM, which walked away with a contract worth \$12 million. In return, IBM has to provide call center support to assist the Great Unwashed as they grapple with the nitty-gritty of shifting to digital. According to the Commission, IBM will have to brace for up to two million calls during the week of the transition – including some 400,000 calls the day after the transition. No word yet on what music they plan to play for callers placed on hold.