

<<<<< JOB DESTRUCTION NEWSLETTER No. 1617 -- 1/05/2007 >>>>>

There is no shortage of news and opinions concerning the negative effects of outsourcing but .... ALMOST NOTHING IS SAID ABOUT HOW OUTSOURCING IS ERODING OUR CONSTITUTIONAL RIGHTS.

I had an experience with AT&T that demonstrated to me the insidiousness and pervasiveness of this attack on our basic rights.

In mid-December of 2006 AT&T blocked my newsletter from all of its customers. I found out that AT&T was blocking it mostly by coincidence while talking to a subscriber who asked me why I haven't been publishing newsletters lately.

To make a long story short, the reason they weren't getting the newsletters is that someone in India arbitrarily decided to put a spam block on all email content from ZaZona internet servers. I base this accusation on conversations I had with a few AT&T customers that fought this censorship.

I am pleased to announce that the AT&T blockade was lifted today after efforts by several of their customers who called AT&T's technical support -- which is in India. It was no small effort by these brave activists because the Indians they talked to were snotty, arrogant, and uncooperative. They wouldn't even honor their American customers by explaining why the newsletter was blocked and when or if the block would be lifted.

Battling the censorship took a lot of my own personal time also. The time I take to ward off these attacks detracts me from other efforts.

AT&T and their staff in India may think their trans-national status gives them the right to subvert our freedom of speech but they are wrong on several counts. Violations of U.S. and international laws as well as their own were made:

- 1) The First Amendment to the United States Constitution protects our right to freedom of speech and freedom of the press.
- 2) Article 19 of the Indian constitution states that all citizens shall have the right to freedom of speech and expression.
- 3) The Universal Declaration of Human Rights, adopted by the United Nations General Assembly in 1948, says that: "Everyone has the right to freedom of opinion and expression; this right includes freedom to hold opinions without interference and to seek, receive, and impart information and ideas through any media regardless of frontiers."

Several people suggested that I contact the ACLU, FCC, EFF, and a variety of other organizations to take action against AT&T. Great idea, but folks, I can only fight so many battles! I have enough on my plate as is, and I hope you agree that my time and energy is best spent fighting H-1B and outsourcing.

I will conclude this newsletter with some thoughts about AT&T, corporatism, and fascism.

James Carlini writes in the article below that the merger of AT&T was a net positive. He then goes on to say:

AT&T won. Even though some people for Net neutrality are very passionate about their position as they fight AT&T, they don't understand who they are going up against, the prior regulations and guarantees set in the Telecom Act of 1996 and what resources the incumbents really have.

Carlini makes some good arguments in favor of the merger, but I think he is the one who doesn't understand what we are going up against. This concentration of power will allow AT&T to be a bigger and more powerful bully than they are now. Once this merger is completed you can bet that BellSouth customers will experience similar erosions of their Constitutional rights, which means the abuse will be bigger and badder.

Carlini's material has been used several times for this newsletter because he has great insight on high-tech, H-1B, and outsourcing. This time though, I think he missed the boat. As the trans-national corporations concentrate their power they are becoming tyrannical behemoths.

"Fascism should more appropriately be called corporatism because it is a merger of state and corporate power."

-- Benito Mussolini

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<http://www.carliniscomments.com/archives/113-ATT-BELL-SOUTH-MERGER-THE-REVES-TITURE-CONTINUES.html>

AT&T BELL SOUTH MERGER - THE REVESTITURE CONTINUES  
Filed Wednesday, January 3, 2007

The divestiture in 1984 was not such a good idea.

We are almost back to square one as another regional Bell operating company merges back into AT&T. The executives and lobbyists from AT&T and BellSouth must "be on a mission from God because they are putting the band back together". It seems no one can stop them.

They waited until the last week of 2006 to pull off the largest telecom merger in U.S. history. I always thought the old Bell system was better as one big company. They are another step closer to proving I was right by continuing the "revestiture" of AT&T, which I coined in a column in May 2005. I stated:

For all the noise generated by small Wi-Fi prophecies and shrill catalysts for change in the telecom and network industries, you still hear the clear booming sounds of Ma Bell's old Victrola playing louder than anyone and setting the rhythms for regulation and rewrites.

We have come about full circle with the telecom industry. Unfortunately, that means we are back where we started.

The Victrola played at the FCC again when it merged BellSouth with AT&T. The combined company now covers 22 states with about 300,000 employees and about 70 million subscribers.

#### Analysis Paralysis on Net Neutrality

There is so much blog analysis on the recent approval of the AT&T and BellSouth merger that the true issue has been overshadowed. As some blogs have ascertained, this is not a Democratic or Republican victory or defeat.

The fighters and crusaders for Net neutrality better take a second look at what they really won. It doesn't look like they really got much. Some of the analysts got it right by saying AT&T didn't give up much to get the merger approved. Parts of Jeff Pulver's blog statement summed it up succinctly:

I ... fear that -- in the long run -- AT&T might have given up nothing to the FCC, nothing to the Internet application providers [and] nothing to the users of the Internet and broadband networks.

[AT&T's] offer on Net neutrality sounds good and might be a model to countries like Japan that are considering Net neutrality rules.

AT&T agreed "not to provide ... any service that privileges, degrades or prioritizes any packet transmitted over AT&T/BellSouth's wireline

broadband Internet access service based on its source, ownership or destination".

A seemingly innocuous later sentence effectively makes that almost meaningless: "This commitment ... does not apply to AT&T/BellSouth's Internet protocol television (IPTV) service."

AT&T has always intended to give paying customers priority by routing them over the IPTV part of [its] network with Alcatel routers and Microsoft software designed for [quality of service].

This is another perspective:

Here's why this concession is not sufficient to protect the public interest if this monopoly-enhancing merger is allowed:

AT&T's IPTV is exempted from the neutrality provision. It is the TV "pipes" that AT&T CEO Ed Whitacre thinks are his.

The trouble is there are no separate pipes on an IP network. AT&T has left itself full flexibility to favor its own Internet video offers over all challengers or to charge others a premium for equal treatment.

Very carefully, the access network is defined as the part of the AT&T-supplied network between the customer premises and the nearest Internet peering point.

AT&T owns huge stretches of Internet backbone -- the part of the Internet between peering points -- [and] there is absolutely no promise of neutrality here.

Even this very weak concession sunsets in two years rather than the [3.5] years AT&T has offered for [its] other concessions.

It would be a step backward if AT&T succeeds in having this definition of Net neutrality become a standard.

Once they become a huge monopoly again, Net neutrality will fade into insignificance like the Versailles Treaty did after World War I.

Not a Democrat, Republican Issue

If you are looking at the merger as a Republican victory or at the mention of adhering to weak Net neutrality verbiage as a Democratic victory, you just don't get it. Having the best network infrastructure transcends any political party and is more of national strategic importance.

Some of the self-proclaimed telecom and network analysts have missed this. We have become too polarized and simplistic on siding with a party and its views versus understanding there are some things that are more important and shouldn't be tagged with a party affiliation.

Concessions should be given to AT&T if they are going to build and maintain the best infrastructure in the world. That is fair. That was in effect with what they had in the pre-divestiture, monopoly days. Still, those were simpler times because we were not talking about a convergence of voice, data and video on one broadband line coming into your house.

Comcast was not around with an alternative approach. Many third-world countries were not at a point of understanding that the network infrastructure of their country was a key component for global economic development.

Today, we are far behind network infrastructure deployments in some other countries. If AT&T isn't going to make ours the best network, they should not be given anything in concessions and they should shutter if the competition in the market overruns them. One post on BroadbandReports.com said:

Either build a robust network through and through or go out of business, get out of the way and let someone ... willing to build the network build already!

Isn't that capitalism? Does this merger get us any closer to building a superior infrastructure or does it merely create a "circling of the wagons" for old incumbent telephone companies to hold their last stand on profitability from an obsolete infrastructure?

DSL: 'Damn Slow Lines'

Build the best or get out of the way. Is this telling the incumbents too strong a message? Some people have asked me where I stand on this issue. It is very simple. I am for building the best network infrastructure as a platform that America can compete with globally for economic development.

If there is any rhetoric or lobbying that focuses on "we'll do what we can with copper" or "this is the best we can do" and it's a second-rate effort, there should be no legislation or restrictive covenants protecting the incumbents.

As for "naked DSL" or selling DSL without having to tie in phone service, I fail to see the great significance there. Slow DSL is slow DSL whether or not you tie it with another service. Nothing was mentioned about getting

really fast DSL or any data service to consumers.

Some people's mouths are watering because we are going to get 6 Mbps with Project Lightspeed when other countries are looking at delivering 100 Mbps in the same time frame. We are behind. DSL stands for damn slow lines when you compare it with fiber.

So Who Really Won?

AT&T won. Even though some people for Net neutrality are very passionate about their position as they fight AT&T, they don't understand who they are going up against, the prior regulations and guarantees set in the Telecom Act of 1996 and what resources the incumbents really have.

Some people have made clamoring for Net neutrality like it is some sort of modern-day crusade. Some of these people thought they won a victory by seeing certain concessions. Others -- who are more astute -- learned they simply brought a knife to a gun fight.

No concessions of consequence were won and the bigger issue of ensuring that a No. 1 network will be built was never even put on the table.

Carlinism: Never underestimate an opponent. Let them underestimate you.

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