

PROCEED WITH CAUTION ON HB 1500

BEWARE: The devil is in the details!

AT&T says: *Competition drives prices down...BUT:*

- AT&T Chairman Edward Whitacre says, “I don’t think there’s going to be a price war.” *Broadcasting & Cable* (6/2/06).
- When asked what average consumers can expect to happen to their bills following introduction of AT&T’s U-Verse service, Whitacre responded, “They should expect no change. We hope they buy more and the bill goes up.” *Atlanta Journal-Constitution* (2/13/07)
- A study of head to head competition in Chicago’s cable market showed no decrease in rates for the consumer over an extended period of time. Residents in areas without competition paid the same rates as residents in areas with competition. *Analysis of cable rates charged in the Chicago Area, Buske Group*, (2/16/07)
- After telephone entry into the market in Montgomery County, Maryland, cable rates went up. *Washington Post* (2/18/07)

AT&T says: *We will bring cutting-edge video choices to Illinois consumers...BUT:*

- AT&T executives last month admitted that there are problems with the software for its U-Verse service. *Wall Street Journal* (2/7/07)
- AT&T needs to install large metal boxes to store its U-verse technology. These boxes stand five to six feet tall. When the City of Wheaton passed a six-month moratorium on these boxes over a certain size, AT&T sued. *Arstechnica.com* (12/18/06)
- “A recently-installed U-verse cabinet in Texas actually exploded. The 79-year old resident of the house next to the box said, ‘It went about 50 feet to the other side of the yard and some pieces of the box went down the street. It shook the house pretty good.’” *Arstechnica.com* (12/18/06)

AT&T says: *We will provide nondiscriminatory access to video programming throughout out telecommunications service area...BUT – what is its service area?*

- Fifteen months after getting a statewide franchise in Texas, AT&T is still serving less than 1% of the households in San Antonio, its home base and flagship market. *AT&T reports for 3rd and 4th quarters of 2006*
- Suburban officials are worried that AT&T will cherry-pick the most affluent areas rather than offer service to all parts of the cities. *Chicago Tribune* (1/5/07)



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AT&T says: *Unless the status quo is changed, consumers will be deprived of competitive video choice for years and years...BUT:*

- 15 months after getting its first state franchise, AT&T's technology remains in the trial stage with just 3,000 customers at the end of the fourth quarter, unchanged from three months earlier.
Multichannel Newswire (1/25/07)
- AT&T's Homezone service, slated to serve the majority of its customers, is nothing more than satellite and DSL - services that are currently available to Illinois consumers today.
Wall Street Journal (2/7/07)

AT&T's literature says: *Cities prevent video competition...BUT:*

- AT&T and Ameritech held cable franchises in every area of Chicago within the last decade. Both companies sold to cable companies.
- AT&T's predecessor, SBC, fought to kill broadband competition in Geneva, Illinois, in 2004.
Arstechnica.com (1/18/06)
- "We would love to have AT&T or any other provider come in and provide competition...but it has to be on a level playing field," said Gayle A. Smolinski, Mayor of Roselle *Media in the 21st Century: Hanging Up On Reform - cantv.org (2006)*
- Seven Illinois municipalities, including Geneva and Roselle, were sued by AT&T for upholding policies to guard against unfair competition on an unlevel playing field. *Daily Herald (1 30 07)*

AT&T's literature says: *We will provide funding for and deliver local public, education and government (PEG) access channels... BUT:*

- Under AT&T 1% PEG funding proposal, Urbana's community station, UPTV would lose half of its funding right at the outset. Batavia would lose 21%.
- In Michigan, AT&T backed legislation freezes the number of PEG channels in perpetuity. In Carbondale, Illinois, that means shutting down its plans for a PEG channel.
- In AT&T's hometown of San Antonio, Texas, the PEG channel went dark soon after enactment of the state franchise due to cuts in support of PEG in the legislation. (*Sharon King testimony at FCC hearing on Video Competition held in Keller Texas, 2/10/06*)
- In Michigan, all fees for carriage and conversion to AT&T's technology are the responsibility of the PEG entity, costs that can shut down educational programmers like Parkland College in Urbana.

