

Cable wars rage on amid new technology: Hinz

By Greg Hinz
Sept. 17, 2008

(Crain's) — When it comes to bitching, the No. 1 target in my neighborhood is whatever company delivers the TV signal.

Be it cable, satellite or something else, rates are too high and service is beyond lousy, we all agree. Why can't someone new come in and offer us poor consumers an alternative?

Well, someone is trying to offer us an alternative. And, in the wonderful way things work out there in the ether, the new kid on the block has set off a first-class controversy.

Some things just ain't easy.

The "new" kid is what's known as internet protocol TV — a fancy way of referring to TV that comes not through the air or via video cable but on your good old copper telephone wire. Such service statewide was authorized under a law approved in 2006 by the Illinois General Assembly, and it's gradually being rolled out in Illinois by a division of AT&T Corp.

Now, AT&T has been accused of many things through the years. Being "new" is not among them. And some of the company's critics say the descendant of Ma Bell is just as capricious and monopolistic as the old lady ever was.

Specifically, the folks who run all those public, educational and governmental access channels out there — PEG channels, as they are known in the business — claim that AT&T is effectively trying to banish from their system the broadcasts of village board meetings, senior programs and other desirable but non-lucrative programming.

AT&T is said to have done this by lumping all of the dozens of PEG channels in the metropolitan area into a special menu that has to be separately accessed, rather than beaming your local PEG channels directly to you as the cable companies do. Under the new system, getting, say, the Mount Prospect village channel requires the viewer to first hit channel 99 on the main screen, scan through a menu to find the Mount Prospect channel, and then wait for it load into their TV.

When I did that earlier this week in an AT&T office downtown, the process took about 20 seconds.

AT&T says the inconvenience is relatively minor for the typical person, and the technology allows it to offer competitive service at a good price (\$44 a month and up, depending on which channels you order).

The firm has a powerful ally in state Rep. James Brosnahan, D-Oak Lawn, who authored the 2006 law allowing statewide TV franchises. He says the firm is complying "not only with the letter but the spirit of the law."

While it takes a moment to go through channel 99 first, "it doesn't take long," he says. "The investment of hundreds of millions of dollars, the new jobs and the new competition in the market far outweigh the minor

inconvenience.”

But the PEG folks see it differently.

Led by Barbara Popovic, executive director of Chicago Access Network Television, opponents argue that some viewers have trouble working through a long menu. Viewers no longer can stumble upon their local PEG channel while surfing, she says, and no longer will be able to use a DVR or TiVo to record PEG channels, since AT&T's system does not allow that.

Ms. Popovic, who was due to testify before a congressional panel on this matter Wednesday, also cites an engineering study that concludes AT&T could revamp its system to avoid a channel 99 system, if it wanted to.

AT&T says that's just not possible and that its system is wired differently. But a report being issued Wednesday by the Congressional Research Service says it is possible, though expensive. The report estimates the cost at about \$200,000 per PEG channel — a figure that, just in metropolitan Chicago, could set AT&T back \$40 million or more.

AT&T also notes that satellite television providers don't offer PEG channels at all.

On the other hand, one member of the panel holding Wednesday's hearing, north suburban U.S. Rep. Mark Kirk, R-Highland Park, sides with the PEG folks.

“It's practically impossible for the average senior citizen to find access channels under the AT&T system. They've been exiled to Siberia,” he said. “If the state of Illinois doesn't do the right thing, the Congress should.”

There you have it. Summers come and go, and the kids grow up and have their own. Meanwhile, the cable TV wars rage on.
