

# TML's Bragg: AT&T limits itself and maligns cities

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In remarks aimed at quashing legislation sought by AT&T, Tennessee Municipal League President Tommy Bragg, who is mayor of Murfreesboro, told the Tennessee House commerce committee this morning that as a result of recent action by the Federal Communications Commission, the relief sought by AT&T and resisted with increasing intensity by the state's cities and counties "is, in fact, unnecessary."

It was surely no accident that the TML this morning fielded Bragg, the son of the late State Rep. John Bragg (D-Murfreesboro), who was the longtime chairman of the finance, ways and means committee during his 31-year tenure in the House.

Bragg and TML staff explained to the legislators that a recent FCC order had cleaned up the cable and video-franchising process administered by local governments, so that impediments to new providers have been eliminated.

As a result of those and other changes to federal law during the past 11 years, Bragg said, AT&T Tennessee — the former BellSouth — faces only competitive barriers that it has imposed on itself.

In fact, in testimony today and previously, AT&T Tennessee President Marty Dickens and corporate attorney Joelle Phillips have emphasized that the first competitive barrier they face in advocating their company investing in new technology and services in Tennessee is, in fact, internal: They must bid for AT&T investment capital, in a contest with other AT&T subsidiaries.

They explain that that AT&T capital will be allocated more readily to operations in states that allow would-be new video-services entrants to secure a single statewide franchise, rather than be forced to deal with a possible 347 cities and counties for individual community franchises.

AT&T Tennessee has made clear it does not intend to settle for anything less than a state-level franchising law. Dickens told *NashvillePost.com* a week ago that even though AT&T executives have previously suggested that the nature of AT&T video service is more akin to an Internet information service, for which they argue they don't need a franchise, AT&T will not attempt to test that proposition in Tennessee.

Phillips insisted that, overall, the current system of city-by-city franchising is "so unattractive" that AT&T would not upgrade its video capacity in the state if forced to do as cable-television companies have done for decades.

Bragg also made clear his displeasure with certain verses in what he called AT&T's

"serenade" of Tennessee legislators. Bragg rejected AT&T's argument that local governments are, as he put it, "maliciously" resisting changes in the franchising law — changes that AT&T argues would save Tennessee consumers at least \$177 million per year in video-services charges that would drop dramatically — only, that is, if another wireline provider entered the market to compete with cable companies.

As rejoinder, Bragg stressed that local governments have zero legal authority over pricing of cable services. Bragg said AT&T's allegations are merely a "red herring," intended to shift the focus from provisions in the proposed legislation that would make it easier for providers to skip entirely or provide fewer services to neighborhoods or rural areas in which projected investment returns are deemed inadequate.

TML Deputy Director Chad Jenkins told *NashvillePost.com* yesterday that cities and counties — which currently receive \$50 million or more each year from existing cable franchises — are destined to become "collateral damage in an ongoing war between corporate giants," a reference to AT&T and the cable industry.