

By Stacey Briggs

AT&T is yelling loudly that if it can just get a little old change in state law then it will deliver Tennesseans choice and competition in cable television services.

Never mind the fact that AT&T can provide service today anywhere in Tennessee and provide you all of that choice and competition by simply applying for a franchise with your local city hall. And never mind that the law AT&T wants will strip away protections for consumers and local governments – big details the company suggests just don't matter.

But let's live in fantasy land with AT&T for a minute and pretend that it needs a new state law to sell television services. Its sales pitch sounds good – who, after all, is not for choice? Except for this problem – the vast majority of Tennesseans would never have a shot at AT&T's choice and competition.

AT&T wants a law with no meaningful requirement to “build out” the network across an entire community in which it has a franchise, so that all homes at least have equal access to service. This is a primary feature of the current local franchise system – the point being to ensure that people have access to technology.

Why on earth, at a time when maximizing technology infrastructure is our state's goal, would we want to establish a system that limits “build out” and certainly in a way that guarantees discrimination against rural and lower economic neighborhoods in urban areas?

The answer is a very simple one, even if AT&T won't admit it. The company doesn't really want to make service available to everyone and it certainly doesn't want to spend the money – as cable companies have – to make service accessible to everyone in a community. While full “build out” would be good for Tennessee citizens, it would apparently be bad for AT&T's shareholders.

This is because it's darned expensive to deploy all of that infrastructure to connect with customers. Cable companies, working through local franchise requirements that insist on making service accessible to all, have spent well over \$1 billion in infrastructure in Tennessee, in urban and rural areas, and continue to spend over \$100 million annually just to keep the network viable.

In the meantime, AT&T threatens that if this bill doesn't pass it will not invest \$250 million in Tennessee to begin service. In fact, \$250 million is a meager infrastructure investment amount in 2007 terms – hardly enough to “build out” one large Tennessee city, much less the entire state. Citing such a small investment amount is tantamount to an admission by AT&T that it doesn't plan to make service available to many folks at all.

Which would be fine if AT&T would quit acting like a new state law would deliver choice for everybody. But being candid isn't an option, since the company needs a majority of legislators to believe their constituents have a great thing on the way – even if the truth is that AT&T will never appear in their neighborhood.

In the Indianapolis area, one of the very few markets where AT&T has introduced its U-Verse product, the company has very obviously built networks in the affluent suburbs and avoided lower economic and urban areas. African-American and pro-consumer groups have reacted very sharply and critically to AT&T and have weighed in with states to urge against dismantling the current local franchise system.

In Pennsylvania, it's more of the same, according to Gov. Ed Rendell: "They (AT&T) wired the most profitable parts of the state and not the unprofitable areas. . . but (connecting all residents) was part of the deal."

Let me be very clear: The Tennessee Cable Telecommunications Association and its members welcome competition. Choice is good for consumers, but new competitors must play by the rules put in place to benefit consumers.

We oppose AT&T's current proposal because it would give the company enormous competitive advantages that law-abiding cable providers have never had in Tennessee. Tennessee's cities and counties oppose AT&T's bill because it eliminates all kinds of consumer and public protections that the Federal Communications Commission believes important to Tennessee's citizens – even if not to AT&T's shareholders.

Stacey Briggs is executive director of the Tennessee Cable Telecommunications Association