

# TENNESSEE CABLE TELECOMMUNICATIONS ASSOCIATION

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## **TCTA Opposes Legislation that would “Shortcut” Current Process and “Short Change” Consumers and Local Governments**

NASHVILLE – The Tennessee Cable Telecommunications Association will fight against an anticipated proposal by BellSouth/AT&T to strip local governments of approval and oversight of cable and video franchising. TCTA instead urges that competitors go through the current process that has worked extremely well for local governments, consumers and cable companies.

“Stripping power from local governments by creating a shortcut for new franchise approvals at the state level is unfair. It gives BellSouth/AT&T a competitive business advantage at the consumer’s expense. BellSouth/AT&T will get to choose who they want to serve,” said Stacey Briggs, TCTA executive director.

TCTA today launched a new Web site – [www.CableConnectsTennessee.com](http://www.CableConnectsTennessee.com) – to inform the public about a legislative effort the organization believes would be bad policy for consumers.

Without the strong agreements that exist between current cable providers and Tennessee’s local governments, new companies entering the market can cherry-pick neighborhoods for services and effectively discriminate against lower income and rural areas.

“Companies offering new services should go through competitive channels already open to them,” Briggs said. “BellSouth/AT&T has had the ability to enter this business for 10 years through the existing local application process and have chosen not to, and now they want a shortcut.”

“Competition is good for consumers and the marketplace,” Briggs said. “But all telecommunications companies should play by the same rules with like services treated alike. BellSouth/AT&T has new products and they should bring those to consumers through a front door that is already wide open to them through local franchise applications and contracts.”

“These local agreements exist to protect consumers, local governments and the public rights-of-way. The fact of the matter is BellSouth/AT&T has not made good business decisions. They have chosen not to invest in Tennessee where cable has. The cable industry has invested \$1 billion in infrastructure in Tennessee since 1996. But it appears BellSouth/AT&T would rather gain a financial advantage and not have to play by the very rules that are in place to protect consumers. A shortcut for them will shortchange the public.”

The process of contracting locally to provide service in accordance with federal and state laws has worked well for decades. The existing law and process enables companies to apply with local governments to provide services in the market place. Under the law, every county and incorporated city in Tennessee contracts with companies who want to use the local rights-of-way to offer cable service. These contracts known as franchises require cable operators to build out and serve the entire community regardless of whether the customer takes cable or not. The FCC now requires local cable-franchising authorities to act on applications from competitors within 90 days.

BellSouth/AT&T is expected to request a shortcut in the law so that it can gain single approval through the state rather than work with each local government entity. The shortcut approach would save BellSouth/AT&T from costly build out requirements in areas they do not intend to serve. In comparison, cable companies have chosen to invest in all communities and neighborhoods in compliance with local agreements and build-out requirements.

Cable’s local franchise agreements also result in \$40 million annually in local franchise fee payments to Tennessee local governments.

“The question must be asked why BellSouth/AT&T wants to avoid the local agreement process. We welcome fair competition that protects consumers and local governments, but cannot support handing over an enormous and blatantly unfair advantage to companies like BellSouth/AT&T who can certainly afford the investment if they choose,” Briggs said.

Founded in 1967, the TCTA serves as a trade association for the cable telecommunications industry in Tennessee. TCTA represents cable operators and their 1.3 million customers in Tennessee, cable programmers, and providers of other products to the cable industry before the Tennessee General Assembly, the Tennessee Regulatory Authority, the Tennessee Congressional Delegation, and in local, state and federal legal and public relations matters.

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