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Statement by the TCTA to FCC Ruling

Below is a story from today's Wall Street Journal detailing formal rule yesterday by the Federal Communications Commission to speed license approval for video services through the local franchise agreement (LFA) process. This is a major development as it relates to AT&T's effort in Tennessee (and other states) to dismantle the local franchise approval process. The formal rule reaffirms the local franchise process and further ensures that AT&T would already have very swift application and approval in any Tennessee city or county if it would simply apply to do business. Statement to this news by *Tennessee Cable Telecommunications Association*:

“AT&T got what it wanted at the federal level – the local franchise process is even more streamlined and expands a door that has already been wide open to the company to serve any city or county in Tennessee,” said Stacey Briggs, TCTA executive director. “AT&T has always had the ability – without passage of a state law – to compete in Tennessee and now that process will be more easy and rapid than ever.”

As you are aware, TCTA, Tennessee Municipal League and Tennessee County Services all oppose the AT&T effort. The reasons: AT&T can compete today in any city/county in Tennessee by simply applying for application; it has had this ability for the past 11 years and does not need a state law to be approved to get into the video business. What it DOES need a state law to do is circumvent the LFA process, to expressly exempt itself from build-out requirements that currently exist to ensure service availability to all households, and to avoid many of the provisions that exist to protect local governments.

FCC Eases Video Entry For Telecom Companies

By COREY BOLES

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WASHINGTON -- Efforts by telecommunication companies such as [AT&T Inc.](#) and [Verizon Communications Inc.](#) to compete head-on with cable operators in the provision of video and broadband service were made easier by the Federal Communications Commission yesterday.

The agency released new rules that aim to standardize the process for new entrants to the video market to get a license from local governments. Given that new entrants use Internet technology to provide video service, the FCC also hopes its new rules will speed up broadband deployment across the country.

Currently, in the majority of states, companies wanting to enter the video market must apply for a license from the local government, a process that phone companies have complained is costly and time consuming.

The FCC doesn't have the authority to create a national system, but Chairman Kevin Martin believes it does have the ability to limit the behavior of local governments. The new rules state that local authorities must decide on a franchise application within 90 days; if they don't within that time frame, the license will be deemed granted. In addition, they can no longer make extraordinary requests from applicants for the deployment of hardware or for requests unrelated to the provision of video service.

Justifying this, the FCC's final order points to evidence submitted by Verizon, which claimed that in parts of the country it has been asked to provide a number of unrelated services to get a license. These included the purchase of streetlights, wiring for churches, installation of cellphone towers and cellphone subsidies for town employees.

The rules, which were adopted in December and posted on the FCC Web site yesterday, are likely to be met with a legal challenge from state and local authorities.

The rules were voted for along partisan lines at the FCC's December public meeting with the three Republicans -- Mr. Martin and Commissioners Deborah Taylor Tate and Robert McDowell -- defeating Democratic Commissioners Jonathan Adelstein and Michael Copps.

"The sum total here is an arrogant case of federal power riding roughshod over local governments," said Mr. Adelstein in a statement accompanying the final order.

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