

35.



City of West Allis Matter Summary

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number	Title	Status
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2007-0243 Communication In Committee

Communication from AT&T Wisconsin announcing that it will begin to offer its new U-verse TV service on or after May 24, 2007 and its commitments to the City of West Allis.

Introduced: 5/1/2007

Controlling Body: License & Health Committee

COMMITTEE RECOMMENDATION

POF

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>5-1-07</u>			Barczak				
			Czaplewski	✓			
		✓	Dobrowski	✓			
			Kopplin	✓			
			Lajsic				
	✓		Narlock	✓			
			Reinke				
			Sengstock	✓			
			Vitale				
			Weigel				
			TOTAL	5	0		

SIGNATURE OF COMMITTEE MEMBER

Rest Kopplin _____ _____
 Chair Vice-Chair Member

PLACE ON FILE

COMMON COUNCIL ACTION

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>MAY 01 2007</u>			Barczak				
			Czaplewski				
			Dobrowski				
	✓		Kopplin				
			Lajsic				
		✓	Narlock				
			Reinke				
			Sengstock				
			Vitale				
			Weigel				
			TOTAL				

UNANIMOUS



Mark F. Lipford
Vice President & General Manager
Wisconsin Markets

AT&T Wisconsin
722 N. Broadway
Milwaukee, WI 53202

OFFICE OF THE MAYOR
RECEIVED

APR 24 2007

WEST ALLIS, WI

April 23, 2007

RECEIVED

APR 24 2007

CITY OF WEST ALLIS
CLERK/TREASURER

Jeanette Bell
Mayor
City of West Allis
7525 W. Greenfield Ave.
West Allis, WI 53214

Re: AT&T's New U-versesm TV Service

Dear Ms. Bell:

AT&T Wisconsin ("AT&T") is pleased to announce that it will begin offering its new U-verse TV service in the City of West Allis on or after May 24, 2007. U-verse TV service is a next-generation Internet Protocol (IP)-based service that is offered over existing telephone network facilities that have been upgraded under its Lightspeed initiative. AT&T Inc. expects to invest approximately \$4.6 billion from 2006 through 2008 on this initiative in the 13 state region in which AT&T and its affiliates provide residential local telephone service. In addition to offering High Speed Internet Access, AT&T's U-verse TV service will include IP-video features that will deliver a high quality, personalized video experience with more than 300 channels, hundreds of hours of video-on-demand, internal digital video recorders (DVRs), parental controls, secondary language feeds where available, as well as numerous other features and innovations enabled by the unparalleled flexibility of our unique two-way IP platform. As you will appreciate, AT&T's introduction of this service will bring much-needed video service competition and new video choices to West Allis residents, will provide additional revenues to the City government, and will produce great economic, public and other benefits for the City and its residents.

AT&T has a history of rolling out cutting-edge technologies and services to as many consumers as quickly and efficiently as possible. Moreover, AT&T and its predecessors have offered services and operated facilities in West Allis public rights-of-way in a safe, responsible, lawful and customer-friendly manner for nearly a century. We are firmly committed to continuing that tradition as we add new video services to our broad suite of existing voice, data and video capabilities. Because AT&T will not be a "cable operator," operate a "cable system" or provide a "cable service" within the meaning of the Federal Communications Act and the Wisconsin Cable Act, AT&T's U-verse TV service is not subject to local cable franchising requirements. At the same time, AT&T has always strived to be an active partner with the communities we serve, and you have our assurance that our U-verse TV service will fully address West Allis residents' expectations regarding the payment of reasonable and appropriate video-related fees to the City and other important consumer and public policy-related matters such as the carriage of public, educational and government programming and emergency alert service.

Because AT&T is confident that its new U-verse TV offering will greatly benefit West Allis and its residents, AT&T is documenting these important aspects of its service offering as specific formal commitments to the City of West Allis. AT&T will treat these commitments as legally binding. These commitments will expire in the event that AT&T is prevented from providing its U-verse TV service in the City or in the event that these commitments are superseded by an agreement between the City and AT&T or an alternate state or federal framework. Accordingly, by this letter, AT&T specifically obligates itself to fulfill the following commitments in connection with its provision of U-verse TV service in West Allis:

cc: *ald*

Payments to the City. AT&T will pay the City quarterly a fee of five percent (5%) of (i) the gross revenues from U-verse TV service-related subscription fees collected from each West Allis subscriber to AT&T's U-verse TV service and (ii) a proportional share of the revenues net of commissions that AT&T receives from advertising associated with the U-verse TV service, determined by dividing the number of subscribers in West Allis by the total number of subscribers in any regional or national advertising compensation arrangement ("Video Service Fee"). The Video Service Fee will not apply to discounts, subscriber fees not paid or revenues from non U-verse TV-related products and services including voice, data, Internet-access, or satellite-based video services. To support the community's public, educational, and governmental programming, AT&T will also pay the City a quarterly fee per U-verse TV subscriber that is the lesser of the per subscriber fee that is actually paid by the incumbent cable operator or one percent (1%) of the gross revenues as defined above ("PEG Fee"). These fees will be identified on customers' bills. AT&T will grant the City the right to conduct reasonable audits to assure that the Video Service and PEG Fees have been properly calculated, and AT&T will pay the costs of any audits that establish underpayments of 5% or more.

PEG Programming. AT&T is committed to carrying noncommercial public, educational, and governmental ("PEG") programming and is implementing a PEG solution that will enable cities to take advantage of the capabilities inherent to IP-based video services to redefine community access and improve the public voice. AT&T's PEG solution will not only allow AT&T subscribers to view existing PEG channels made available by cities but also will enable cities to potentially make available additional content either in the form of additional streams of video and/or on an archived or "on-demand" basis. Further, AT&T's solution will enable cities to make community access programming more accessible by making it available via the public Internet as well as being available on AT&T subscribers' televisions. AT&T is ready to initiate a dialogue with the City to discuss carrying PEG content on its U-verse TV service and to ensure that content made available by the City is provided to AT&T in a manner or form that is compatible with AT&T's technology. To assist the City in offsetting potential costs associated with any necessary change or alteration in content, AT&T will provide the PEG Fee as outlined above and, if requested by the City, advance the funds necessary for the City to purchase and install any equipment and transport necessary to make PEG content available to AT&T, with these amounts to be offset against future PEG Fee payments.

Emergency Alerts. The Federal Communications Commission is currently considering the question of whether traditional telephone companies that plan to provide video content to customers' homes through fiber optic connections should have public alert and warning responsibilities. Regardless of the FCC's docket, given the importance of providing public safety information, AT&T is implementing Emergency Alert Service ("EAS") for its U-verse TV service. Upon the launch of its service, AT&T will provide EAS alerts by retransmitting any EAS alerts, Federal, state or local, provided by local broadcasters. Further, AT&T has committed to the FCC that by the end of 2007 AT&T will implement the capability to carry EAS alerts on nearly all its sources of content, including its national channels, when customers view AT&T's programming guide, when a subscriber is viewing a movie through AT&T's video on demand capabilities and even during playback when a subscriber utilizes the digital video recorder features of AT&T's U-verse TV service.

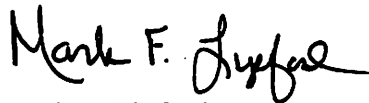
Customer Service. AT&T has a history of providing best-in-class customer service and will continue to provide this level of service to its U-verse TV service customers. Although it is not a cable operator, AT&T commits that it will comply with the customer service requirements currently applicable to cable operators under FCC regulations (47 C.F.R. § 76.309(c)). These requirements include answering standards for customer telephone questions and complaints, minimum customer service hours, standards for performing installations, responding to outages, and answering service calls, and requirements for issuing refunds and credits to customers.

Nondiscrimination. AT&T and its affiliates serve tens of millions of customers throughout the nation without discrimination, and AT&T and its affiliates have a long history of aggressively deploying its services widely throughout its local service territory. AT&T has no intention of engaging in redlining or other unlawful discrimination in connection with its video service offerings, and it is committed to ensuring that households of all income levels have additional competitive video service choices.

Indemnification. AT&T will indemnify, hold harmless, and defend the City, its officers, agents, and employees, from any and all personal injury and property damage claims by individuals for alleged injury, damages, loss, liability, cost or expense arising out of, or incident to, the installation, construction, maintenance, upgrade, or operation of AT&T's networks for the provision of U-verse TV service. In the event that an act or omission by the City is a concurrent cause of the claim, damage, or loss, AT&T will indemnify the City to the proportionate extent that AT&T is determined to be at fault.

AT&T looks forward to working with the City and its officials and to providing industry-leading U-verse TV service to West Allis' residents as expeditiously and efficiently as possible and in compliance with all applicable laws. Please do not hesitate to contact us if you have any questions about the introduction of AT&T's U-verse TV service in West Allis, or about the specific undertakings described in this letter. Please direct any questions to Richard J. Quist, General Attorney & Assistant General Counsel, AT&T Midwest, 414-270-4557.

Sincerely,



Mark F. Lipford
Vice President and General Manager
Wisconsin Markets

cc: Sheryl Kuhary, Assistant City Attorney
Paul Ziehler, City Administrator