



at&t

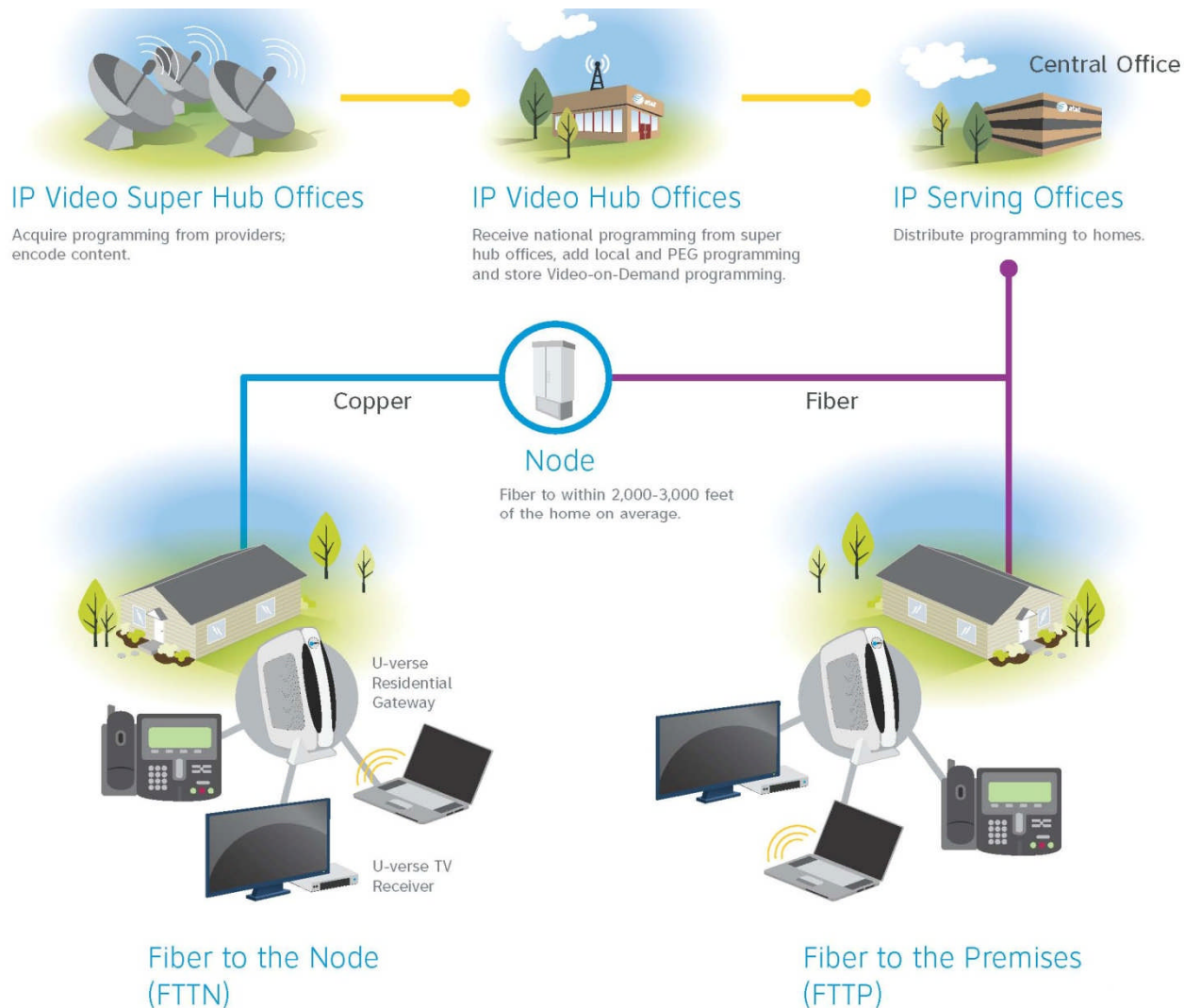
**Biennial Report on Video  
Competition in North Carolina to  
the Revenue Laws Study  
Committee**

**April 2010**

# Background

- AT&T announces plans for **multi-million-dollar investment** in fiber network upgrades, further broadband deployment and internet-based technologies to bring new services, including cutting-edge television, to North Carolina. *(July 2007)*
- AT&T launches AT&T U-verse TV in the **Charlotte** region. *(November 2008)*
- AT&T launches AT&T U-verse TV in the **Raleigh** region. *(December 2008)*
- AT&T launches AT&T U-verse TV in the **Asheville** region. *(August 2009)*
- AT&T U-verse has received industry acclaim for service excellence and innovation, which echoes the positive feedback from customers.
- AT&T U-verse TV ranked **“Highest in Residential Television Service Satisfaction in the South and West Regions Two Years in a Row,”** according to the J.D. Power and Associates 2008 and 2009 Residential Television Service Provider Satisfaction Studies<sup>SM</sup>.

# Technology



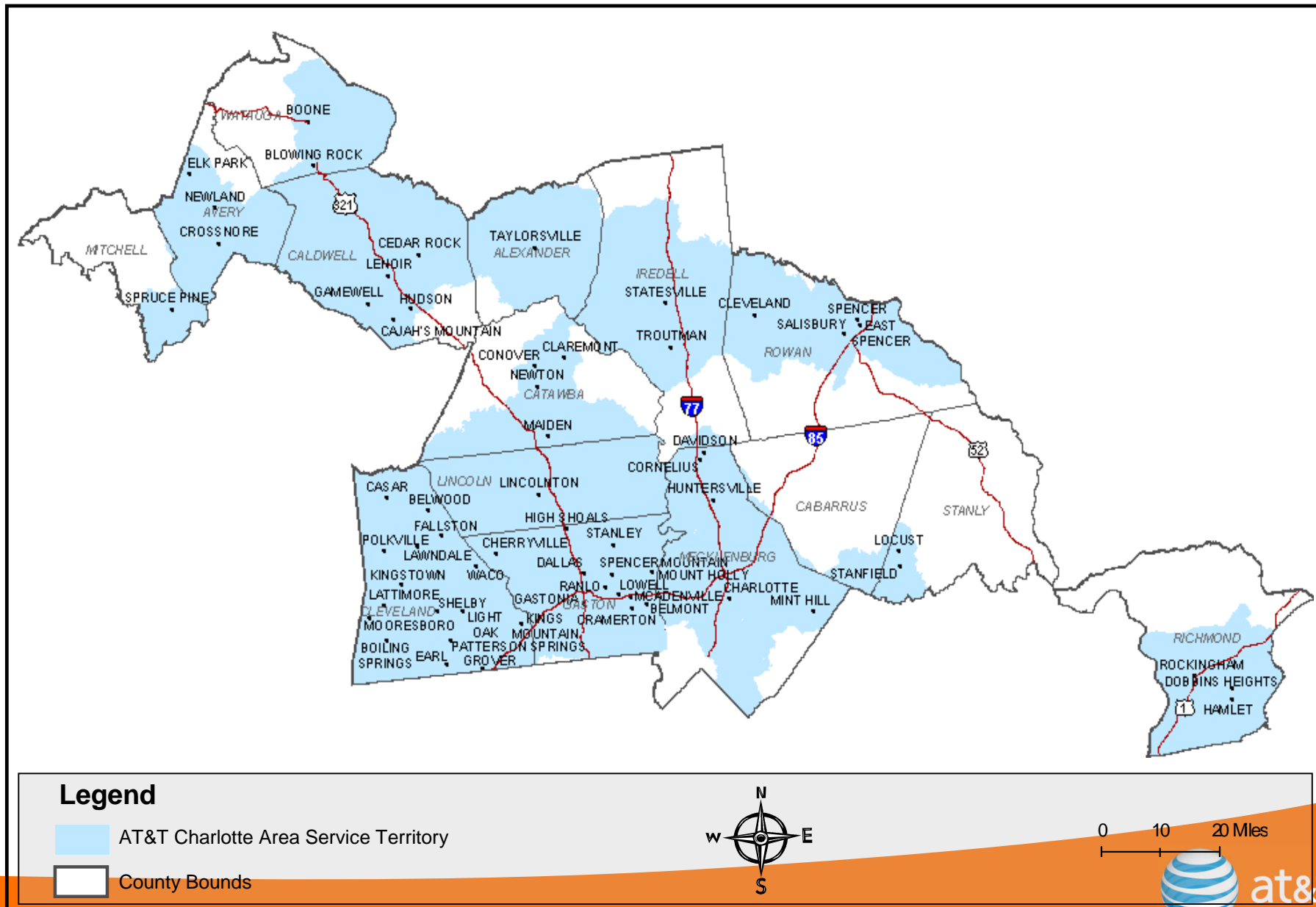
## How AT&T U-verse TV is Delivered

AT&T's Internet Protocol (IP) network and video backbone delivers high-quality video, advanced

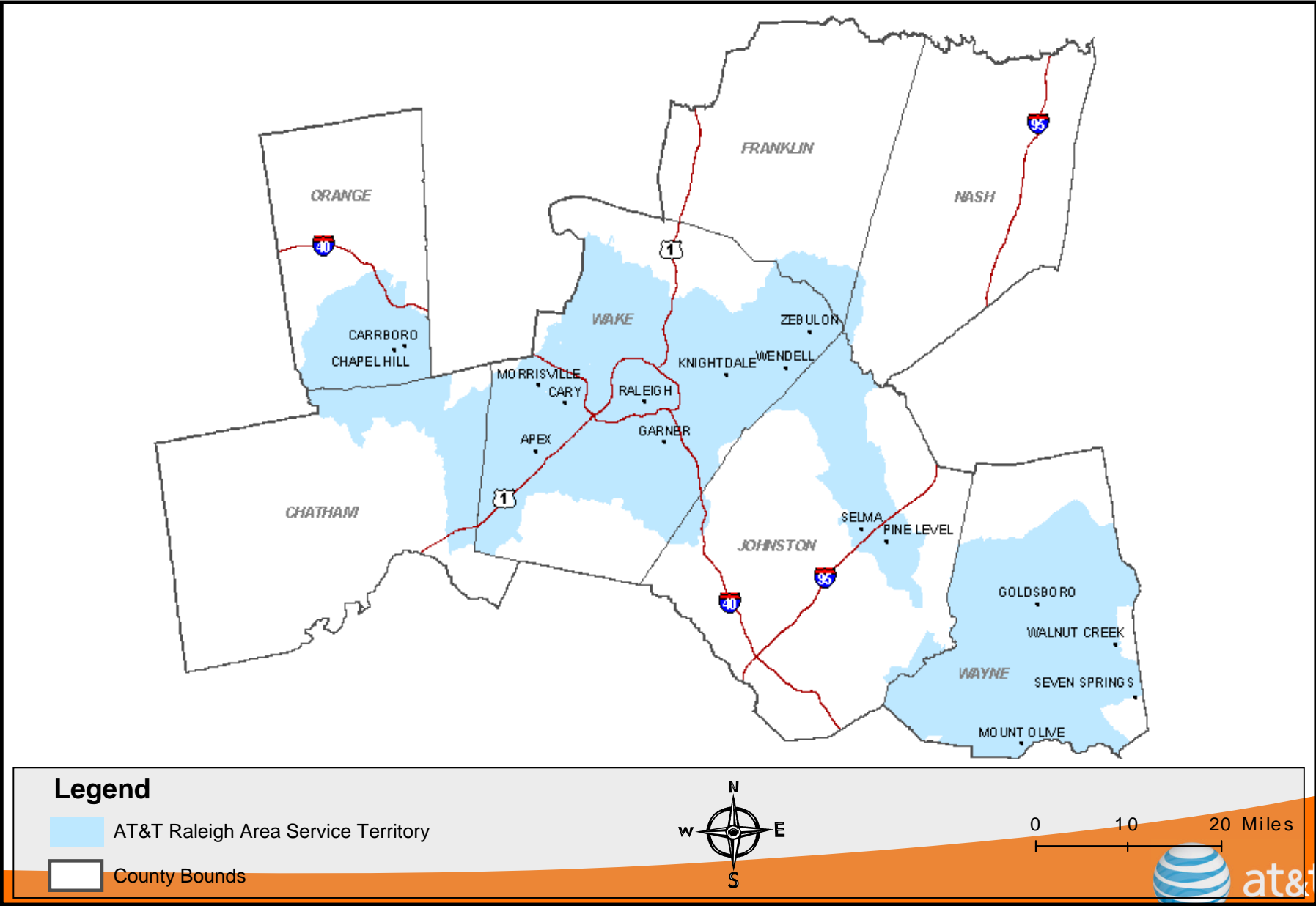
functionality, and other applications. Video content travels AT&T's managed, two-way IP network

and arrives at the customer's home via fiber-to-the-premises or fiber-to-the-node technology.

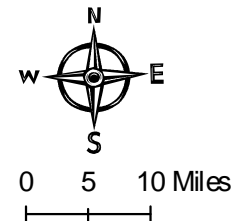
# AT&T North Carolina Notice of Franchise for Charlotte Area Service Territory



AT&T North Carolina Notice of Franchise for Raleigh Area Service Territory



## AT&T North Carolina Notice of Franchise for Asheville Area Service Territory



## Commencement of Service: Counties (not available for all living units)

- Charlotte DMA
  - Burke, Cabarrus, Caldwell, Catawba, Cleveland, Gaston, Iredell, Lincoln, Mecklenburg, Rowan
- Raleigh DMA
  - Chatham, Durham, Orange, Johnston, Wake
- Asheville DMA
  - Buncombe, Haywood, Henderson

# Commencement of Service: Cities, Towns, and Communities (not available for all living units)

- Charlotte DMA
  - Alexis, Belmont, Bessemer City, Boger City, Boiling Springs, Charlotte, Cherryville, Cleveland, Claremont, Connelly Springs, Conover, Cornelius, Cramerton, Crouse, Dallas, Denver, Drexel, Davidson, E. Spencer, Gamewell, Gastonia, Granite Falls, Grover, Harrisburg, Huntersville, Iron Station, Kings Mountain, Lenoir, Lincolnton, Lowell, Maiden, Matthews, McAdenville, Midland, Mint Hill, Morganton, Mt. Holly, Mt. Ulla, Newton, Patterson Springs, Pineville, Ranlo, Salisbury, Shelby, Spencer, Stanley, Statesville, Triangle, Troutman, Valdese, Waco
- Raleigh DMA
  - Apex, Carrboro, Cary, Chapel Hill, Fearington, Garner, Holly Springs, Knightdale, Morrisville, New Hill, Raleigh, Willow Springs, Wendell
- Asheville DMA
  - Alexander, Arden, Asheville, Avery Creek, Bent Creek, Biltmore Forest, Candler, Fairview, Fletcher, Hendersonville, Mills River, Royal Pines, Skyland, Swannanoa, Woodfin

# Statistical Summary

- Video subscribers as of December, 2009: Approximately 13,000
- Public/Education/Government (PEG) Channels

## **Raleigh Market:**

RALEIGH,NC - 3 channels

CHAPEL HILL,NC - 2 channels

CARY,NC - 1 channel

GARNER,NC - 1 channel

KNIGHTDALE,NC - 1 shared channel

WENDELL,NC - 1 shared channel

ZEBULON,NC - 1 shared channel

ROLESVILLE,NC - 1 shared channel

## **Charlotte Market:**

CHARLOTTE,NC - 4 channels

# AT&T U-verse TV Package Pricing

Service	Description	Price
<b>U100</b>	<ul style="list-style-type: none"> <li>General package with up to 130 of the most viewed channels, includes locals</li> <li>Includes one HD-ready receiver</li> </ul>	\$54/ month
<b>U200</b>	<ul style="list-style-type: none"> <li>Up to 230 TV channels, including news, movies, children's and family entertainment</li> <li>Local channels</li> <li>48 digital music channels</li> <li>Includes HD Service and one HD-ready DVR</li> </ul>	\$67/month
<b>U200 Latino</b>	<ul style="list-style-type: none"> <li>Up to 250 channels, including everything in U200 plus Paquete Español</li> </ul>	\$77/ month
<b>U300</b>	<ul style="list-style-type: none"> <li>Up to 300 TV channels and everything in U200</li> <li>34 premium movie channels including SHOWTIME, The Movie Channel, Starz, FLIX and Encore</li> <li>Includes HD Service and one HD-ready DVR</li> </ul>	\$82/ month
<b>U450</b>	<ul style="list-style-type: none"> <li>Up to 390 TV channels and everything in U300</li> <li>60 premium movie channels including HBO and Cinemax</li> <li>The most-watched sports channels, including regional sports</li> <li>Includes HD Service and one HD-ready DVR</li> </ul>	\$112 / month
<b>U-family</b>	<ul style="list-style-type: none"> <li>Market-leading family-friendly package including up to 70 of the best family-oriented channels, plus video-on-demand</li> <li>Includes HD Service and one HD-ready DVR</li> </ul>	\$54 / month
<b>U-basic</b>	<ul style="list-style-type: none"> <li>Basic package with up to 20 local channels (# available locals varies by market)</li> <li>Includes one HD-ready receiver</li> </ul>	\$19/ month

Package counts reflect possible channels based on subscription to Core Package and HD Technology Fee.

# Broadband Impact

- Approximately 94% of AT&T customers in North Carolina have access to high-speed Internet DSL service.
- Introduction of U-verse made high-speed service available to customers in some locations where it had not previously been offered.
- Introduction of U-verse made available three higher-speed options for U-verse customers: Max, Max Plus and Max Turbo.

AT&T U-verse High Speed Internet Tiers	Downstream speed	Upstream speed
Express	Up to 1.5 Mbps	Up to 1.0 Mbps
Pro	Up to 3 Mbps	Up to 1.0 Mbps
Elite	Up to 6 Mbps	Up to 1.0 Mbps
Max	Up to 12 Mbps	Up to 1.5 Mbps
Max Plus	Up to 18 Mbps	Up to 1.5 Mbps
Max Turbo	Up to 24 Mbps	Up to 3.0 Mbps

All U-verse High Speed Internet packages include wireless home networking and unlimited access to AT&T Wi-Fi hotspots