

Video Services Competition Act
2010 Biennial Report
AT&T North Carolina
April 28, 2010

Attached are some PowerPoint slides which provide information about AT&T's deployment of its U-verse video service in North Carolina following the passage of the Video Service Competition Act. The passage of this legislation created a regulatory and business environment in North Carolina which made it more conducive for AT&T to begin its deployment of U-verse. Consequently, North Carolina was the third state in the former BellSouth nine-state region where AT&T began offering its U-verse service. Similarly, with a statewide franchise, AT&T was able to deploy U-verse much faster in a significantly larger number of cities and municipalities than it would have been able to by negotiating individual franchises.

The slides contain the following:

Slide 2	Deployment Dates
Slide 3	Internet Protocol technology used for video deployment (IPTV)
Slide 4	Map of Charlotte Area Service Territory
Slide 5	Map of Raleigh Area Service Territory
Slide 6	Map of Asheville Area Service Territory
Slide 7	Commencement of Service (selling service) in Counties
Slide 8	Commencement of Service (selling service) in Cities, Municipalities and Communities
Slide 9	Subscribers as of December, 2009
Slide 10	Broadband Impact

From a competitive standpoint, AT&T now offers many customers two options for advanced video services: Direct TV satellite video and U-verse IPTV video. AT&T has a marketing arrangement with Direct TV which allows most all of its customers the ability to realize savings when they bundle their Direct TV subscription with other AT&T services. Similarly, customers can realize significant savings when they bundle their U-Verse video services with other AT&T services. These are two different video technology options with different capabilities, different technologies, different pricing arrangements, different product and packaging offerings, etc. that are significantly different from the traditional cable offerings. While we have included a sampling of the U-verse service offerings, there are a myriad of bundles and packages with different prices, features, etc. which change frequently in this highly competitive arena.

Since the introduction of U-verse in November, 2009, AT&T has attracted over 13,300 subscribers. We continue to deploy U-verse in the Charlotte, Raleigh, and Asheville regions, and will continue to deploy U-verse in additional areas of North Carolina. This deployment has not only given North Carolina citizens another video option, it has created a tremendous economic development benefit to North Carolina through the additional investment required for the infrastructure deployment as well as the jobs it has created to design, construct, sell, install, and maintain the services.

The Internet Protocol video service technology has created an exciting new array of video capabilities that far surpasses the traditional cable offerings. From offering more HD channels than any cable provider to the Total Home DVR, the picture in picture that works on any TV, multiview four-screen TV, games, information bars, and a host of other new features, this is a truly different choice for consumers. And, since this video service is IP based, there is more interactivity and functionality available between the customer's internet, wireless, and video services than has ever been possible.

Finally, U-verse has not only made high speed Internet services available to more customers, it has dramatically increased the speeds and options available to U-verse customers. Approximately 94% of AT&T customers in North Carolina have access to high speed Internet access. Before U-verse was introduced, AT&T's maximum offering for high speed Internet access was 6 mbps download. Today, only one year after the initial deployment of U-verse, U-verse customers can now select up to 12 mbps, 18 mbps, or 24 mbps download speeds with up to 3 mbps upload speeds. Additionally, business customers continue to have access to many other technologies and connection speeds such as T-1, T-3, Frame Relay, etc.