



**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

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**Illinois Bell Telephone Company** )  
 )  
**Application for State-Issued Authorization to** ) **Docket No.** \_\_\_\_\_  
**Provide Video Service Pursuant to Section 401** )  
**of the Cable and Video Competition Law of 2007** )

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**APPLICATION**

Pursuant to Section 401 of the Cable and Video Competition Law of 2007 (the “Law”) (220 ILCS 5/21-100, et seq.), Illinois Bell Telephone Company (“AT&T Illinois” or “Applicant”) hereby applies for State-issued authorization to use, occupy, and construct facilities in the public rights-of-way for the delivery of video service and for State-issued authorization to provide video services, in the service area footprint identified in this Application, until October 1, 2013.

In support of this Application, AT&T Illinois submits the attached Affidavit of Paul La Schiazza, President of AT&T Illinois (“Affidavit”). Mr. La Schiazza’s Affidavit contains the affirmations and information required by subsection 401(b) of the Law (220 ILCS 5/21-401(b)).

**I. LEGISLATIVE OVERVIEW AND ELIGIBILITY**

1. The Cable and Video Competition Law of 2007 became effective on June 30, 2007 and, *inter alia*, added Article XXI to the Public Utilities Act.

2. The purpose of the Law is to bring to Illinois consumers the benefits of video competition and to bring to the State of Illinois and its local units of government the benefits of new infrastructure investment, job growth and broadband innovation. To accelerate these

benefits the General Assembly streamlined the video authorization process. As the General Assembly found:

The State authorization process and uniform standards and procedures in this Article are intended to enable rapid and widespread entry by competitive providers which will bring to Illinois consumers the benefits of video competition including providing consumers with more choice, lower prices, higher speed and more advanced Internet access, more diverse and varied news, public information, education, and entertainment programming, and will bring to this State and its local units of government the benefits of new infrastructure investment, job growth, and innovation in broadband and Internet protocol technologies and deployment. (220 ILCS 5/21-101(f))

3. Applicant seeks to provide video service, as defined in Section 201(v) of the Law (220 ILCS 5/ 21-201(v)), in this State, in the service area footprint, as defined in Section 201(j) of the Law (220 ILCS 5/ 21-201(j)), and as identified in this Application, and seeks to obtain a State-issued authorization pursuant to Section 401 of the Law (220 ILCS 5/ 21-401).

4. Applicant is not an “incumbent cable operator,” within the meaning of Section 21-201(m) of the Law (220 ILCS 5/ 21-201(m)), and is eligible to seek this State-issued authorization pursuant to Section 301(a) of the Law (220 ILCS 5/ 21-301(a)). See Affidavit, ¶ 2.

5. The Commission is the franchising authority for State-issued authorizations and is subject to the State authorization process detailed in Section 401 of the Law.

6. As shown below in the next Section and in the attached Affidavit, Applicant satisfies the requirements of Section 401(b) of the Law (220 ILCS 5/ 21-401(b)) and, therefore, is eligible to obtain a State-issued authorization consistent with the terms and scope of this Application, to be issued by the Commission within 30 days of this submission. If the Commission does not notify the Applicant regarding the completeness of this Application and the attached Affidavit or issue the service authorization within the time periods required under Section 401(d), the service authorization requested in this Application shall be issued by

operation of law upon the expiration of the 30th day of this submission as provided in Section 401(d)(2) of the Law (220 ILCS 5/ 21-401(d)(2)).

## **II. COMPLIANCE WITH REQUIREMENTS OF SECTION 401(b) OF THE LAW**

7. There are no forms that AT&T Illinois is required to file with the Federal Communications Commission ("FCC") in advance of offering video service in Illinois. (220 ILCS 5/21-401(b)(1)). After it begins to provide video service, however, information for AT&T Illinois will be included in Form 396-C, which AT&T Inc. is required to file with the FCC, on or before September 30 of each year. Form 396-C contains information concerning compliance with certain Equal Employment Opportunity ("EEO") requirements applicable to multi-channel video distributors. (47 CFR 76.77). AT&T Inc. will timely file Form 396-C containing information for AT&T Illinois. See Affidavit, ¶ 4.

8. AT&T Illinois agrees to comply with all applicable federal and State statutes and regulations. (220 ILCS 5/21-401(b)(2)). See Affidavit, ¶ 5.

9. AT&T Illinois agrees to comply with all applicable local units of government regulations. (220 ILCS 5/21-401(b)(3)). See Affidavit, ¶ 6.

10. An exact description of the video service area footprint where video service will be offered by AT&T Illinois during the term of this requested State-issued authorization, identified in terms of exchanges, as defined in Section 13-206 of the Public Utilities Act (220 ILCS 5/ 13-206), is included with this Application. (220 ILCS 5/21-401(b)(4)). See Affidavit, ¶ 7 and Exhibit 1, pp. 1-2.

(a) As discussed in paragraph 7 of the Affidavit, pages 1 and 2 of Exhibit 1 contain an exact description of the video service area where video service will be offered by AT&T Illinois during the term of the requested State-issued authorization, identified in terms of

exchanges, in compliance with Section 401(b)(4) of the Law. In addition, pages 3 through 21 of Exhibit 1 identifies each of the local units of government that include portions of the proposed video service area within that local unit of government's jurisdictional boundaries.

(b) Exhibit 1 is marked as Confidential and Proprietary for the reasons discussed in paragraph 7 of the Affidavit. Consistent with Section 401(c)(1) of the Law (220 ILCS 5/21-401(c)(1)), the Commission is required to provide adequate protection for the information in Exhibit 1 pursuant to Section 4-404 of the Public Utilities Act (220 ILCS 5/ 4-404).

(c) The United States Census Bureau's most recent estimate of the number of low income households, as defined in Section 201(p) of the Law (220 ILCS 5/ 21-201(p)), located within the video service area identified in Exhibit 1 is 1.15 million, or approximately 30% of the total households within the video service area. See Affidavit, ¶ 8.

11. The location of AT&T Illinois' principal place of business within this State is 225 West Randolph Street, Chicago, Illinois 60606. The telephone number for AT&T Illinois' principal place of business is (312) 727-4000. AT&T Illinois' principal executive officers who are responsible for communications concerning this Application and the services to be offered pursuant to this Application are Paul La Schiazza, President, and Mary Pat Regan, Vice President – Regulatory. Applicant's legal name is Illinois Bell Telephone Company and it does business under the assumed name of AT&T Illinois. The brand name under which Applicant will provide video services in Illinois is AT&T, AT&T U-verse<sup>SM</sup> TV, or AT&T Illinois. (220 ILCS 5/21-401(b)(5)). See Affidavit, ¶¶ 9, 10 and 11.

12. As indicated by the attached Certificate of Service, AT&T Illinois has, concurrently with the filing of this Application, delivered a copy of the Application to every local unit of government that includes portions of the video service area identified on pages 1

and 2 of Exhibit 1 within that local unit of government's jurisdictional boundaries. Those local units of government and their addresses are listed on pages 3 through 21 of Exhibit 1. (220 ILCS 5/21-401(b)(6)). See Affidavit, ¶ 12.

13. The expected date that video service will be initially offered by AT&T Illinois in at least one location within the area identified in Exhibit 1 is February 1, 2008. (220 ILCS 5/21-401(b)(7)). See Affidavit, ¶ 13. Thereafter, deployment of the video service to other locations within the video service area will occur in a manner and timeframe consistent with the requirements in Section 1101(c) of the Law. (220 ILCS 5/21-1101(c)). Pursuant to Section 801(a) of the Law (220 ILCS 5/21-801(a)), AT&T Illinois will give notice to each local unit of government (including the local unit(s) of government in which service is expected to be offered on February 1, 2008) at least 10 days before AT&T Illinois begins to offer service within the boundaries of that local unit of government. In the event that AT&T Illinois does not initially offer video service in at least one location within the video service area identified in Exhibit 1 within three months after February 1, 2008, AT&T Illinois will amend its application, update the expected date that video service will be initially offered and explain the delay.

14. AT&T Illinois possesses and has access to the financial, managerial, legal and technical qualifications necessary to construct and operate the proposed system for providing video service, and to promptly repair any damages to the public right-of-way caused by Applicant, and to pay for removal of its facilities. (220 ILCS 5/21-401(b)(8)). See Affidavit, ¶ 14 and Exhibits 2 – 6.

(a) Exhibit 2 a diagram illustrating how the Internet Protocol (“IP”)-based video services (called AT&T U-verse<sup>SM</sup> TV) that AT&T Illinois plans to offer will be delivered over AT&T Illinois' telecommunications network. Exhibit 2 is submitted as evidence of AT&T

Illinois' technical ability to construct and operate the proposed system to offer video service. See Affidavit, ¶¶ 14(b) and 14(c).

(b) Exhibit 3 contains biographical information for key personnel responsible for managing AT&T Illinois, its operations and network, and is provided as evidence of AT&T Illinois' management and technical qualifications. See Affidavit, ¶ 14(d).

(c) Exhibits 4 contains AT&T Illinois' balance sheet at December 31, 2006, income statement for 2006, and cash flow statement for 2006. Exhibit 5 contains AT&T's consolidated statement of cash flows for 2006. Exhibits 4 and 5 are submitted as evidence of AT&T Illinois' financial qualifications. See Affidavit, ¶ 14(e).

(d) Exhibit 6 is a Certificate of Good Standing for AT&T Illinois issued by the Illinois Secretary of State and is submitted as evidence of AT&T Illinois' legal qualifications. See Affidavit, ¶ 14(f).

15. This Application includes AT&T Illinois' general standards related to customer service, as required by 220 ILCS 5/70-501. (Section 220 ILCS Section 401(b)(9)). See Affidavit, ¶ 15 and Exhibit 7, which includes the following five attachments, all provided pursuant to 220 ILCS 5/70-501(a)(3):

- Attachment 7-1 – AT&T Illinois' Customer Notice
- Attachment 7-2 – The Channel Directory for AT&T U-verse<sup>SM</sup> TV currently being used in the Milwaukee market, provided us an example of the listing of programming options for all levels of video service that will be provided with the Customer Notice
- Attachment 7-3 – Sample of the rates for all services and levels of video service

- Attachment 7-4 – A copy of the current AT&T U-verse<sup>SM</sup> TV “Feature Guide” booklet containing a description of and instructions on the use of the video service, provided to AT&T U-verse<sup>SM</sup> TV customers
- Attachment 7-5 – Description of customers’ rights and remedies.

WHEREFORE, AT&T Illinois respectfully requests that a State-issued authorization be issued, pursuant to and consistent with sections 401(d) through (h) of the Law, that authorizes AT&T Illinois to use, occupy, and construct facilities in the public rights-of-way for the delivery video service, and to provide video service, in the video service area footprint described in paragraph 7 and Exhibit 1 (pp. 1-2) of the attached Affidavit, until October 1, 2013, and that such State-issued authorization include all of the following:

(1) A grant of authority to provide video service in the service area footprint as requested in the Application, subject to the laws of the State and the ordinances, rules and regulations of the local units of government.

(2) A grant of authority to use, occupy, and construct facilities in the public rights-of-way for the delivery of video service in the service area footprint, subject to the laws, ordinances, rules or regulations of this State and local units of governments.

(3) A statement that the grant of authority is subject to lawful operation of the cable service or video service by the applicant, its affiliated entities or its successors-in-interest.

AT&T Illinois further respectfully requests that the Commission provide adequate protection for Exhibit 1, marked Confidential and Proprietary, consistent with subsection 401(c) of the Law (220 ILCS 5/21-401(c)) and section 4-404 of the Public Utilities Act (220 ILCS 5/4-404).

Respectfully submitted,

ILLINOIS BELL TELEPHONE COMPANY

A handwritten signature in cursive script, appearing to read "Karl B. Anderson", written over a horizontal line.

One of Its Attorneys

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