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ILLINOIS COMMERCE COMMISSION

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COMMERCE COMMISSION
2009 APR -1 A 8:33
CHIEF CLERK'S OFFICE

Elizabeth A. Rolando
Chief Clerk
Illinois Commerce Commission
527 East Capitol Avenue
Springfield, Illinois 62794-9280

Re: Docket 07-0493 AT&T Illinois First Annual Video Service Access Report

Dear Ms. Rolando:

This First Annual Video Service Access Report issued by Illinois Bell Telephone Company (AT&T Illinois) is transmitted to you for filing.

This filing complies with the annual reporting requirement in Section 1101 of the Cable and Video Competition Law of 2007 (the "Act") (220 ILCS 5/21-100, et seq.).

On October 24, 2007, the Illinois Commerce Commission (the "Commission") approved the "Application for State-issued Authorization to Provide Video Service," filed by AT&T Illinois and granted it authority to provide video service in the requested video service area footprint. As a holder of that State-issued authorization, AT&T Illinois is subject to the video service access requirements in Section 21-1101(c) of the Act, and is required to file with the Commission video service access reports no later than April 1, 2009 and annually thereafter. This first annual report provides to the Commission the service access information and low-income information required by Section 21-1101(j)(1) and (j)(2) of the Act.

As summarized below, and as detailed and defined in Attachments 1 and 2, AT&T Illinois has made substantial progress towards meeting its three year video service access and low-income access requirements in the Act.

Statewide Video Service Access Requirement

AT&T Illinois is required to provide access to its video service to least 35% of the households in its telecommunications service area in the State by October 24, 2010, which is 3 years after the date it received a State-issued authorization from the Commission.¹

¹ In addition, AT&T must provide access to not less than 50% of these households within 5 years after October 24, 2007; provided, however, that AT&T Illinois is not required to meet the 50% requirement until 2 years after at least 15% of the households with access to AT&T Illinois' video service subscribe to the service for 6 consecutive months.

As detailed in Attachment 1, as of December 31, 2008, AT&T Illinois provided access to its video service to 26% of the households in its telecommunications service area. This represents 75% of its three year requirement within only 40% of the three year time period.

Designated Market Area Requirement

AT&T Illinois is required to provide access within three designated market areas (DMA), one in each of the northeastern, central and southwestern portions of its telecommunications service area in the State. The DMA for the northeastern portion consists of two reporting areas: i) the City of Chicago, and ii) all other local units of government on a combined basis within the Chicago DMA.

As detailed in Attachment 1, as of December 31, 2008, AT&T Illinois provided access to its video service to households in the Chicago DMA, including the City of Chicago, and in the St. Louis DMA. This represents 75% of its three year requirement within only 40% of the three year time period.

Statewide Low-income Requirement

By October 24, 2010, which is 3 years after the date AT&T Illinois received its State-issued authorization, at least 30% of the total households with access to AT&T Illinois' video service must be low-income.

As detailed in Attachment 1, as of December 31, 2008, 22% of the households with access to AT&T Illinois' video service were low-income households. This represents 73% of its three year requirement within only 40% of the three year time period.

Exchange Level Low-income requirement

Within each DMA, AT&T Illinois' three year obligation to offer video service to low-income households is measured at the exchange level. In each exchange in which AT&T Illinois provides video service, it must provide access to a percentage of low-income households that is at least equal to the percentage of the total low-income households within that exchange.

As detailed in Attachment 2, as of December 31, 2008, the majority of exchanges in which AT&T Illinois provides video service, met or were very close to meeting the exchange level low-income requirement within only 40% of the three year time period.

Statewide Wireline Broadband Service Access Requirement

In addition to the above referenced video service access requirements, AT&T Illinois was required to provide access to its wireline broadband service to 90% of the households in its telecommunications service area in the State by December 31, 2008. Wireline broadband service is defined as wireline service capable of supporting, in at least one

direction, a speed in excess of 200 kilobits per second, to the network demarcation point at the subscriber's premises.

As of December 31, 2008, AT&T Illinois provided access to wireline broadband service to households which exceeded 90% of the households in its telecommunications service area. This represents full and timely compliance with this requirement.

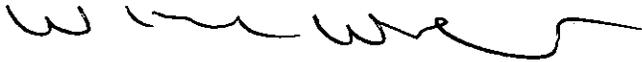
We respectfully request Commission acceptance of this Report.

Any questions and correspondence regarding this filing should be directed to W. Karl Wardin, Regional Vice President - Regulatory, who may be reached at:

AT&T Illinois
225 West Randolph Street, Floor 27C
Chicago, Illinois 60606
Tel. No.: (312) 551-9144
Fax No.: (312) 727-4771

Please acknowledge receipt of this Report by returning the extra copy of this letter.

Sincerely,



Regional Vice President - Regulatory

cc: Mr. Anderson
Dr. Zolnierak



AT&T Illinois First Annual Video Service Access Report

Data as of December 31, 2008

Definitions and Descriptions

Attachment 1 -- Statewide and Designated Market Areas

Attachment 2 -- Exchange Areas



Definitions and Descriptions for Attachments 1 and 2

“Access” means that AT&T Illinois is capable of providing video services at the household address using any technology, other than direct-to-home satellite service, which provides two-way broadband Internet capability and video programming, content, and functionality, regardless of whether any customer has ordered service or whether the owner or landlord or other responsible person has granted access to the household.

“Household” means a house, an apartment, a mobile home, a group of rooms, or a single room that is intended for occupancy as separate living quarters. Separate living quarters are those in which the occupants live and eat separately from any other persons in the building and which have direct access from the outside of the building or through a common hall.

“LI” or “Low-income household” means those residential households located within the AT&T Illinois’ existing telecommunications service area where the average annual household income is less than \$35,000 based on the United States Census Bureau estimates adjusted annually to reflect rates of change and distribution.

“Designated Market Area” or “DMA” means a designated market area, as determined by Nielsen Media Research and published in the 1999-2000 Nielsen Station Index Directory and Nielsen Station Index United States Television Household Estimates or any successor publication. For any designated market area that crosses State lines, only households in the portion of the designated market area that is located within AT&T Illinois’ telecommunications service area where access to video service will be offered is included.

“Exchange” means a geographical area for the administration of telecommunications services, established and described by AT&T Illinois’ tariffs filed with the Commission. To the extent practicable, a municipality is not located in more than one exchange unless the municipality is located in more than one exchange through annexation that occurred after the establishment of the exchange boundary. More than one municipality may be in one exchange.

“Telco Footprint” shows the number of households in AT&T Illinois’ telecommunications service area at statewide, DMA and exchange levels.

“Current Build Footprint” and “Current Build Coverage %” shows the number and percent of households with access to video service in areas within AT&T Illinois’ State-issued authorization at statewide, DMA and exchange levels.

“Footprint LI” and “Footprint LI %” shows the number and percent of low-income households in AT&T Illinois’ telecommunications service area at statewide, DMA and exchange levels.

“Current Build LI” and “Current Build LI %” shows the number and percent of low-income households with access to video service in areas within AT&T Illinois’ State-issued authorization at statewide, DMA and exchange level.



Attachment 1

**AT&T Illinois Annual Video Service Access Report
Data as of December 31, 2008**

State	Telco HH Footprint	Current Build Footprint	Current Build Coverage %	Footprint LI	Current Build LI	Footprint LI %	Current Build LI %
ILLINOIS	4,119,084	1,085,508	26%	1,267,097	236,296	31%	22%

Designated Market Area	Telco Footprint	Current Build Footprint	Current Build Coverage %	Footprint LI	Current Build LI	Footprint LI %	Current Build LI %
CHICAGO	3,335,136	1,037,737	31%	950,756	219,890	29%	21%
ST. LOUIS	244,205	47,771	20%	92,396	16,406	38%	34%

Chicago DMA	Telco Footprint	Current Build Footprint	Current Build Coverage %	Footprint LI	Current Build LI	Footprint LI %	Current Build LI %
Chicago Exchange	1,168,037	23,263	2%	477,396	7,465	41%	32%
Other Areas Outside Chicago Exchange	2,167,100	1,014,474	47%	473,360	212,425	22%	21%



Attachment 2

AT&T Illinois Annual Video Service Access Report
Data as of December 31, 2008

Designated Market Area	Exchange	Telco	Current Build	Current Build	Footprint	Current Build	Footprint	Current Build
		Footprint	Footprint	Coverage %	LI	LI	LI %	LI %
CHICAGO	Arlington Heights	52,034	17,556	34%	10,030	3,152	19%	18%
CHICAGO	Aurora	77,095	31,258	41%	18,390	5,943	24%	19%
CHICAGO	Barrington	12,035	4,037	34%	1,387	289	12%	7%
CHICAGO	Bartlett	39,485	27,334	69%	5,034	3,643	13%	13%
CHICAGO	Batavia	11,298	2,770	25%	1,737	438	15%	16%
CHICAGO	Bellwood	11,522	8,667	75%	3,150	2,189	27%	25%
CHICAGO	Bensenville	12,896	7,216	56%	2,842	1,424	22%	20%
CHICAGO	Berwyn	21,743	7,180	33%	7,433	2,536	34%	35%
CHICAGO	Blue Island	46,272	31,537	68%	14,995	9,118	32%	29%
CHICAGO	Brookfield	8,379	6,082	73%	1,988	1,413	24%	23%
CHICAGO	Calumet City	16,194	7,273	45%	6,585	2,922	41%	40%
CHICAGO	Cary	12,295	5,389	44%	1,474	708	12%	13%
CHICAGO	Chicago	1,168,036	23,263	2%	477,396	7,465	41%	32%
CHICAGO	Chicago Heights	22,175	16,664	75%	6,365	4,524	29%	27%
CHICAGO	Cicero	23,711	7,248	31%	9,582	3,050	40%	42%
CHICAGO	Crystal Lake	21,629	19,901	92%	3,207	2,896	15%	15%
CHICAGO	Deerfield	13,330	11,291	85%	1,344	1,159	10%	10%
CHICAGO	Des Plaines	39,837	4,156	10%	10,411	1,144	26%	28%
CHICAGO	Downers Grove	49,520	23,988	48%	10,053	4,487	20%	19%
CHICAGO	Dundee	20,759	11,151	54%	4,125	2,028	20%	18%
CHICAGO	Elgin	48,747	20,989	43%	10,049	3,256	21%	16%
CHICAGO	Elk Grove	25,019	5,869	24%	6,137	1,492	25%	25%
CHICAGO	Elmhurst	30,821	27,989	91%	6,028	5,364	20%	19%
CHICAGO	Evanston	85,096	26,161	31%	22,969	6,957	27%	27%
CHICAGO	Forest (Cook)	12,066	6,579	55%	3,009	1,552	25%	24%
CHICAGO	Fox Lake	9,167	7,232	79%	2,435	1,845	27%	26%
CHICAGO	Frankfort	15,952	12,020	75%	2,320	1,358	15%	11%
CHICAGO	Franklin Park	6,657	4,483	67%	2,084	1,430	31%	32%



Attachment 2

AT&T Illinois Annual Video Service Access Report
Data as of December 31, 2008

CHICAGO	Geneva	10,302	1,319	13%	1,338	105	13%	8%
CHICAGO	Glen Ellyn	15,654	11,220	72%	2,685	1,702	17%	15%
CHICAGO	Glencoe	3,172	1,187	37%	231	58	7%	5%
CHICAGO	Glenview	15,676	1,654	11%	2,170	247	14%	15%
CHICAGO	Grays Lake	14,505	12,295	85%	1,931	1,406	13%	11%
CHICAGO	Half Day	8,281	7,034	85%	617	488	8%	7%
CHICAGO	Harvey	24,928	12,580	51%	9,851	4,845	40%	39%
CHICAGO	Highland Park	10,928	9,230	85%	1,985	1,681	18%	18%
CHICAGO	Hinsdale	28,779	25,744	90%	5,286	4,673	18%	18%
CHICAGO	Homewood	22,915	20,349	89%	5,002	4,197	22%	21%
CHICAGO	Itasca	4,270	3,945	92%	532	502	13%	13%
CHICAGO	Joliet	60,239	23,014	38%	20,526	6,800	34%	30%
CHICAGO	Kankakee	30,623	13,167	43%	11,487	4,274	38%	33%
CHICAGO	La Grange	14,286	6,190	43%	3,323	1,545	23%	25%
CHICAGO	Lake Forest	12,185	5,573	46%	1,691	891	14%	16%
CHICAGO	Lake Villa	14,183	11,253	79%	1,635	1,280	12%	11%
CHICAGO	Lake Zurich	12,834	10,214	80%	1,145	892	9%	9%
CHICAGO	Lansing	14,320	11,156	78%	4,086	3,147	29%	28%
CHICAGO	Lemont	21,346	12,192	57%	2,349	1,508	11%	12%
CHICAGO	Libertyville	24,477	20,212	83%	3,444	2,852	14%	14%
CHICAGO	Lombard	33,610	12,123	36%	7,996	3,373	24%	28%
CHICAGO	Maywood	30,960	22,948	74%	9,842	6,702	32%	29%
CHICAGO	McHenry	20,311	15,632	77%	4,148	3,375	20%	22%
CHICAGO	Mundelein	11,407	9,484	83%	1,673	1,402	15%	15%
CHICAGO	Naperville	62,827	10,718	17%	7,457	1,625	12%	15%
CHICAGO	Northbrook	17,044	11,866	70%	2,411	1,751	14%	15%
CHICAGO	Oak Forest South	795	784	99%	130	129	16%	16%
CHICAGO	Oak Lawn	61,982	49,977	81%	17,957	14,267	29%	29%
CHICAGO	Oak Park	23,030	15,137	66%	5,044	3,106	22%	21%
CHICAGO	Orland	25,598	18,270	71%	3,182	2,592	12%	14%
CHICAGO	Palatine	39,830	5,885	15%	6,142	522	15%	9%
CHICAGO	Palos Park	13,175	10,385	79%	3,099	2,289	24%	22%



Attachment 2

AT&T Illinois Annual Video Service Access Report
Data as of December 31, 2008

CHICAGO	Pistakee Highlands	1,443	1,144	79%	266	197	19%	17%
CHICAGO	Plainfield	24,471	20,470	84%	2,222	1,783	9%	9%
CHICAGO	Riverdale	14,294	7,920	55%	5,099	2,419	36%	31%
CHICAGO	Riverside	10,878	5,977	55%	2,883	1,688	27%	28%
CHICAGO	Roselle	67,301	32,613	49%	11,658	5,614	17%	17%
CHICAGO	Round Lake	17,083	13,021	76%	3,772	2,684	22%	21%
CHICAGO	Skokie	43,354	7,079	16%	9,907	1,546	23%	22%
CHICAGO	St Charles	20,847	15,986	77%	2,643	1,909	13%	12%
CHICAGO	Summit	12,590	8,185	65%	4,052	2,490	32%	30%
CHICAGO	Thornton	920	920	100%	268	268	29%	29%
CHICAGO	Tinley Park	23,439	20,423	87%	4,397	3,603	19%	18%
CHICAGO	Wauconda	10,218	8,691	85%	1,845	1,484	18%	17%
CHICAGO	Waukegan	55,866	44,181	79%	17,998	14,091	32%	32%
CHICAGO	West Chicago	12,065	3,414	28%	2,018	251	17%	7%
CHICAGO	Western Springs	7,803	5,243	67%	1,155	833	15%	16%
CHICAGO	Wheaton	43,049	10,137	24%	7,149	1,549	17%	15%
CHICAGO	Wheeling	26,892	19,895	74%	5,152	3,522	19%	18%
CHICAGO	Willow Springs	3,125	2,409	77%	791	611	25%	25%
CHICAGO	Wilmette	10,776	1,704	16%	1,160	207	11%	12%
CHICAGO	Winnetka	7,117	2,251	32%	617	245	9%	11%
CHICAGO	Woodstock	11,298	7,272	64%	2,855	1,835	25%	25%
CHICAGO	Zion	13,317	10,781	81%	4,023	3,057	30%	28%
ST. LOUIS	Alton	13,840	2,098	15%	6,486	1,178	47%	56%
ST. LOUIS	Belleville	36,416	20,599	57%	12,929	6,893	36%	34%
ST. LOUIS	Collinsville	18,919	11,254	60%	6,128	3,584	32%	32%
ST. LOUIS	East St Louis	15,247	3,095	20%	10,398	2,329	60%	75%
ST. LOUIS	O Fallon	14,888	10,724	72%	3,540	2,421	24%	23%