

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission)	
On Its Own Motion)	
-vs-)	
Illinois Bell Telephone Company)	
)	Docket No. 08-0569
Investigation of specified tariffs declaring certain)	
services to be competitive telecommunications services)	

REPLY AFFIDAVIT

W. Karl Wardin, being first duly sworn on oath, deposes and states the following:

1. I am the Regional Vice President-Regulatory for Illinois Bell Telephone Company (“AT&T Illinois” or the “Company”). I am the same W. Karl Wardin who previously presented Direct, Rebuttal, and Surrebuttal testimony and an Affidavit in this proceeding.

2. The Attorney General suggests that AT&T Illinois is not in compliance with the requirement in the AT&T/BellSouth Merger Order that it provide broadband Internet access service to 100% of the residential living units in its service territory. (AG Reh. Br., pp. 12-13). The Attorney General is incorrect. The Company does provide broadband Internet services to 100% of these living units. AT&T Illinois provides wireline broadband services to 90% of the living units in its service territory, consistent with the requirements of Section 21-110(e) of the Illinois video law.¹ AT&T Illinois provides broadband Internet service to the rest of the living units in that territory using alternative technologies such as wireless and/or satellite technology.

¹ Contrary to the impression the Attorney General conveys, the AT&T/BellSouth Merger Order requirement that wireline technology be used to provide service to 85% of living units is actually a *nationwide* obligation across AT&T’s 22-state footprint. It is not a state-specific requirement, much less a requirement in one area within a state, such as the Greater Illinois LATAs. Even if it were a state-specific requirement, AT&T Illinois more than meets it in Illinois.

3. The Attorney General questions AT&T Illinois' compliance status based solely on the Company's response to Attorney General Data Requests 8.5 and 8.6, and Staff Data Request JZ 3.04. (AG Reh. Br., pp. 13-14). The Attorney General claims that AT&T Illinois did not identify any non-wireline broadband services that it provides and that AT&T Illinois' customers are not offered satellite or other alternatives on its website. The Attorney General is incorrect on both counts. *First*, the Attorney General ignores AT&T Illinois' responses to its follow-up Data Requests 10.1, 10.2, and 10.3 where the Company made clear that it or one of its affiliates provides satellite broadband service in every wire center where AT&T Illinois does *not* provide a wireline broadband service. Moreover, mobile wireless broadband service is available in many exchanges. Copies of these Data Request Responses are supplied as my Attachment R-1.

4. *Second*, AT&T Illinois' website *does* provide customers with information on satellite broadband service. The second link identified in AG Rehearing Exhibit 2 and referred to by the Attorney General is "<http://www.att.com/gen/general?pid=10891> ." (AG Reh. Br., pp. 13-14). There is a "Check Availability" tab directly beneath the names of the four DSL service names – e.g., directly beneath "DSL Express" is a clickable highlighted area that says "Check Availability." When customers click on that tab, they are brought to a screen that asks if they want to check availability by phone number or address. If the customer enters a phone number or address that is in an area that does not have a wireline broadband service, then a screen appears that indicates that it is not available and that Satellite Broadband is available. Clicking on the Satellite Broadband tab brings the customer to the Satellite Broadband webpage. Screen shots of these webpages are supplied as Attachment R-2. Customers can also access the Satellite Broadband page directly from the AT&T home page. If customers click on "Internet and DSL," they are directed to the AT&T Internet offering home page. At the bottom right of the screen is

an area of “quick links.” One of the quick links states “view more Internet services.” This brings the customer to a page that has “Broadband via Satellite.” If customers click on “Learn More,” they are directed to the AT&T Satellite Broadband page. Screen shots of these webpages are supplied as Attachment R-3.

5. The Attorney General contends that AT&T Illinois is not attempting to compete with the bundles offered by cable CLECs in exchanges where it does not have a wireline broadband offering. This is incorrect. In those exchanges where AT&T Illinois offers a satellite broadband option, it is available as part of a bundle with telephone service. AT&T Illinois also offers bundles that include wireless service, which the major cable CLECs do not offer.

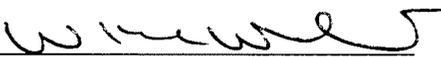
6. The Attorney General lists certain exchanges where it contends there is no, or only very limited, cable modem service available. (AG Reh. Br., p. 15). Several exchanges are incorrectly listed: customers in Champaign/Urbana and Kinmundy do have cable modem service available to them. Cable modem service is available to all but a small percentage of the customers in each of the following exchanges: Rockford, Edgington, Ipava, Farmington, Home City, Peoria, Delavan, Gibson City, Fithian, Oakwood, Edwardsville, and Mount Vernon. In some of the exchanges where cable modem service is not widely available, AT&T Illinois’ wireline broadband service *is*. AT&T Illinois provides a wireline broadband service to at least 50% of the living units in the following exchanges: Rockford, Farmington, Delavan, Gibson City, Oakwood, Athens, Riverton, Edwardsville, Greenville, and Mount Vernon. Finally, none of these exchanges is without broadband options. Based on the same FCC data relied on by the Attorney General, there are multiple providers of broadband service in most of the zip codes in the exchanges listed by the Attorney General, ranging from a low of 1-3 providers to a high of 16 providers, with most zip codes falling in the 5-8 provider range.

7. The Attorney General suggests that there are significant areas in the Greater Illinois LATAs where customers do not have access to broadband Internet service. The combined coverage of AT&T Illinois' wireline broadband service (*i.e.*, U-verse Internet or DSL service) and cable modem service in AT&T Illinois' service territory is approximately 90%. I arrived at this estimate by combining the households in areas where AT&T offers DSL service and the local cable company does not with those areas where AT&T does not offer DSL service, but the local cable company does. To determine where cable modem service is offered, I used a website managed by Cable Television Laboratories, Inc. where a potential customer can input their address and determine if cable modem service is available. That web address is: <https://locator.go2broadband.com/?id=121000&address=-1&zip=-1>. I input representative street addresses in each exchange where AT&T Illinois does not provide DSL service, but cable CLECs do, and used the cable modem service availability for these addresses as a proxy for the exchange in general. The number of street addresses varied depending on the size of the cable-only broadband service area. When other technologies, such as satellite and wireless, are taken into account, there is 100% coverage, with almost all areas having a choice of providers.

8. If the Commission leaves the DSL expansion obligation unchanged, at a minimum the timeframe provided for completing this work should be reset based on the adoption date of the Commission's Order on Rehearing. Assuming that the Commission acts in mid-December, the new deadline would be approximately May 1, 2011. However, the deadline should be extended beyond that date. Under the Stipulation/Joint Proposal in Docket No. 06-0027, AT&T Illinois had one year from the "Effective Date" of the Order to complete its

DSL expansion commitment, for a total of approximately 14 months. The DSL expansion ordered by the Commission in the Greater Illinois LATAs is substantially broader in scope and more expensive than in the MSA-1 proceeding. AT&T Illinois will be required to install more equipment in more exchanges; and, because the area is much less dense, there will be many more separate construction jobs in remotely located exchanges. Moreover, construction of this type is generally not undertaken between mid-December and mid-March. Since the ground is frozen, digging trenches, boring and laying concrete pads for the VRADs is not practical. In addition, cable is much less flexible in cold weather. Because the Commission's Order on Rehearing will be issued in mid-December (as compared to August in Docket No. 06-0027), a 16-month timeframe will encompass two entire 3-month winter periods, when construction is effectively suspended. Accordingly, to provide AT&T Illinois with a construction period that is more comparable to what the Company agreed to in Docket No. 06-0027, the deadline should be extended for an additional 14 months to July 1, 2012.

Further affiant sayeth not.


W. Karl Wardin

Subscribed and sworn to before me
this 2 day of October 2009


Notary Public, State of Illinois

