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July 20, 2018

ANN ARBOR
CITY CLERK

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TIME: _____

Ms. Kavita Kale
Executive Secretary
Michigan Public Service Commission
PO Box 30221
Lansing, MI 48909

Dear Ms. Kale:

Michigan Bell Telephone Company, doing business as AT&T Michigan ("AT&T"), submits its Eleventh Annual Video Report to the Michigan Public Service Commission ("MPSC") and franchising entities in the State of Michigan regarding its deployment progress, as required by Michigan's Uniform Video Services Local Franchise Act (2006 Public Act 480, as amended) or "Video Act". AT&T is separately providing a copy to each Clerk in the Michigan Communities where AT&T has launched its U-verseSM TV service.

If you have any questions, please contact me on (517) 334-3708.

Sincerely,


Yvette Collins
Director - External/Regulatory Affairs
AT&T Michigan

Enclosures

cc: Clerks in Franchised Communities
Ms. Robin Ancona, Michigan Public Service Commission Staff
Mr. Ryan McAnany, Michigan Public Service Commission Staff
Ms. Yvette Collins, AT&T Michigan



11th Annual

AT&T Michigan Annual Video Report

July 20, 2018

STATUS OF AT&T'S VIDEO SERVICE DEPLOYMENT IN MICHIGAN

Michigan Bell Telephone Company, doing business as AT&T Michigan ("AT&T"), submits its Eleventh Annual Video Report to the Michigan Public Service Commission ("MPSC" or "Commission") and franchising entities in the State of Michigan regarding its deployment progress, as required by Michigan's Uniform Video Services Local Franchise Act (2006 Public Act 480, as amended) or "Video Act".¹

On January 1, 2007, Michigan's Video Act became effective. AT&T launched its Internet Protocol TV ("IPTV") service called AT&T U-verse® TV on May 21, 2007 in parts of over 50 communities in the Detroit and Ann Arbor areas. AT&T has now obtained franchise agreements and provides its U-verse TV service in 341 communities.

Section 9(2) of the Video Act provides that it is a defense to an alleged violation of Section 9(1) of the Video Act if a provider has met either of two conditions: (1) within 3 years at least 25% of households with access to the provider's video service are low-income households; or (2) within 6 years and from that point forward at least 30% of households with access to the provider's video service are low-income households. AT&T has met both conditions.²

With respect to Section 9(3) of the Video Act: (1) AT&T provided access to its video service to over 50% of the households in its telecommunications service area within 6 years of the date it began providing video service, and (2) AT&T Michigan no longer has more than 1,000,000 telecommunications access lines in the state.³

AT&T recently completed its eleventh year of providing video service in the state. In Michigan, AT&T currently provides access to its video service to over 50% of the households in its telecommunications service area (however, AT&T's subscription rate is less than 30%). Of these households with access to AT&T's video service in Michigan, over 35% are low-income households as defined by the Video Act. AT&T does not deny access to service to any group of potential residential subscribers because of race or income.

Since its launch in 2007 through the end of the 1st quarter of 2018, AT&T has paid more than \$194 million to the local governments, made up of \$151 million in video franchise fees and \$43 million in public, education and government (PEG) fees.

¹ See Section 9(4) of the Video Act: "Each provider shall file an annual report with the franchising entity and the commission regarding the progress that has been made toward compliance..."

² See Section 9 (2) of the Video Act: "It is a defense to an alleged violation of subsection (1) if the provider has met either of the following conditions: (a) Within 3 years of the date it began providing video service under this act, at least 25% of households with access to the provider's video service are low-income households. (b) Within 5 years of the date it began providing video service under this act and from that point forward, at least 30% of the households with access to the provider's video service are low-income households."

³ "If a video service provider is using telecommunication facilities to provide video services and has more than 1,000,000 telecommunication access lines in this state, the provider shall provide access to its video service to a number of households equal to at least 25% of the households in the provider's telecommunication service area in the state within 3 years of the date it began providing video service under this act and to a number not less than 50% of these households within 6 years. A video service provider is not required to meet the 50% requirement in this subsection until 2 years after at least 30% of the households with access to the provider's video service subscribe to the service for 6 consecutive months."

AT&T'S INVESTMENT IN MICHIGAN'S WORKFORCE AND INFRASTRUCTURE

AT&T invests billions to build the advanced networks that create jobs and fuel economic growth. From 2014 through 2016, AT&T invested more than \$1.4 billion in its Michigan wireless and wireline networks.

AT&T'S U-verse® TV PRODUCT

U-verse delivers both real-time video programming and on-demand and interactive content that IPTV makes possible. AT&T extends its U-verse TV brand across screens with Uverse.com and the U-verse App for smartphones and tablets.

U-verse TV includes:

- Ability to access to more than 266 IPTV National HD channels.
- Ability to record up to 4 shows at once with Total Home DVR⁴.
- Ability to stream shows virtually anywhere they go, on their phones, tablets or computers.
- AT&T's deployment of Public, Educational, and Government (PEG) continues with communities who have requested AT&T to carry their PEG programming on U-verse TV.

AT&T's U-verse offers multiple combinations of TV, Internet and Voice packages to customize the customer's experience. U-verse TV offers several programming packages including U-basic, U-200, U-200 Latino, U-300, U-300 Latino, U-450, and U-450 Latino packages, plus U-family, a family-friendly programming option. The customer may choose from a variety of subscription options that feature a wide variety of channels, including music, local, movie and sports programming, as well as premium Spanish-language and international packages.

⁴ Total Home DVR (Digital Video Recorder). See: <https://www.att.com/esupport/article.html#!/u-verse-tv/KM1009866> for more details. An AT&T U-verse customer can record 4 shows at once on a single DVR, record and play back shows from any room in the home, pause a recorded show in one room and pick it up in another and program the DVR remotely from the computer or wireless phone.

⁵ MultiScreen. See: https://www.att.com/Common/merger/files/pdf/U-verse_MultiScreen.pdf

ADDITIONAL AT&T U-verse® TV INFORMATION

For additional information on AT&T U-verse TV customers may visit the websites below or call 800-ATT-2020.

<https://www.att.com/tv/u-verse.html>

Customers may find the following AT&T websites helpful for further information regarding channel lineup and the availability of AT&T U-verse TV.

- AT&T U-verse TV channel lineup:

<https://www.att.com/channellineup/u-verse/channel-lineup.jsp>

- AT&T U-verse TV availability: <https://www.att.com/tv/u-verse.html>