



AT&T BACKS 100 PERCENT BROADBAND BY 2014

AT&T Outlines Path to an Internet that is Universal, Open, Private and Safe

Washington, June 8, 2009 — AT&T* today set an ambitious target and timeline of 100 percent broadband by 2014 in a filing before the Federal Communications Commission (FCC).

Recognizing that broadband is a path to job creation, economic recovery and a way to achieve important societal goals, such as energy independence and better health care delivery, the formal process of developing a national broadband plan began today at the FCC.

“A successful national broadband plan should aim for an Internet that is universal, open, private and safe. It should also foster an environment in which all participants in the Internet ecosystem have the incentive to continue the massive investments required to create more bandwidth, compelling content and applications that will make everyone in the United States want to be connected. Skill and leadership will be required to promote and balance these competing principles,” said AT&T’s Senior Vice-President of Federal Regulatory, Robert Quinn. “And, while these issues can be complicated, every proposal coming before the FCC should be filtered through one simple but critical lens: how will this action increase broadband adoption or expand broadband access for every American -- in other words, how will it get us to 100 percent broadband.”

The Internet has the ability to transform our society, our economy, and our way of life. To realize its full potential, however, the Internet must be **universal**, in that it must be available and affordable to consumers everywhere. The Internet also must be **open**, in that the Internet ecosystem must enable consumers to exchange ideas and communicate freely, give them freedom to access the lawful applications and content they want to use, and afford them the ability to choose and assemble packages of services and equipment that meet their needs. The Internet must respect **privacy**, so that consumers are in control of how, when, and by whom their private information is used. And the Internet must be **safe**, so that networks and services are protected from harm and consumers are secure when they go online.



A Decade of Progress

In less than a decade, broadband deployment and adoption have exploded. The private sector has invested well over 100 billion dollars to build broadband networks from coast to coast over a variety of different fiber, copper, cable, wireless, satellite, and other platforms, and still billions more to create the broadband-enabled services, applications, and content to fill those networks.

Consumers have responded in droves. In December 1999, there were fewer than three million broadband connections in the United States. Eight years later, in December 2007, there were more than 121 million broadband connections. And today, there are likely more broadband connections in the United States than there are telephone lines.

Last year, network providers invested over \$60 billion in modern communications networks. AT&T alone invested more than any other publicly traded company in the U.S. and more than any other publicly traded global telecommunications company last year.** And AT&T expects total capital expenditures to be \$17 to \$18 billion in 2009, enhancing AT&T's mobile broadband network with 2,100 new cell sites and expanding into 20 new markets this year.

More Still Needs to Be Done

While a national broadband strategy should be built on top of these resounding successes, there remain significant issues that require thoughtful solutions. Although 8 percent of U.S. households still lack access to terrestrial broadband service, simply increasing the supply of broadband is not a magic bullet. We face a potentially greater challenge on the “*demand*” side of the equation. According to the most recent data from the Pew Internet and American Life Project, only 55 percent of adult Americans have broadband Internet access service in their homes — meaning that roughly 40 percent of American households that could get broadband service decline to do so.

“Despite the substantial progress of the last decade, not all Americans are benefitting equally from broadband or sharing equally in our expanding broadband society, Quinn said. “Many Americans still do not have access to broadband, and of those that do have access, nearly half of them do not purchase it for a range of reasons, including lack of necessary Internet-enabled devices, affordability issues and relevancy. While setting a goal of achieving universal access

should be part of a comprehensive national broadband strategy, an inclusive approach must emphasize the critical importance of increasing broadband adoption.”

How to Get to 100 Percent Broadband

1. ***Embrace the Diversity of Broadband.*** The National Broadband Plan should recognize and embrace *all* of these platforms, users, and services as part of the broadband ecosystem that will help ensure 100 percent broadband access and deliver the many societal benefits envisioned by Congress in the Recovery Act that will, in turn, promote 100 percent broadband adoption.
2. ***Engage All Broadband Stakeholders.*** The Broadband Plan is a plan for the entire *nation*, not just those entities traditionally regulated by this Commission. It must therefore engage a diverse collection of parties that have roles to play in achieving the 100 percent broadband goals discussed above: the private sector; consumers; public institutions; public-interest advocates; and the government.
3. ***Promote Broadband Innovation, Investment, and Deployment and Jobs.*** The private sector has invested hundreds of billions of dollars in broadband-enabled facilities, services, applications, and content over the last decade. This investment has been, and should continue to be, the primary engine of broadband growth in the United States.
4. ***Provide Targeted Government Support for Broadband Deployment Where Needed.*** There will be some remote areas of the nation where the private sector alone will not be able to shoulder the financial burdens of deploying broadband facilities required to achieve 100 percent broadband access. In those circumstances, the government should provide targeted assistance, including acting on pending proposals to reform the universal service program (and the related intercarrier compensation regime) to provide support for broadband deployment.
5. ***Remove Impediments to Broadband Adoption.*** The National Broadband Plan must address the impediments that have kept some populations offline. The Plan must engage many stakeholders —both inside and outside the government—to provide training and public access to broadband services; economic assistance for the acquisition of broadband services and equipment; and incentives for the development of technology and content aimed at specific users’ needs.

6. **Encourage Maximum Utilization.** The National Broadband Plan must encourage the deployment of more efficient and cost-effective—*smarter*—broadband networks, services, applications, and content as efficiently as possible. As broadband becomes more ingrained in our everyday lives—from web surfing to video conferencing to smart grids to e-commerce and e-government to telemedicine and beyond—networks will need to dynamically provide the performance capabilities required by the increasingly diverse array of services, applications, and content traveling over them.
7. **Enhance Cybersecurity and Online Safety.** Ensuring 100 percent broadband access and enabling 100 percent adoption will be an utterly wasted effort if the National Broadband Plan does not also include a robust strategy for ensuring cybersecurity and online safety. As broadband services play an increasingly instrumental role in virtually all facets of our cultural, economic, social, and governmental institutions, a secure and safe online environment is an imperative.

“With this initiative, government has a golden opportunity to finally transition many of its rules and policies for the broadband era. We look forward to working with all stakeholders as a national broadband plan is developed, Quinn said.”

For more information on AT&T's 100 Percent Broadband Proposal, visit www.att.com/public-policy.

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****Source: Bloomberg**

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