Reply to Common Council File No. 070745 From DOA-Budget and Management Division

October 12, 2007

Ref: 07012

Common Council File 070745 contains a resolution that certifies the receipt of \$74,122 from AT&T Wisconsin and authorizes the City Clerk to expend these funds for the purchase, lease and installation of equipment and transport of public access, educational and governmental channel programming on the AT&T U-verse video programming system.

This arrangement is part of the agreement between the City and AT&T in place while the City's lawsuit against AT&T is pending. [At issue in the lawsuit is the classification of U-verse video system - is it subject to municipal franchising regulations as are cable TV systems.] AT&T was allowed to begin installing and providing U-verse service subject to several conditions including the provision of PEG channel programming over its service and reimbursement of City expenses to establish these channels on U-verse. The City will in turn enter into agreements with the Higher Education Cable Consortium (including MATC), Milwaukee Public Schools, and MATA Community Media to implement the AT&T agreement to carry the PEG channels.

The City Clerk anticipates that the City's four PEG channels will be available on the U-verse system by the end of 2007 if the council passes this resolution.

RECOMMENDATION: ADOPT THE RESOLUTION INCLUDED IN THIS FILE CERTIFYING RECEIPT OF \$74,122 FROM AT&T AND AUTHORIZING THE CITY CLERK TO EXPEND FUNDS AND ENTER INTO AGREEMENTS TO FACILITATE TRANSMISSION OF PEG CHANNELS ON AT&T'S U-VERSE SYSTEM.

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JJL:

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