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August 13, 2012

Mr. Kenneth C. Hill, Chairman
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37243

Dear Mr. Hill:

This letter shall serve as a formal complaint to pursuant to TENN. CODE ANN. § 7-59-312(a) against AT&T, the provider of U-verse television service to Knoxville and Knox County, Tennessee pursuant to a state-issued certificate of franchise authority.

Community Television of Knoxville ("CTV"), a non-profit corporation, is the authorized manager of public, educational and government (PEG) channels for Knoxville and Knox County. Pursuant to TENN. CODE ANN. § 7-59-309(a)(1) notice was provided to the Tennessee Regulatory Authority that CTV, pursuant to its authority, had activated PEG channels, and soon thereafter all three providers of cable and video services to Knoxville and Knox County (Comcast, Knology and AT&T) began transmitting the activated PEG channels to their subscribers. Recently, however, AT&T U-verse stopped transmitting those PEG channels, apparently because of the failure of the encoder device provided by AT&T to Valerie Montalvo, AT&T's liaison to CTV, that AT&T was no longer transmitting PEG channels as required by the Tennessee Competitive Cable and Video Services Act of 2008, § 7-59-301, *et seq.* As of today, that status is unchanged.

TENN. CODE ANN. § 7-59-301, *et seq.*, requires the holder of a state-issued certificate of franchise authority such as AT&T to be responsible for transmission of PEG signals from the local programmer. TENN. CODE ANN. § 7-59-309(f)(1)(B) makes it clear that this is to be done at the sole expense of the certificate holder, including the cost of any equipment necessary to transmit such signals ("A holder of a state-issued certificate of franchise authority must transmit a PEG channel by one (1) of the following methods: . . . (B) Transmission of the signal from each PEG channel programmer's local origination point, **at the holder's expense, such expense to include any equipment necessary** for the holder to transmit the signal from PEG channels activated as of July 1, 2008, if the origination point is in the holder's service area.").

It is significant to note that, while the quoted statutory language could have limited the certificate holder's responsibility to providing the initial equipment necessary to transmit the signal, it obviously did not do so.

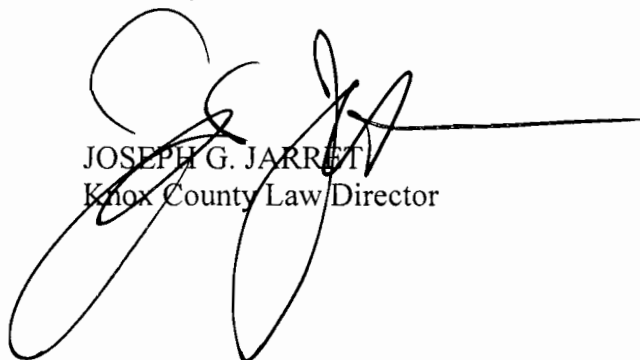
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AT&T has taken the position that because it provided CTV with the equipment necessary to transmit PEG signals to AT&T, as required by TENN. CODE ANN. § 7-59-309(f)(1)(B), along with a 90-day warranty on the equipment, it is no longer obligated to bear the expense of transmission of the PEG channels. As previously noted, there is no limiting language in the Tennessee Competitive Cable and Video Services Act of 2008 that suggests that the obligation imposed by TENN. CODE ANN. § 7-59-309(f)(1)(B) is a one-time obligation. In that there is a continuing obligation of a state-franchised cable and video service provider to transmit activated PEG channels, the obligation to bear the on-going expenses of such transmission should and does, under the unambiguous language of the statute, fall on the cable and video service provider, as well.

This letter is to make formal complaint with respect to AT&T's failure to fulfill its obligations in violation of TENN. CODE ANN. § 7-59-309(f). Knox County requests that the Tennessee Regulatory Authority, under the provisions of TENN. CODE ANN. § 7-59-312(d), make a finding of such a violation and take such action as it deems appropriate, including but not limited to an order requiring AT&T to bear current and all future expenses involved in transmission of PEG channels, as required by TENN. CODE ANN. § 7-59-309(f), under penalty of revocation of its certificate of authority.

Sincerely,



JOSEPH G. JARRETT
Knox County Law Director

JGJ/prm
Enclosure

cc: Mayor Tim Burchett
Mayor Madeline Rogero
David Vogel, Community Television of Knoxville
Janet Wright, Director of Information Systems, City of Knoxville
Ronald E. Mills, Deputy Law Director, City of Knoxville