



Paper: Chicago Tribune (IL)

Title: AT&T targets young DSL users; cuts tie to landline

Date: August 11, 2007

Acknowledging a dramatic shift in the way people use their phones, AT&T Inc. is using Chicago and two other markets to test ideas to win **young** customers for its wired network, even as they reject traditional wired phone service in favor of mobile phones.

AT&T, like other phone companies, has seen a steady erosion in its core business as people give up home phones because mobile phones fulfill their needs. And while it is the nation's largest provider of wireless phone service, the company seeks ways to keep customers connected to its wired network. Upgrades intended to enable that network to bring video to households are under way, but Chicago-area residents won't get that service until at least next year.

High-speed Internet lines are a growing business for AT&T, but its requirement that customers buy regular phone service to get **DSL** as been a drag on sales, especially to **younger** customers who never had a wired phone.

In a trial launched in Chicago; Austin, Texas; and Jacksonville, Fla., AT&T will drop its requirement that customers have a wired phone to get **DSL**, or digital subscriber line, and the company will offer **DSL** to AT&T mobile customers at the same price it charges those who use its wired phones.

The new trial high-speed Internet service will be available from AT&T stores in the Chicago area for \$23.99 a month. The plan, featuring 1.5 megabits per second speed, will cost \$19.99 a month for AT&T's wireless phone customers.

Selling a **DSL**

line without requiring landline phone service was pioneered a few years ago by Denver-based Qwest Communications International Inc., which dubbed the service "naked **DSL**." Popular with consumers, stand-alone **DSL** was resisted by other Bell companies that feared it would accelerate the decline in residential wired phone lines.

To win federal approval last year of its acquisition of BellSouth Corp., AT&T agreed to offer stand-alone **DSL** at reasonable prices. AT&T will launch a stand-alone **DSL** service for under \$20 a month later this year to comply with that pledge, said Cara Birch, a company spokeswoman. That service will feature speeds of 768 kilobits a second, which is half as fast as the 1.5-megabit-per-second speed offered now.

But AT&T says it is investigating stand-alone **DSL** service as a marketing strategy.

"Today's offer is separate from the merger condition," Birch said. "This trial focuses on college students in three markets who may not have an access line but wish to take advantage of broadband."

While aimed at new and **younger** customers, AT&T's offer is available to anyone, including current **DSL** customers, Birch said. The trial offer will run through Nov. 3 and isn't available online.

David Kolata, director of the Citizens Utility Board consumer advocacy group in Chicago, said AT&T's new offer sounds interesting. "We'll look at it and probably put out a consumer alert."

CUB has been touting a \$10-a-month, 768 kilobit-per-second **DSL** plan available from AT&T that the firm isn't promoting. That offer is only for people who have not used **DSL** before, and CUB has helped several customers find the plan, which is hidden on AT&T's Web site.

CUB is urging consumers to change their phone plans to save money and soon will launch ad campaigns to promote phone bill reviews.

"With very few exceptions, no one should be paying more than \$25 a month, including taxes, for landline phone service," said Kolata.

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Section: Business

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