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January 8, 1999

Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TWB-204
Washington, DC 20554

Re: CS Docket No. 98-178
Joint Applications for Consent to Transfer of Control AT&T Corp.
("AT&T")/Tele-Communications, Inc. ("TCI")

Dear Ms. Salas:

AT&T and TCI publicly filed with the Securities and Exchange Commission ("SEC") their merger proxy today and are awaiting SEC clearance to commence mailing copies of the proxy to their respective shareholders. The proxy mailing is in preparation for a special AT&T shareowner meeting to vote on the TCI merger. Enclosed is a copy of the press release issued by AT&T today. As reflected in the proxy and the press release, the description of the merger and the organization of AT&T post-merger will substantively track what the parties had described in their FCC applications for FCC consent to the transfer of control of TCI to AT&T, filed on September 14, 1998 (the "Application"), with one change: AT&T has decided not to issue additional tracking stocks beyond the Liberty Media tracking stock at this time. As discussed below, this change in AT&T's internal structuring will have no effect on what is being acquired from TCI, what is being attributed to the Liberty Media Group, or the intentions of AT&T post-merger regarding the services it will offer. Accordingly, it is not material and it should have no effect on the FCC's review of the Application or its determination that the transfer of control of the FCC authorizations held by subsidiaries of TCI to AT&T is clearly in the public interest.

The Application reflected the structure contemplated by the parties at the time that the parties executed the Agreement and Plan of Restructuring and Merger, dated as of June 23, 1998. In structuring the transaction, one of the intentions of the parties was to separate the performance of the Liberty Media Group's businesses - which consist of, among other

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things, its video programming businesses and TCI's minority interest in Sprint's PCS ventures - from those of AT&T's other businesses. Public Interest Statement at 10. Details regarding the composition and structure of the management and the operational independence of Liberty Media Group are provided in the Public Interest Statement at 10-11. The parties are proposing no changes to the composition or the structure of the management, the operational independence of Liberty Media Group or what is being attributed to Liberty Media Group post-merger.

The Application also indicated that in addition to the creation of Liberty Media Group, an "AT&T Common Stock Group" tracking stock would initially be established, consisting of what is now AT&T and TCI's cable television, telephone and Internet businesses. Application at 11. The Application indicated that subsequent to the merger, AT&T would create a third group of tracking stock for "AT&T Consumer Services Company," which would include AT&T's (and what was previously TCI's) cable television, local residential telephone, domestic long-distance residential telephone, international residential telephone, and residential Internet businesses, along with AT&T's consumer residential wireless mobile communications business. The Common Stock Group would thereafter reflect only the remainder of AT&T's current network and business services.

AT&T has decided not to, at this time, create these additional categories of tracking stock. The change in the current plans of AT&T post-merger regarding the internal organization and accounting to shareholders of the economic performance for specific lines of AT&T's businesses will have no impact on the merger itself, the independence of the Liberty Media Group, or AT&T's intended plans regarding the utilization of the acquired TCI operations to provide new and enhanced service to the public by fostering new facilities-based competition in the provision of local telephone service. The change also will not require the filing of new or amended applications in this proceeding or any other pending proceeding. In substance, the proxy and press release reflect the merger, as described in the Application without any changes that are material to the Commission's consideration of the Application.

Please do not hesitate to contact the undersigned if you have any questions concerning this matter.

Sincerely,

Mark C. Rosenblum (srb)

cc: Deborah Lathen
Royce Dickens

**AT&T Publicly Files TCI Merger Proxy;
Expects to Begin Mailing to Shareowners Shortly;
Announces Plans for Stock Repurchase and Stock Split**

FOR RELEASE: Friday, January 8, 1999

NEW YORK – AT&T said today that it has publicly filed the TCI merger proxy with the Securities and Exchange Commission and is awaiting SEC clearance to begin mailing copies to its shareowners. The proxy mailing is in preparation for a special shareowner meeting the company expects to hold on February 17, 1999, at the Meadowlands Exposition Center in Secaucus, N. J., to vote on the merger. To win approval, more than 50 percent of AT&T's outstanding common shares must be voted in favor of the proposed merger.

“As we begin the New Year, AT&T and TCI are right on track with our ambitious timetable for the pending merger,” said AT&T Chairman C. Michael Armstrong. “We expect to complete the merger in the first quarter of 1999, presuming shareholder and regulatory approvals.”

Armstrong also said AT&T's Board of Directors has authorized the repurchase of up to \$4 billion of AT&T common stock. The company intends to repurchase shares from time to time prior to the closing of the TCI merger through an open market share repurchase program. It will reissue the repurchased shares as part of the shares to be issued for TCI. Purchases may not commence immediately and will be subject to market conditions and SEC regulations, which could limit the actual number purchased.

“In addition, the Board has announced its intention, following the completion of the TCI merger, to declare a three-for-two stock split of the company's common stock,” Armstrong said. “This split further demonstrates our confidence in AT&T's continued growth. As the country's most widely-held stock, it will ensure that each share is affordably priced.”

In a three-for-two split, AT&T's shareowners would receive an additional share of stock for every two shares they own on the record date of the split.

Finally, the company also reported that it will not create a consumer services tracking stock at this time in order to focus on fully integrating its acquisitions.

“The acquisitions and investments we've made over the last year will transform AT&T from a company dominated by a single product line - long distance voice - into the leader in a new generation of advanced communications, information and video services,” said Armstrong. “But we have to be able to fully integrate these assets to deliver their true value to our customers. That's why we have decided to consolidate our acquisitions before considering the creation of a tracking stock. We believe that's in the best interests of our customers and our shareowners.”

John C. Malone, Chairman of Tele-Communications, Inc., who will become a director of AT&T and one of its largest shareowners following the TCI merger, agreed. “Under Mike Armstrong's stewardship, AT&T represents a unique set of complementary assets,” he said. “Making sure these assets are operationally integrated before adding the complications of a separate tracking stock is the right thing to do. I am personally extremely pleased with this decision, as is the TCI Board, and I am confident that TCI's shareholders will agree.”

In addition, AT&T said it would further report results by segment so investors can evaluate each part of the business against similar businesses in the industry and understand the company's "sum of the parts" value.

As part of the TCI merger, AT&T reiterated plans to issue a separate tracking stock, called Liberty Media Group tracking stock, to holders of TCI's programming and ventures arms (the Liberty Media Group and TCI Ventures Group) to continue such holders' economic interests in the units now represented by those shares. The Liberty Media Group's business will be separately managed and will not be consolidated with the assets of the other AT&T groups.