

building its brand awareness recognition in its five states, as the Ameritech brand for mass market services has only been in existence since 1994 (previously Ameritech had used the Bell Company brand names). (The bulk of responsive reports analyzing brand awareness of the Ameritech name were commissioned to examine the Ameritech Cellular and Paging operations.)

In general, the few studies conducted that evaluate brand awareness indicate that after the primary ILEC in-region, the interexchange carriers (AT&T, MCI, Sprint) are the carriers in which customers have the highest purchase interest – not Ameritech. Other RBOCs, when evaluated outside of their respective regions, often will lag behind and will garner significantly less purchase interest than the IXCs. This result is driven by the national awareness and advertising of the long distance carriers, and the strong base of their customers on a national basis, as well as their national wireless positioning (AT&T, Sprint PCS) in contrast to the regional awareness and focus of the local carriers. In connection with Project Green research in other ILEC regions within the Ameritech five state region; customers were specifically asked to compare their ILEC vs. Ameritech. Generally speaking customers preferred purchasing services from their ILEC, with Ameritech lagging behind.

14. Please provide all documents in your possession regarding the level of familiarity that potential business and residential customers located outside the current SBC region have with the SBC, SWBT/Southwestern Bell, PacTel/PacBell/Pacific Bell, or SNET/Southern New England Telecommunications brand names. In addition, please provide all documents in your possession concerning the willingness of these customers to purchase local or interLATA wireline telecommunications services from companies with the brands listed above (or any other brands that those companies may offer).

In particular, please include all documents in your possession regarding the appeal and familiarity of the Cellular One brand name in the Chicago area. Please also include all documents in your possession comparing the appeal and familiarity of the Cellular One brand name with that of other carriers in the Chicago area.

Modifications to Question 14:

- **Modify the language in Question 14 by replacing the term "all documents" each time it appears with the phrase "all final analytical reports (including a sample script and questionnaire, where available)."**
- **Limit the response to information and/or documents that Ameritech can produce without violating confidentiality agreements with customers or potential customers. Ameritech will follow up with an indication of what documents are subject to confidentiality agreements.**

Narrative Response to Question 14

As reflected in the final reports produced in response to this question, SBC was not well-known in the Chicago area, although the trade name Cellular One is well known for wireless services. Customers in the five state Ameritech region, however, had little knowledge of the SBC brand name with respect to any services, particularly wireline services. As the responsive documents demonstrate, any brand name recognition enjoyed by SBC paled in comparison to that of AT&T, MCI WorldCom, and Sprint. Indeed, the purchase interest in SBC is less than half of that enjoyed by the IXCs and GTE. Ameritech is not aware of any

efforts by SBC to conduct an advertising campaign or attempt to build a brand awareness inside the five state Ameritech region, beyond the Cellular One advertising in Chicago.

Demand for End-to-End Telecommunications Services

15. The SBC and Ameritech Joint Opposition states that large business customers demand seamless, bundled, end-to-end telecommunications services on a national and global scale.

(a) Please provide all documents in your possession regarding the demand patterns of large business customers for telecommunications and information services. Please include any independent market research studies (other than the Yankee Group study provided to Commission staff on December 18, 1998) of business customer demand and spending patterns for telecommunications and information services.

(b) Please provide all documents in your possession (exclusive of request-for-proposals ("RFP") materials), regarding how any current perceptions that large business customers have about Ameritech's ability individually to provide service out-of-region may change as a result of the merger with SBC. Include any documents concerning how large business customers might respond to approaches by SBC or Ameritech individually in the 15 out-of-region markets outlined in Dr. Carlton's affidavit.

(c) Please provide a list of all carriers that, to Ameritech's knowledge, currently provide or market to business customers the type of end-to-end service that the combined SBC-Ameritech intends to provide under the National-Local Strategy. To the extent that Ameritech has such information, please state the estimated percentage of SBC's and Ameritech's customers that have been lost to these competitors.

(d) Please provide all documents in your possession regarding the extent to which businesses own the facilities contained in their private or intra corporate networks. In addition, please provide any documents in your possession regarding the extent to which business customers rely on in-house telecommunications experts/managers for the purchase and management of services and facilities associated with their intra corporate networks.

Modifications to Question 15:

- **Clarify that the term "large business customers" means "large retail business customers."**
- **With respect to subsections (a) through (c), limit the responses to information or documents in the possession of Ameritech's Custom Business Services Group, which is the business unit that handles Ameritech's largest customers.**
- **[Question 15(d) is on hold pending further internal FCC discussion. Ameritech's response to Question 15(d) is not required by February 2, 1999.]**

Narrative Response to Question 15(a)-(b)

Market demand patterns identified in research conducted by and for Ameritech Custom Business Services indicate that customers are seeking national solutions for long distance, local, and data services. The responsive documents highlight customers' interest in providers of end-to-end services and the demand characteristics of such customers. The documents reflect responses of entities that are not already Ameritech customers and thus further highlight that this demand for national solutions is not a specific need of Ameritech customers, but of customers across the United States.

Narrative Response to Question 15(c)

To Ameritech's knowledge, only three U.S. carriers currently provide or market to business customers the type of end-to-end services that the combined SBC-Ameritech intends to provide under the National-Local Strategy (NLS): AT&T,

MCIWorldcom, and Sprint.³⁰ Ameritech does not have any information regarding SBC's competitive losses to the global telecommunications firms. Ameritech has not previously calculated such estimated losses, but presumes that these losses, calculated on the basis of opportunities forgone due to regulatory or other inhibitions, are considerable. Ameritech rarely loses 100 percent of an in-region larger customer's entire telecommunications spending. Instead, the losses are through foreclosure from participating in the growth of new services or in bidding for the higher-margin services.

16. The Description of the Transaction states that SBC and Ameritech have concluded that "we need to be everywhere our customers are, and be able to provide [our customers] with the latest technologies, features and common suites of services at all of their locations.

(a) Please provide copies of all RFPs in your possession from existing or potential business customers that would indicate the types of networks and services that these customers demand.

(b) Please provide any RFPs concerning the provision of telecommunications and information services for which Ameritech submitted a bid or considered submitting a bid, any memoranda associated with those RFPs, and the names of any contact persons at the companies that issued the RFPs.

(c) In instances where Ameritech has the information, please indicate the company or companies that were selected for those RFPs for which Ameritech submitted bids.

³⁰ Bell Atlantic and GTE, if merged, could become suppliers of end-to-end services as well.

Modifications to Question 16:

- **With respect to each subsection, exclude information or documents regarding RFPs for telecommunications services within a single state served by Ameritech. In addition, initially limit the responses to information or documents in the possession of Ameritech's Custom Business Services Group, which is the business unit that handles Ameritech's largest customers.**
- **In lieu of the information and documents requested in each subsection of this question, Ameritech initially will meet with FCC staff on Friday, January 29, 1999 to discuss the substance of this request. At this meeting, Ameritech also will provide a preliminary assessment about which RFPs it may provide information to the FCC without violating any confidentiality agreements. After Ameritech has provided such an assessment, FCC staff will determine how Ameritech should proceed in responding to Question 16, including the possibility of providing a summary description of RFPs for the 12 month period of May 1, 1997 through May 1, 1998 (or a similar period).**
- **Exclude any information and/or documents regarding RFPs that are exclusively for international and/or payphone services.**

Narrative Response to Question 16

In accordance with the modification to Question 16, representatives from Ameritech met with FCC Staff on January 29, 1999 to discuss Ameritech's experience with corporate RFPs, which are subject to confidentiality agreements. Pending FCC Staff's consideration of the information discussed at this meeting, Ameritech is not required to produce information or documents in response to this question.

17. The following questions concern the telecommunications expenditures of companies located within the combined SBC-Ameritech region.

(a) Please provide a list of all the 224 Fortune 500 companies referred to in the Description of the Transaction about which you have information concerning their total annual telecommunications expenditures.

(b) With regard to the companies listed in response to Question 17(a) above, please provide all documents in your possession regarding the total annual telecommunications expenditures of these companies. To the extent it is available, please provide a breakdown of this figure by company, rather than an average figure for all companies.

(c) Please provide all documents in your possession regarding how the companies listed in response to Question 17(a) above, allocate their total annual telecommunications expenditures amongst different services (e.g., 30 percent annually devoted to local, 20 percent annually devoted to interLATA service).

(d) Please provide all documents in your possession regarding which portion of the telecommunications expenditures of the companies listed in response to Question 17(a) is devoted to in-region services currently provided by either SBC or Ameritech and which portion is provided by other carriers. To the extent possible, please provide the names of the other carriers used by the individual companies listed in Question 17(a), and state which services these carriers provide.

(e) Please identify whether any of the companies listed in response to Question 17(a) has a long-term contract with a telecommunications provider and, if so, specify when the contract expires.

(f) Please provide the contact names and telephone numbers of the in-house experts/managers overseeing the telecommunications needs of the 15 largest business customers in the current Ameritech region.

Modifications to Question 17:

- **Question 17 should be read to apply to all documents in Ameritech's possession that Ameritech has used in preparing for the merger with SBC and the National-Local Strategy.**

Narrative Response to Question 17

In response to Question 17 as modified, Ameritech notes that no documents regarding the telecommunications expenditures of large business customers in Ameritech's region were given to SBC in connection with merger negotiations and the National-Local Strategy. Any documents in Ameritech's possession, used in preparation for the merger negotiations, address the synergies and efficiencies that could be achieved as the result of a merger between Ameritech and SBC, various accounting, employee benefits, and related issues, and financial assessments aimed at addressing whether the transaction is fair from a shareholder point of view.

* * *

As set forth in the letter from Ameritech to the FCC (see Attachment B hereto), with respect to Questions 18 and 19, Ameritech representatives and FCC Staff will have further discussions regarding these questions and, pending the outcome of those discussions, Ameritech will not be required to produce information or documents in response to those questions.

A

RECEIVED

**Federal Communications Commission
Washington, DC 20554**

JAN 11 1999

January 7, 1999

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

Lynn Shapiro Starr
Executive Director
Federal Relations
Ameritech Corp.
Suite 1020
1401 H Street, N.W.
Washington, DC 20005

Re: CC Docket No. 98-141
Request for Documentary Material

Dear Ms. Starr:

As a follow-up to presentations to the Commission by Ameritech Corporation ("Ameritech") regarding Ameritech's proposed merger with SBC Communications Inc. ("SBC"), the Common Carrier Bureau staff requests the supplemental information listed below. In addition, as a result of staff review of documents that Ameritech filed with the Department of Justice, we ask that specific documents identified below be entered into the record in CC Docket No. 98-141. These requests for information and documentation are intended to assist us in considering your application for Commission approval of the proposed transfer of control to SBC of licenses and authorizations controlled or requested by Ameritech or its affiliates or subsidiaries. These requests extend to Ameritech and its affiliates and subsidiaries, and cover all forms of documentation, including all electronic versions and any copies with notations. In order to expedite consideration of your application, please respond to the following requests pertaining to this proposed merger by February 2, 1999.

When responding to the following document requests, please ensure that all documents specify the date on which they were generated. In addition, when producing the documents to the Common Carrier Bureau staff, please categorize the documents in such a way as to indicate which of the following requests a given set of documents is intended to satisfy. For example, all documents responding to Question 1 should be so marked and separated from the sets of documents responding to subsequent requests.

Out-of-Region Entry Activities

1. Please provide copies of all signed interconnection agreements between Ameritech and other incumbent local exchange carriers (ILECs) that were completed in connection with Ameritech's attempts to enter out-of-region local exchange and exchange access markets. Please indicate which of these agreements were standard interconnection agreements based on a Statement of Generally Available Terms (SGAT) pursuant to section

No. of Copies rec'd ~~6~~ 0+1
List ABOVE

252(f) of the Communications Act and which agreements were based on section 252(i). To the extent that any of the provisions in these agreements were not based on either sections 252(f) or 252(i), please identify those provisions.

2. On October 13, 1998, Ameritech filed in CC Docket No. 98-141 a list of all states in which it had obtained, or was in the process of obtaining, state certifications to provide local exchange or exchange access service as of the time the proposed merger between SBC and Ameritech was announced.

(a) With regard to the states on this list, please indicate for which states Ameritech was required to file a proposed business plan in connection with its certification application.

(b) Please provide copies of all business plans that Ameritech filed in connection with its state certification applications.

3. Please provide all documents in your possession relating to any pre-merger plans and considerations by Ameritech after February 8, 1996 to provide local exchange, exchange access, or interLATA service outside its current region.¹ This request includes all studies, charts, and memoranda relating to market conditions, entry strategies or entry barriers in those out-of-region areas.

In particular, please provide:

(a) All documents in your possession regarding Ameritech's use of shared transport or combinations of network elements (including loop, switch, and transport) as an out-of-region entry strategy.

(b) All documents regarding Ameritech's possible provision of facilities-based (i.e., through the use of facilities owned or leased by Ameritech) out-of-region local exchange, exchange access, or interLATA service. Please include any documents associated with Ameritech's Managed Local Access offering.

(c) Please provide all documents in your possession relating to the costs and revenues associated with providing out-of-region small business and residential customers local and interLATA services.

4. As of May 10, 1998,² please describe the level of progress that Ameritech had

¹ The current Ameritech region is defined as the portions of the 5 states (Illinois, Indiana, Michigan, Ohio, and Wisconsin) served by Ameritech as a local exchange carrier. See 47 U.S.C. § 153(26).

² The Agreement and Plan of Merger between SBC and Ameritech is dated May 10, 1998. See, Agreement and Plan of Merger Among Ameritech Corporation, SBC Communications Inc., and SBC Delaware, Inc. (Dated as of May 10, 1998), Attachment to Merger of SBC Communications Inc. and Ameritech

made in building any operations support systems (OSS) interfaces that would enable it to access SBC's OSS functions (i.e., pre-ordering, ordering, provisioning, repair and maintenance, and billing) to obtain resold services, unbundled network elements, and number portability. Please provide all documents in your possession regarding the building of such OSS interfaces.

5. To the extent that Ameritech had commenced its development of any interfaces to access SBC's OSS, please explain which SBC interfaces Ameritech was building toward (e.g., EDI or Verigate).

6. To the extent that Ameritech had conducted any tests accessing SBC's OSS systems, please specify the nature (e.g., which interface was tested), scope (e.g., stages of testing -- initial, beta), duration, and results of any such tests. Please provide all documents in your possession regarding such tests, including any documents associated with the discontinuance of such tests.

7. Please describe, and provide all documents concerning, the status of Ameritech's development of its own internal back office systems to provide local exchange service in the SBC region. Any such description should include an explanation of the extent to which Ameritech had developed its own billing system, inventory management system, and any other customer care functions.

8. Please state, and provide all documents in your possession concerning, whether Ameritech at any time filed, or considered filing, a complaint with a state regulatory commission regarding SBC's provision of local exchange services and facilities to Ameritech.

9. Please describe in detail the number, and type, of out-of-region telecommunications facilities that Ameritech owns, or did own at the time of the merger announcement, that could be used to provide wireline local or interLATA telecommunications service.

10. To the extent that Ameritech owns, or did own at the time of the merger agreement, any out-of-region facilities that are, or were, being used for the provision of wireless services, please explain whether any of these facilities could be converted for the provision of wireline services. To the extent that such a conversion could be made, please describe which facilities could be converted and the costs associated with such a conversion. Please provide all documents in your possession regarding such a conversion.

11. Please explain whether any of the facilities associated with Ameritech's provision of telecommunications service (i.e., wireless or wireline service) in areas that are contiguous to those of other ILECs (e.g., St. Louis) could be converted for the provision of

wireline service in the neighboring ILEC's region. Please describe the costs associated with such a conversion. Please provide all documents in your possession regarding such conversions.

12. Please provide all documents in your possession associated with SBC's entry into the Ameritech region to provide local exchange, exchange access, or interLATA service.

Brand Name Awareness

13. Please provide all documents in your possession regarding the level of familiarity that potential business and residential customers located outside of the current Ameritech region have with the Ameritech brand name. In addition, please provide all documents in your possession concerning the willingness of these customers to purchase local or interLATA wireline services from companies with the Ameritech brand name.

In particular, please include all documents in your possession regarding the level of familiarity that potential business and residential customers have with Ameritech's brand name in the St. Louis area. Please also include all documents in your possession comparing the appeal and familiarity of Ameritech's brand name with that of other carriers in the St. Louis area.

14. Please provide all documents in your possession regarding the level of familiarity that potential business and residential customers located outside the current SBC region³ have with the SBC, SWBT/Southwestern Bell, PacTel/PacBell/Pacific Bell, or SNET/Southern New England Telecommunications brand names. In addition, please provide all documents in your possession concerning the willingness of these customers to purchase local or interLATA wireline telecommunications services from companies with the brands listed above (or any other brands that those companies may offer).

In particular, please include all documents in your possession regarding the appeal and familiarity of the Cellular One brand name in the Chicago area. Please also include all documents in your possession comparing the appeal and familiarity of the Cellular One brand name with that of other carriers in the Chicago area.

³ The current SBC region is defined as the portions of the 8 states served by Southwestern Bell Telephone Co. ("SWBT") (Texas, Missouri, Oklahoma, Kansas, and Arkansas), Pacific Bell (California), Nevada Bell (Nevada), and Southern New England Telecommunications Corp. ("SNET") (Connecticut) as local exchange carriers. See 47 U.S.C. § 153(26).

Demand for End-to-End Telecommunications Services

15. The SBC and Ameritech Joint Opposition states that large business customers demand seamless, bundled, end-to-end telecommunications services on a national and global scale.⁴

(a) Please provide all documents in your possession regarding the demand patterns of large business customers for telecommunications and information services.⁵ Please include any independent market research studies (other than the Yankee Group study provided to Commission staff on December 18, 1998) of business customer demand and spending patterns for telecommunications and information services.

(b) Please provide all documents in your possession (exclusive of request-for-proposals ("RFP") materials),⁶ regarding how any current perceptions that large business customers have about Ameritech's ability individually to provide service out-of-region may change as a result of the merger with SBC. Include any documents concerning how large business customers might respond to approaches by SBC or Ameritech individually in the 15 out-of-region markets outlined in Dr. Carlton's affidavit.⁷

(c) Please provide a list of all carriers that, to Ameritech's knowledge, currently provide or market to business customers the type of end-to-end service that the combined SBC-Ameritech intends to provide under the National-Local Strategy. To the extent that Ameritech has such information, please state the estimated percentage of SBC's and Ameritech's customers that have been lost to these competitors.

(d) Please provide all documents in your possession regarding the extent to which businesses own the facilities contained in their private or intracorporate networks. In addition, please provide any documents in your possession regarding the extent to which business customers rely on in-house telecommunications experts/managers for the purchase and management of services and facilities associated with their intracorporate networks.

⁴ See Joint Opposition of SBC Communications Inc. and Ameritech Corporation to Petitions to Deny and Reply to Comments (filed Nov. 16, 1998) ("Joint Opposition") at 2-4 & n.4.

⁵ In responding to this question, please note that in Question 17 below we request information about the total annual telecommunications expenditures of the top 224 Fortune 500 companies located in the combined SBC-Ameritech region.

⁶ See Question 16 regarding RFP materials.

⁷ Description of the Transaction, Affidavit of Dennis W. Carlton ("Carlton Aff.") at 18 (Table 1).

16. The Description of the Transaction states that SBC and Ameritech have concluded that "we need to be everywhere our customers are, and be able to provide [our customers] with the latest technologies, features and common suites of services at all of their locations."⁸

- (a) Please provide copies of all RFPs in your possession from existing or potential business customers that would indicate the types of networks and services that these customers demand.
- (b) Please provide any RFPs concerning the provision of telecommunications and information services for which Ameritech submitted a bid or considered submitting a bid, any memoranda associated with those RFPs, and the names of any contact persons at the companies that issued the RFPs.
- (c) In instances where Ameritech has the information, please indicate the company or companies that were selected for those RFPs for which Ameritech submitted bids.

17. The following questions concern the telecommunications expenditures of companies located within the combined SBC-Ameritech region.

- (a) Please provide a list of all the 224 Fortune 500 companies referred to in the Description of the Transaction about which you have information concerning their total annual telecommunications expenditures.⁹
- (b) With regard to the companies listed in response to Question 17(a) above, please provide all documents in your possession regarding the total annual telecommunications expenditures of these companies. To the extent it is available, please provide a breakdown of this figure by company, rather than an average figure for all companies.
- (c) Please provide all documents in your possession regarding how the companies listed in response to Question 17(a) above, allocate their total annual telecommunications expenditures amongst different services (e.g., 30 percent annually devoted to local, 20 percent annually devoted to interLATA service).
- (d) Please provide all documents in your possession regarding which portion of the telecommunications expenditures of the companies listed in response to Question 17(a) is devoted to in-region services currently provided by either SBC or Ameritech and

⁸ Description of the Transaction at 4.

⁹ In this context, the term "telecommunications expenditures" includes both local and interLATA "telecommunications services" and local and interLATA "information services," as those terms are defined by the 1996 Act.

which portion is provided by other carriers. To the extent possible, please provide the names of the other carriers used by the individual companies listed in Question 17(a), and state which services these carriers provide.

(e) Please identify whether any of the companies listed in response to Question 17(a) has a long-term contract with a telecommunications provider and, if so, specify when the contract expires.

(f) Please provide the contact names and telephone numbers of the in-house experts/managers overseeing the telecommunications needs of the 15 largest business customers in the current Ameritech region.

Ameritech Investment Projects

18. Viewing Ameritech's international (including wireless operations, acquisitions of foreign carriers, and cable television operations), cable television, and out-of-region wireless activities during the last ten years as three separate investment projects, please provide the time profiles and cash flows¹⁰ associated with each of these projects over the last ten years.

19. In his Reply Affidavit, Jack B. Grubman compares the dilutive effects that would arise if the National-Local Strategy were pursued by SBC independently with the effects of pursuing the Strategy after a merger with Ameritech.¹¹

(a) Please apply Mr. Grubman's methodology to the three investment projects described in Question 18 above. Please provide all documents showing the dilutive effects, based on Mr. Grubman's methodology, for the three investment projects described in Question 18.

Documents Submitted to the Department of Justice:

In addition to the above documents, please provide copies of the documents beginning with the following stamp numbers that were submitted by Ameritech to the Department of Justice:

1. Document No. AC 25
2. Document No. AC 50

¹⁰ In this context, the value of the cash flow should include any investments associated with the given project.

¹¹ Reply Affidavit of Jack B. Grubman at ¶ 8.

3. Document No. AC 95
4. Document No. AC 105
5. Document No. 145
6. Document No. AC 158
7. Document No. AC 180
8. Document No. AC 557
9. Document No. AC 701
10. Document No. AC 851
11. Document No. AC 1231.

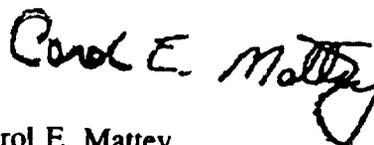
Requested documents that contain material deemed proprietary or confidential should be filed with the Commission pursuant to the protective order adopted in this proceeding.¹² In addition to the procedures set forth in that order, please note that the process for filing documents containing proprietary or confidential materials is outlined in the following paragraph.

A party filing a confidential document must deliver in person one copy of the confidential document to Radhika Karmarkar at 1919 M Street, Room 544. In addition, the party must file with the Secretary's Office one copy of the entire confidential document and two copies of the confidential document in redacted form, each with an accompanying cover letter. The confidential document and accompanying cover letter should be stamped "Confidential -- Not for Public Inspection." The two copies of the redacted document and their accompanying cover letters should be stamped "Redacted -- For Public Inspection." The cover letters accompanying both sets of documents should state that the party is filing a confidential document and a redacted version of that document. Other than having different stamps (i.e., "Confidential -- Not for Public Inspection" or "Redacted -- For Public Inspection"), the cover letter should be the same for the confidential and the redacted copies. The documents to be filed with the Secretary's Office should be delivered in person at 445 12th Street, S.W., Room TW-B204 to: (i) Magalie Roman Salas, Secretary; or in her absence (ii) William F. Caton, Deputy Secretary; or in his absence (iii) Ruth A. Dancy, Assistant Secretary.

¹² *In the Matter of Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from Ameritech Corporation to SBC Communications Inc.*, Order Adopting Protective Order, CC Docket No. 98-141, DA 98-1952 (rel. Oct. 2, 1998).

In order to expedite the Commission's review of the application for consent to transfer of control, Ameritech should file documents responsive to the staff's requests as they are identified, rather than waiting for all to be prepared for submission. Ameritech should provide all requested information and documents by February 2, 1999. If you have any questions regarding these requests, please contact Radhika Karmarkar at 418-1628.

Sincerely,



Carol E. Matthey
Chief, Policy and Program Planning Division
Common Carrier Bureau



B





RECEIVED

Lynn Shapiro Starr
Vice President
Regulatory Affairs

FEB 02 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

February 2, 1999

BY HAND DELIVERY

Carol E. Matthey, Esq.
Chief, Policy and Program Planning Division
Common Carrier Bureau
Federal Communications Commission
1919 M Street, N.W., Room 544.
Washington, D.C. 20554

Re: Application of SBC Communications, Inc. and
Ameritech Corporation for Authority To Transfer
Control of Certain Licenses and Authorizations, CC
Docket No. 98-141 – Notice of Ex Parte Presentation

Dear Ms. Matthey:

This letter concerns your letter dated January 7, 1999 requesting documentary material in connection with the proposed merger between Ameritech Corporation ("Ameritech") and SBC Communications, Inc. At the request of Commission staff, we are submitting this letter to reflect a series of discussions between Ameritech representatives and Commission staff members concerning (1) the mechanics of complying with the Commission's letter request to Ameritech for documentary material and (2) the possibility of narrowing and making more specific the scope of the January 7, 1999 request for documents and supplemental information.

We appreciate the cooperation and courtesy afforded us by the Commission's staff during these discussions. As the result of these discussions,

Ms. Carol E. Matthey, Esq.
February 2, 1999
Page 2

Ameritech proposes the following revisions and clarifications the January 7, 1999 Request for Documentary Material set forth below.

General/Global Revisions:

- Ameritech should provide an index of all documents it produces to the FCC, indicating which documents are responsive to which of the questions posed in the FCC document request. The index also will include the following information, to the extent such information is available: (1) name of the person from whose office the document originated; (2) name the author(s) of the document; (3) name(s) of the recipients of the document; (4) a brief description or title of the document; and (5) the starting DOJ bates number for the document, if produced to DOJ.
- In general, Ameritech's initial search for documents will be limited to the materials already produced to DOJ and the files of the Ameritech affiants, except for questions, or parts of questions, not addressed in the DOJ submission. For those questions, or parts of questions, Ameritech will search the files of all relevant individuals, irrespective of whether those files were previously searched in responding to the DOJ submission.
- In addition, all references to "all documents" will be limited to a search of the files of relevant individuals at Ameritech identified by FCC staff based on a review of Ameritech organizational charts. Documents retrieved from the files of such relevant individuals will be produced to the FCC no later than the week of February 8, 1999. (Such relevant individuals are identified, on a question-by-question basis, on Attachment A hereto.)

Ms. Carol E. Matthey, Esq.
February 2, 1999
Page 3

- With the exceptions of Questions 18 and 19, limit all requests for information or documents to the period from February 8, 1996 until 10 days prior to the requested deadline of February 2, 1999. With respect to files searched for the DOJ, the initial end date will be the end date for the DOJ submissions. With regard to the following questions, the end date should be the end date for the DOJ submissions: 1-12.
- Ameritech will inform the FCC staff which document requests are likely to result in the production of a very large number of documents; Ameritech and the FCC staff will then discuss modifications to those questions in order to limit the scope of the production.

Revisions/Limitations to Specific Questions

Question #3

- With respect to subsections (b) and (c), limit the information and documents to be provided to that which was produced to DOJ (which will include discussions of Project Gateway, Managed Local Access (MLA), and exclude information and documents relating to international, payphone, alarm monitoring, and stand-alone interLATA offerings (e.g., prepaid calling card product, 1-800 conferencing service). To the extent that there are documents in the files of relevant individuals responsive to subsections (b) and (c) that were not included in the DOJ submission, Ameritech will include those documents in responding to the FCC's request. In addition, Ameritech must provide information and documents regarding any international offerings that were part of an Ameritech bundled offering, which also included domestic local or interLATA telecommunications services. With regard to the exclusion of documents regarding alarm monitoring, any such exclusion is subject to the Commission's final determination on the Alarm Industry Communica-

Ms. Carol E. Matthey, Esq.
February 2, 1999
Page 4

tions Committee Motion to Require Full Disclosure of Relationship with Smith Alarm (filed Dec. 16, 1998 in CC Docket No. 98-141).

- With respect to subsection (b), the language of the first sentence should remain the same and the second sentence should be deleted. FCC staff understands that, pursuant to the first sentence, any documents regarding facilities based provision in the context of MLA will be produced by Ameritech. As a further point of clarification, FCC staff notes that the first sentence should be read to include any documents associated with the provision of service on a resale basis where the document indicates that the ultimate goal was to provide service on a facilities-based basis.

Question #4

- Ameritech will provide a narrative addressing the level of progress Ameritech had made in building OSS interfaces as of May 10, 1998. The narrative should contain citations to documents that Ameritech has relied on, such as internal reports, regardless of whether such documents were produced to DOJ.
- After reviewing responsive narratives submitted by Ameritech, FCC staff may request additional information and/or documents.

Question # 5

- After reviewing responsive narratives submitted by Ameritech, FCC staff may request additional information and/or documents. Ameritech's narrative responses should contain citations to documents that Ameritech has relied on,

Ms. Carol E. Matthey, Esq.
February 2, 1999
Page 5

such as internal reports, regardless of whether such documents were produced to DOJ.

Question # 6

- After reviewing responsive narratives submitted by Ameritech, FCC Staff may request additional information and/or documents. Ameritech's narrative responses should contain citations to documents that Ameritech has relied on, such as internal reports, regardless of whether such documents were produced to DOJ. Ameritech's narrative response should explain when and why any testing ceased.

Question # 7

- After reviewing responsive narratives submitted by Ameritech, FCC Staff may request additional information and/or documents. Ameritech's narrative responses should contain citations to documents that Ameritech has relied on, such as internal reports, regardless of whether such documents were produced to DOJ.

Question # 9

- Ameritech will provide a written narrative, with citations to underlying documents, of the extent to which it has assessed whether any of the out-of-region facilities that it owns, or did own at the time of the merger announcement, could be used to provide competitive wireline local exchange and

Ms. Carol E. Matthey, Esq.
February 2, 1999
Page 6

exchange access service.¹ With regard to any such assessments, Ameritech will explain in the narrative which facilities were involved. After reviewing responsive narrative submitted by Ameritech, FCC staff may request additional information or documents.

- For purposes of this question (and Question # 10), exclude international, paging, and payphone facilities, and facilities in Hawaii (i.e., cellular in Kauai).
- Limit response by excluding "Official Services Network," which is the interLATA network used for Ameritech's internal operations to transmit data between, for example, Milwaukee WI and Springfield, IL (which has been an exception to the interLATA prohibition under the MFJ).

Question # 10

- For purposes of this question, exclude international, paging, and payphone facilities, and facilities in Hawaii (i.e., cellular in Kauai).

¹ By limiting the scope of this question to any out-of-region facilities that could be used to provide *competitive* local exchange and exchange access service, Ameritech's response will not include those facilities that are owned by Ameritech, but are located outside of Ameritech's region (as defined in n.1 of the 1/7/99 request), and used to provide service to customers either on an ILEC basis directly or via relationships with other ILECs. Specifically, the following facilities would be excluded: (1) intraLATA toll facilities; (2) facilities used to provide exchange access service jointly with an adjacent ILEC via interconnected facilities (i.e., meet point arrangements); and (3) facilities used for the joint provisioning of local exchange service by Ameritech and an adjacent ILEC, whether in the five states or immediately adjacent to the five states.

Ms. Carol E. Matthey, Esq.

February 2, 1999

Page 7

- Any analysis that was done by Ameritech has already been produced to DOJ in connection with Project Gateway, Project Green, and MLA. Ameritech will provide such analyses to FCC staff.
- Limit response by excluding "Official Services Network," which is the interLATA network used for Ameritech's internal operations to transmit data between, for example, Milwaukee WI and Springfield, IL (which has been an exception to the interLATA prohibition under the MFJ).

Question # 11

- In lieu of the information currently requested in the question, Ameritech will provide: (a) a written explanation, with citations to underlying documents, of the extent to which it has assessed whether any of the facilities associated with Ameritech's provision of telecommunications service, wireline or wireless, in areas that are contiguous to those of other ILECs (e.g., St. Louis) could be converted for the provision of competitive wireline local exchange service in the neighboring ILEC's region; and (b) any documents in Ameritech's possession that discuss the costs of such conversion.
- Any analysis that was done by Ameritech has already been produced to DOJ in connection with Project Gateway, Project Green, and MLA. Ameritech will provide such analyses to FCC staff.

Ms. Carol E. Matthey, Esq.
February 2, 1999
Page 8

Question # 13

- Modify the language in Question 13 by replacing the term "all documents" each time it appears with the phrase "all final analytical reports (including a sample script and questionnaire, where available)."
- Limit the response to information and/or documents that Ameritech can produce without violating confidentiality agreements with customers or potential customers. Ameritech will follow up with an indication of what documents are subject to confidentiality agreements.

Question # 14

- Modify the language in Question 14 by replacing the term "all documents" each time it appears with the phrase "all final analytical reports (including a sample script and questionnaire, where available)."
- Limit the response to information and/or documents that Ameritech can produce without violating confidentiality agreements with customers or potential customers. Ameritech will follow up with an indication of what documents are subject to confidentiality agreements.

Question # 15

- Clarify that the term "large business customers" means "large retail business customers."

Ms. Carol E. Matthey, Esq.

February 2, 1999

Page 9

- With respect to subsections (a) through (c), limit the responses to information or documents in the possession of Ameritech's Custom Business Services Group, which is the business unit that handles Ameritech's largest customers.
- Question 15(d) is on hold pending further internal FCC discussion. Ameritech's response to Question 15(d) is not required by February 2, 1999.

Question #16

- With respect to each subsection, exclude information or documents regarding RFPs for telecommunications services within a single state served by Ameritech. In addition, initially limit the responses to information or documents in the possession of Ameritech's Custom Business Services Group, which is the business unit that handles Ameritech's largest customers.
- In lieu of the information and documents requested in each subsection of this question, Ameritech initially will meet with FCC staff on Friday, January 29, 1999 to discuss the substance of this request. Ameritech also will provide a preliminary assessment about which RFPs it may provide information to the FCC without violating any confidentiality agreements. After Ameritech has provided such an assessment, FCC staff will determine how Ameritech should proceed in responding to Question 16, including the possibility of providing a summary description of RFPs for the 12 month period of May 1, 1997 through May 1, 1998 (or a similar period).
- Exclude any information and/or documents regarding RFPs that are exclusively for international and/or payphone services.

Ms. Carol E. Matthey, Esq.
February 2, 1999
Page 10

Question #17

- Question 17 should be read to apply to all documents in Ameritech's possession that Ameritech has used in preparing for the merger with SBC and the National-Local Strategy.

Questions #18 and #19

- Ameritech representatives and FCC Staff will have further discussions regarding these questions and, pending the outcome of those discussions, Ameritech will not be required to produce information or documents in response to these questions.

Finally, with respect to Document No. AC 1231 specifically requested by Commission staff, Ameritech and Commission staff are having further discussions and a final decision regarding the production of this document will be made prior to the production of documents from the files of relevant individuals, which is scheduled for the week of February 8, 1999.

Ms. Carol E. Matthey, Esq.
February 2, 1999
Page 11

Two copies of this letter also have been submitted to the Secretary's
Office.

Respectfully submitted,



Lynn Shapiro Starr
Vice President – Regulatory Affairs
Ameritech Corporation

cc: Radhika Karmarkar, Common Carrier Bureau (CCB)
Magalie Roman Salas, Secretary, FCC

RELEVANT INDIVIDUALS

Question 1

Not Applicable

Question 2

Not Applicable

Question 3 (a)

Project Green

Relevant Individuals:

Thomas Richards, Executive Vice President, Communications and Information Services

W. Patrick Campbell, Ameritech Executive Vice President, Corporate Strategy and Business Development,

Paul Osland, Director, Corporate Strategy

Project Gateway

Relevant Individuals:

Thomas Richards, Executive Vice President, Communications and Information Products

Walter Catlow, President, Ameritech Cellular Services

Paul Osland, Director, Corporate Strategy

MLA

Relevant Individuals:

Gregory Brown, President, Custom Business Services
Chris Larson, Vice President, Field Services, Custom Business Services

InterLATA

Relevant Individuals:

Patrick Earley, President, Ameritech Communications
Dianne Primo, President, Ameritech Product Management
Jason Weller, Director, Corporate Strategy

Major M&A

Relevant Individuals:

Richard Notebaert, Chairman and Chief Executive Officer
W. Patrick Campbell, Executive Vice President, Corporate Strategy
and Business Development
Oren Schaffer, Executive Vice President and Chief Financial Officer
Jason Weller, Director, Corporate Strategy

Questions 4-7

Gateway (Cellular based interface to SBC OSS in St. Louis)

Relevant Individuals:

Thomas Richards, Executive Vice President, Communications and
Information Products
Walter Catlow, President, Ameritech Cellular
Linda Wokoun, Vice President, Call Center Operations, Cellular
Service

MLA

Relevant Individuals:

Gregory Brown, President, Custom Business Services

Chris Larson, Vice President, Field Services, Custom Business Services

Question 8

Relevant Individuals:

Kelly Welsh, Ameritech General Counsel

Ed Wynn, Vice President, Public Policy

Dennis Myers, General Counsel, Cellular Services

Question 9

Relevant Individuals:

Thomas Richards, Executive Vice President, Communications and Information Products

Wharton Rivers, President, Ameritech Network Services

Anthony Muscato, Vice President, Planning Engineer Network Operations

Question 10

Project Gateway

Relevant Individuals:

Thomas Richards, Executive Vice President, Communications and Information Products

Walter Catlow, President, Ameritech Cellular Services

Paul Osland, Director, Corporate Strategy

Anthony Muscato, Vice President, Planning Engineer Network Operations

Question 11

Project Gateway

Relevant Individuals:

Thomas Richards, Executive Vice President, Communications and Information Products

Walter Catlow, President, Ameritech Cellular Services

Paul Osland, Director, Corporate Strategy

Project Green

Relevant Individuals:

Thomas Richards, Executive Vice President, Communications and Information Services,

W. Patrick Campbell, Executive Vice President, Corporate Strategy and Business Development

Paul Osland, Director, Corporate Strategy

Anthony Muscato, Vice President, Planning Engineer Network Operations

Question 12

Relevant Individuals:

Diane Primo, President, Ameritech Product Management

Ronald Blake, President, Enhanced Business Services

Robert Wasserman, Vice President Marketing, General Business Services

Gregory Brown, President, Custom Business Services

Mary Tudela, President, Ameritech Long Distance Services

Kristin Shulman, Vice President, Marketing, Ameritech Long Distance Industry Services

Karen Vessely, President, Information Industry Services

Ken Volz, Vice President, Marketing, Information Industry Services

John Rooney, President, Consumer Services

Patricia Engels, Vice President, Sales and Marketing, Consumer Services

Question 13

Relevant Individuals:

Joan Walker, Senior Vice President, Corporate Communications

Walter Catlow, President, Ameritech Cellular Services

Diane Primo, President, Ameritech Product Management

Jason Weller, Director, Corporate Strategy

St. Louis subparagraph

Relevant Individuals:

Barbara Goworowski, Vice President Marketing, Ameritech Cellular Services

Jay Ellison, Vice President Sales, Ameritech Cellular Services

Question 14

Relevant Individuals:

Joan Walker, Senior Vice President, Corporate Communications

Walter Catlow, President, Ameritech Cellular Services

Diane Primo, President, Ameritech Product Management

Jason Weller, Director, Corporate Strategy

Question 15(a)-(b)

Relevant Individuals:

Gregory Brown, President, Custom Business Services

Chris Larson, Vice President, Marketing, Custom Business Services

David Niles, Vice President Sales, Custom Business Services

Question 15(c)

Not applicable

Question 15(d) [ON HOLD]

Relevant Individuals:

Gregory Brown, President, Custom Business Services

Chris Larson, Vice President, Marketing, Custom Business Services

Question 16

Decision Makers

Gregory Brown, President, Custom Business Services

Diane Primo, President, Ameritech Product Management

Neil Briskman, Vice President, Pricing, Ameritech Product Management

Question 17(b)-(f)

Relevant Individuals:

Gregory Brown, President, Custom Business Services

Diane Primo, President, Ameritech Product Management

Neil Briskman, Vice President, Pricing, Ameritech Product
Management

Attachment C, which
contains an index of all responsive documents,
has been redacted from the copy for public inspection.

RECEIVED

EX PARTE OR LATE FILED

FEB - 2 1999

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ameritech/FCC Production

Active Bates Numbers:

1. ACFCC 0000001 - 3342
2. ACFCC 0010001 - 2655
3. ACFCC 0020001 - 2523
4. ACFCC 0030001 - 2637
5. ACFCC 0040001 - 2238
6. ACFCC 0050001 - 2122
7. ACFCC 0060001 - 2441
8. ACFCC 0070001 - 2434
9. ACFCC 0080001 - 2289
10. ACFCC 0090001 - 2141
11. ACFCC 0100001 - 2687
12. ACFCC 0110001 - 2275
13. ACFCC 0120001 - 2072
14. ACFCC 0130001 - 2243
15. ACFCC 0140001 - 2330
16. ACFCC 0150001 - 1704
17. ACFCC 0160001 - 1897
18. ACFCC 0170001 - 1093

DOCUMENT OFF-LINE

This page has been substituted for one of the following:

- o An oversize page or document (such as a map) which was too large to be scanned into the ECFS system.

- o Microfilm, microform, certain photographs or videotape.

- o ~~Other~~ Other materials which, for one reason or another, could not be scanned into the ECFS system.

The actual document, page(s) or materials may be reviewed by contacting an Information Technician. Please note the applicable docket or rulemaking number, document type and any other relevant information about the document in order to ensure speedy retrieval by the Information Technician.

Ameritech Corporation
Redacted - for Public Inspection Documents
Produced in Response to the FCC's January 7, 1999
Request for Documents

Box P1	ACFCC 0000001 - 0003342
Box P2	ACFCC 0010001 - 0082289
Box P3	ACFCC 0090001 - 0171158