

BOARD OF DIRECTORS

Dr. Jennings Bryant, Chairman
Institute for Communications
Research, University of Alabama*

Gerald E. Depo, President
Town of Bloomsburg*

Richard José Bela, Esq.
Hispanic Association on
Corporate Responsibility*

John A. Butler
Butler Enterprises*

Roger Cazares
The MAAC Project*

Debbie Goldman
Communications Workers
of America*

Linda Weatherspoon Harthcox
NAACP*

Allen S. Hammond, IV
University of Santa Clara
School of Law*

Bong Hwan Kim, MPA
B.H. Kim & Associates*

Eli Noam, PhD
Columbia University Institute for
Tele-Information*

Helga E. Rippen, MD, PhD, MPH

Paul Schroeder
American Foundation
for the Blind*

Esther K. Shapiro
Consumer Consultant

Arthur D. Sheekey, PhD
Council of Chief State
School Officers*

Vincent C. Thomas
New York State Assembly*

Donald Vial
California Foundation on the
Environment & the Economy*

OF COUNSEL

Henry Geller
The Markle Foundation*

FOUNDERS

Barbara O'Connor, PhD, Chair
Institute for the Study of
Politics & Media, California
State University, Sacramento*

Mary Gardiner Jones, President
Consumer Interest Research
Institute*

Susan G. Hadden, PhD, Policy Chair
(deceased)
LBJ School of Public Affairs
University of Texas, Austin*

*Organization is for identification
purposes only.

RECEIVED
May 19 4 47 PM '99
Alliance for Public Technology
RECEIVED
OFFICE OF THE CHAIRMAN

JUN 21 1999

Federal Communications Commission
Office of Secretary

CC Docket No. 98-141

May 17, 1999

The Honorable William E. Kennard
Chairman, FCC
The Portals, 455 12th Street S.W
Washington D.C. 20554

Dear Chairman Kennard:

I am taking the liberty of calling to your attention a letter I sent last week to Vice President Gore regarding the SBC-Ameritech merger.

Thus far, the FCC appears reluctant to impose on mergers "social compacts" which would be compatible with the responsibility of the Commission and the States to implement Section 706 of the 1996 Act. Yet, mergers can be vehicles for establishing valuable precedents for advancing the ubiquity commitment of the Section, as in the case of the Community Partnership Agreement negotiated with community groups and approved by the CPUC in the SBC-Pac Telesis merger.

In the "competition" of the merged titans with enhanced investment capability (economic rents), it is simply not enough to promote some neo-classical textbook concept of "competition" that it totally out of step with what is actually taking place with the aggregations of market power. Thus, I urge you to join Vice President Gore, as suggested in my letter to him, to encourage SBC to follow its California precedent to advance Section 706's mandate in the case of the Ameritech merger.

Thank you for continuing to speak out about the importance of Section 706 and its commitment to people marginalized by the marketplace.

Sincerely yours,

Donald Vial, Policy Chair

Enclosure

No. of Copies rec'd
List ABCDE

**DONALD VIAL
40 MT. LASSEN DRIVE
SAN RAFAEL, CA 94903**

May 10, 1999

Vice President Al Gore
Old Executive Office Building NW
Washington, DC 20501

Dear Vice President Gore,

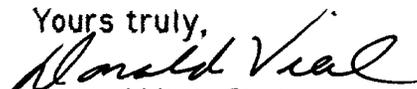
Since I retired as President of the California Public Utilities Commission, I have remained active in the policy issues I care deeply about. One of these issues is the nation's commitment to ubiquity in the deployment of advanced telecommunications capability, pursuant to Section 706 of the Telecommunications Act of 1996. Social and economic justice in the 21st Century will be a hollow promise if the benefits of advanced communications and information technologies are denied the millions living in urban communities and rural areas "marginalized" by the operation of "competitive" markets.

In this regard, having been a "pro bono" adviser to Pacific Telesis on consumer interests in the SBC/Telesis merger, I am extremely interested in how the proposed SBC-Ameritech merger can benefit consumers. Mergers are about aggregation of market power and enhanced capacity to invest. In a competitive environment where regulators forego control over investments, the merger should be viewed in the context of how the increased capacity to invest is going to impact the objective in Section 706 of the 1996 Act to deploy advanced communications capacity to all Americans.

In the absence of any FCC policies to pro-actively implement Section 706, mergers become valuable opportunities to improve services to "marginalized" communities. In the case of SBC-Pacific Telesis, the merger has resulted in deploying new technologies (such as ADSL) to a broad user base, and it is benefiting "marginalized" communities through a Community Partnership Agreement which has established a \$50 million fund to help bring underserved communities into the orbit of the digital world. If the SBC-Ameritech merger were to include something similar to the Community Partnership Agreement, the merger would benefit those most at risk from aggregations of market power.

For these reasons I ask you to support the proposed Ameritech merger, and to encourage SBC to follow the community-based precedent of its Pacific Telesis merger.

Yours truly,


Donald Vial, Chairman

California Foundation on the Environment and the Economy