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October 25, 1999 OCT 25 1999
FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW, Room TWB-204
Washington, D.C. 20554

RE: Notice of Oral Ex Parte
In the Matter of Applications for Transfer of Control to AT&T Corp.
("AT&T") of Licenses and Authorizations Held by MediaOne Group, Inc.
("Media One"), CS Docket No. 99-251

Dear Ms. Roman Salas:

On Friday, October 22, 1999, Betsy Brady, Douglas Garrett, Curt Hockemeier, William Mosca, Tony Werner, and the undersigned, representing AT&T, met with Sunil Daluvoy, Royce Dickens, Imani Ellis-Cheek, Jennifer Fabian, Quindi Franco, and To-Quyen Truong of the Commission's Cable Services Bureau.

During the meeting, AT&T presented information regarding the cable plant upgrades currently being completed by AT&T to enable AT&T to provide digital cable services, high-speed cable Internet service and telephony service over its cable facilities. The information presented included a status overview of AT&T's basic plant upgrades, a status overview of AT&T's rollout of telephony services, information on basic and upgraded network architecture and a discussion of the "phases" of the upgrade process. AT&T also discussed the rollout of its telephony services in Fremont, CA and other cities as well as the public interest benefits that will result from the proposed merger transaction.

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The information was presented at the meeting through two separate slide presentations (one of which contains proprietary and confidential AT&T information) and six confidential and proprietary deployment maps showing the status of AT&T's upgrade activities in a number of cities. Copies of the confidential presentation and the confidential maps are being submitted separately under seal and subject to the Protective Order entered in this proceeding. The public information presented at the meeting is attached to this ex parte letter. All comments at the meeting were consistent with the information contained in these materials.

In further support of AT&T's position and comments at the meeting, AT&T has also submitted separately under seal a proprietary and confidential Memorandum containing additional detail regarding the status of AT&T's plant upgrade projects and its deployment of telephony services.

Two copies of this Notice are being submitted to the Secretary of the FCC in accordance with Section 1.1206 of the Commission's rules.

Sincerely,



Joan Marsh

Attachments

cc: Sunil Daluvoy
Royce Dickens
Imani Ellis-Cheek
Jennifer Fabian
Quindi Franco
To-Quyen Truong

J. Curt Hockemeier
Executive Vice President and Chief Operating Officer
Telephony Operations
AT&T Broadband and Internet Services

J. Curt Hockemeier is currently Executive Vice President and Chief Operating Officer of Telephony for AT&T Broadband and Internet Services. Mr. Hockemeier leads and manages all wireline telephony operations for AT&T BIS, including network operations, capacity and fulfillment issues and overall management for the company's broadband telephony initiatives, advancing the company's plans to introduce local telephone service. Mr. Hockemeier also oversees telephony affiliate relationships that are being developed to offer competitive local phone service in connection with AT&T BIS.

Mr. Hockemeier has more than 12 years' experience as a senior executive in cable operations and local telephone operations. As a former VP and General Manager for Cox Communications in Oklahoma City, Mr. Hockemeier has extensive experience with telephony operations. As a senior executive at Teleport Communications Group (TCG), he was responsible for affiliate services for the Company, constructing TCG's newly developing markets and relationships with key cable industry leaders. Since 1998, Hockemeier has been working with AT&T as Local Network Services Vice President, responsible for developing the Company's local infrastructure in new markets.

Mr. Hockemeier has a Bachelor's degree from the University of Missouri in Columbia, and is a graduate of the Harvard Graduate School of Business' Program for Management Development.

Tony Werner
Executive Vice President Engineering and Chief Technology Officer
AT&T Broadband and Internet Services

Mr. Werner is responsible for all engineering, including network architecture, standards and practice, test and evaluation, technology selection and support of new services.

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INTERNATIONAL

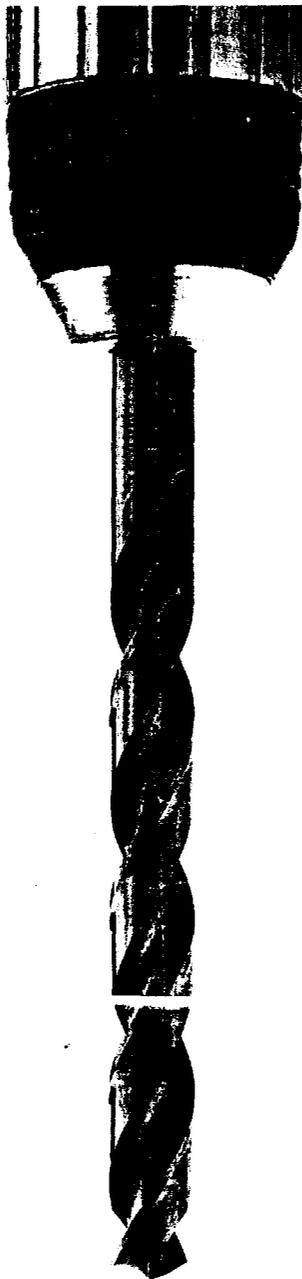


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You're looking at the back-up system for AT&T's local telephone service.

If you haven't heard, AT&T is now experimenting with local phone service in Fremont. If you're thinking about switching to AT&T, you should know: their customers have reported everything from hearing static on the line, to having a back-up system that relies on a battery. We believe back-up systems should be permanent. Batteries aren't. Considering how important your telephone can be, why put your line on the line?

PACIFIC  BELL.



INTERVIEW

If you're considering switching your local phone service to AT&T, you should know the drill.

You might have heard that AT&T is now experimenting with local phone service in Fremont. But you might not have heard that their customers have reported everything from hearing static on the line, to having holes drilled in their walls for the battery pack that serves as their back-up system. Considering how important your telephone can be, why put your line on the line?

PACIFIC  BELL.

A member of the SBC global network

Update Briefing

Tony Werner
October 23, 1999



AT&T Broadband & Internet Services

Agenda

- **Network Upgrades**
 - Status Overview
 - Network Architecture
 - Upgrade phases
 - Performance
- **LightWire™ Pilot**

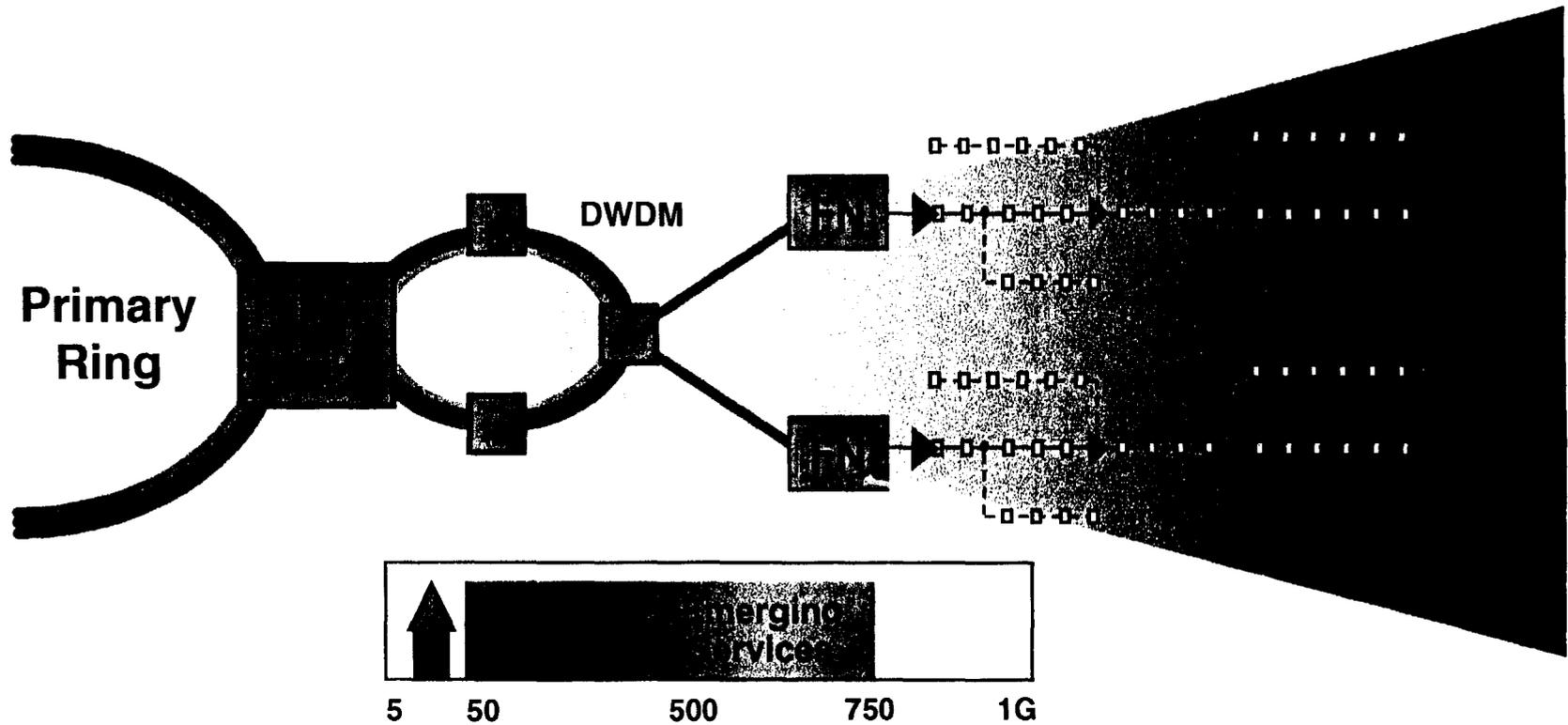


Upgrade Status Overview

- **Primary and secondary rings**
 - 75% complete today
 - 100% by mid next year
- **HFC and two-way upgrades**
 - On budget on schedule
- **@Home and telephone**
 - On budget on schedule
- **Currently upgrading ~500 thousand homes passed per month**
- **Current capital spending \$100 million per month on upgrades, \$300 million per month in total (e.g., phone, data, new construction, etc.)**



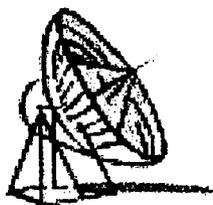
Modern HFC Network



Network Upgrade Elements

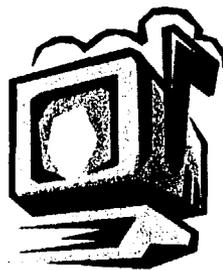
Base Upgrade

- *Fiber*
- *Bandwidth*
- *Two-Way*



@Home

- *Certify*
- *Install CMTS*
- *@Home Backbone Connectivity*



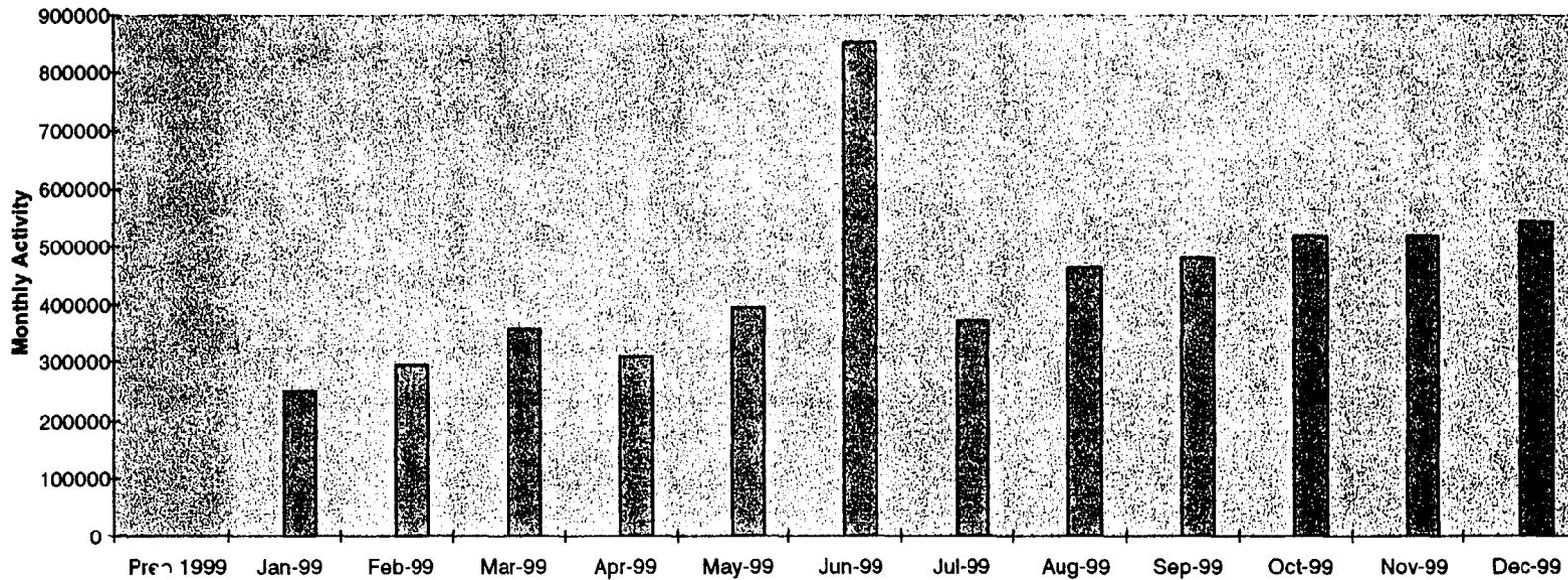
Telephone

- *Expand Hubs*
- *Status Monitoring*
- *Segment Nodes*
- *Certify*
- *Install HDTs*
- *LD Connectivity*



Year to Date Performance

Monthly Upgraded Homes



Actual through August



AT&T Broadband & Internet Services

Upgrade Economics

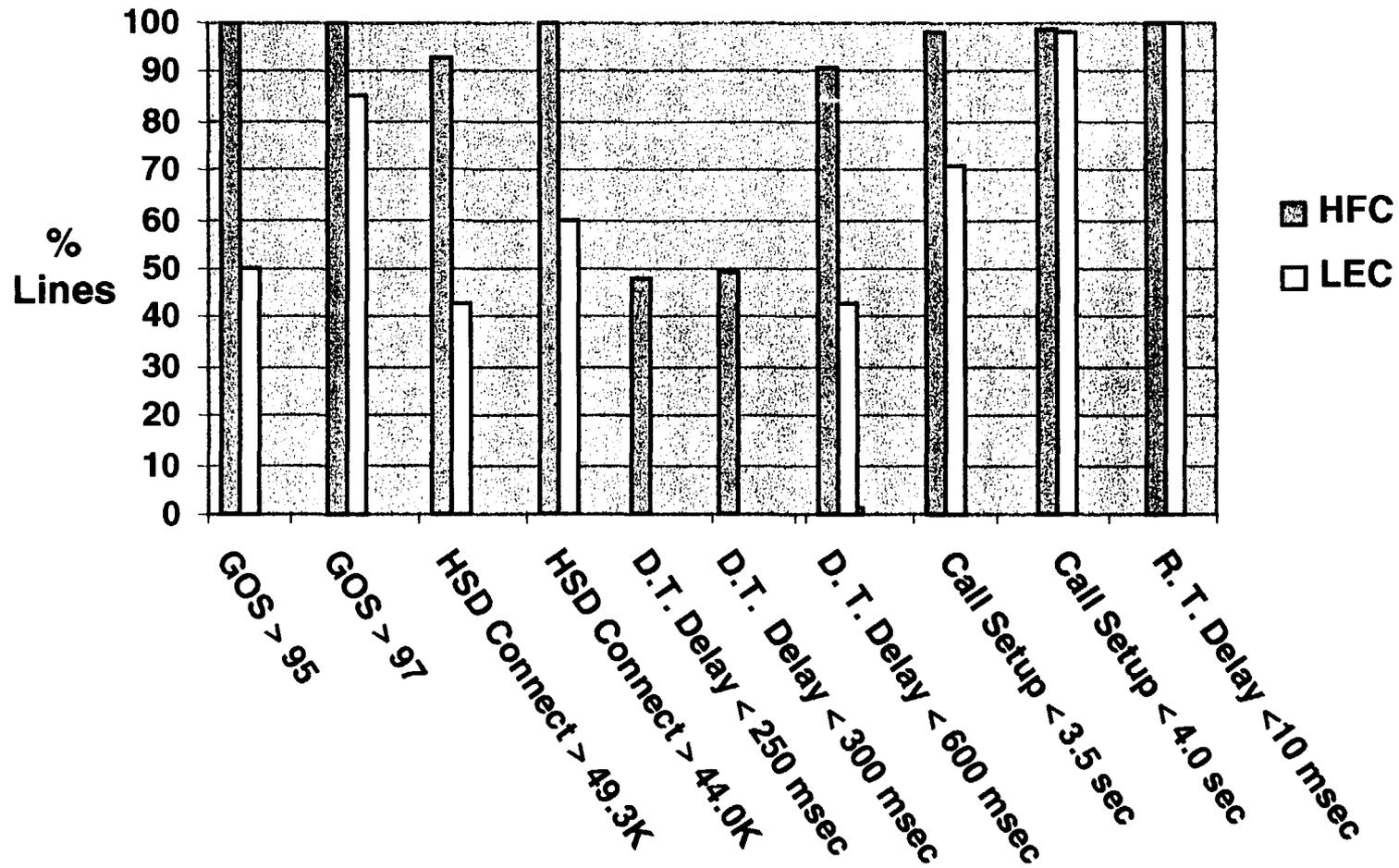
Over the period of 1998-2000 (billions)

Base Upgrade	\$2.048
Telephony Upgrade	\$.409
Network Powering	\$.291
	<u>\$2.748B</u>

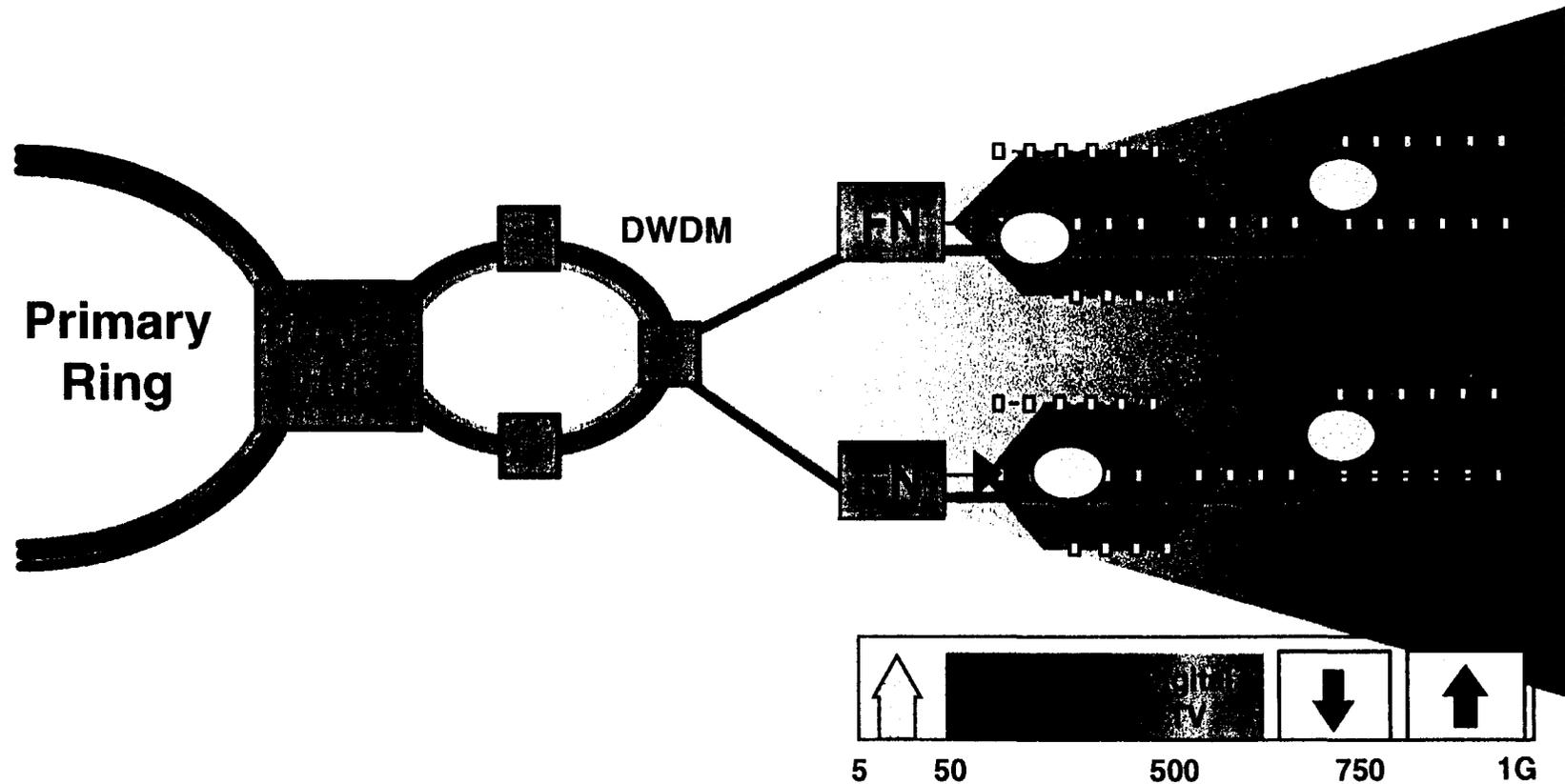


Local Network Assessment

HFC Telephony Vs. LEC Benchmark



Evolution



- Emerging low-cost lightwave enables 10-100 times bandwidth increase
- Few customers per shared channel → high performance (bandwidth, delay)



Advantages

- **Operation savings**
 - 60 - 80% reduction in active components
 - Reduced power consumption
 - Simplification of maintenance (passive network)
- **Improved performance**
 - Increased RF bandwidth
 - Improved reliability
- **Future proof**
 - Flexibility between current track and future opportunities
 - Contingency for “surprising” success in broadband growth
 - Backward compatible with traditional existing architecture and all services currently offered
 - Forward compatible with fiber to the home architecture



Salt Lake City

- **100 nodes active**
 - 3,000 to 4,000 customers
 - No technical problems
- **Capital Cost**
 - Still evaluating
 - Appear reasonable in aerial construction
 - Sensitive to underground construction

