

99-251

FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554

November 3, 1999

Ms. Joan Marsh
Director, Federal Government Affairs
AT&T Corp.
Suite 1000
1120 20th Street, N.W.
Washington, D.C. 20036

Ms. Susan Eid
Vice President, Federal Relations
MediaOne Group, Inc.
Suite 610
1919 Pennsylvania Avenue, N.W.
Washington, D.C. 20006



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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: Application for Consent to the Transfer of Control of Licenses
from MediaOne Group, Inc. to AT&T Corp. (CS 99-251)
Requests for Information and Documentary Materials

Dear Ms. Marsh and Ms. Eid:

Attached are supplemental requests for documents and information intended to assist in our consideration of your application for Commission approval of the proposed transfer of control to AT&T of licenses and authorizations controlled or requested by MediaOne or its affiliates or subsidiaries. These requests extend to AT&T, MediaOne and each firm's respective affiliates or subsidiaries, and cover all forms of documentation, including all electronic versions and any copies with notations or interlineations. Please respond to the following document and information requests to the extent they are directed toward your company. If you believe a particular request does not apply to your company, please so indicate in your response.

Any documentary material requested that contains material deemed proprietary or confidential should be filed with the Commission pursuant to the Protective Order adopted in this proceeding on August 6, 1999. Please refer to my letter of August 9, 1999, for instructions regarding the filing of documents containing proprietary or confidential documents.

As agreed during prior meetings, in order to expedite the Commission's review of the proposed merger, AT&T and MediaOne should file these documents as they are identified, rather than waiting for all to be prepared for submission, and should provide

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all requested information and documents within three weeks of today's date. In addition to the electronic and hard copies of responses to be provided to Sunil Daluvoy and me, one hard copy of each response should be provided to Royce Dickens. If you have any questions regarding these requests, please contact Ms. Dickens at (202) 418-7030.

Sincerely,

A handwritten signature in black ink, appearing to read 'To-Quyen Truong', with a long horizontal flourish extending to the right.

To-Quyen Truong
Associate Chief, Cable Services Bureau

Attachment

cc: Deborah Lathen

AT&T-MediaOne
Document and Information Requests
November 3, 1999

1. Please list the subject matters relating to AT&T governance and affairs on which AT&T common stock shareholders vote together with Liberty tracking stock shareholders and specify what percentage of the total AT&T voting equity is represented by (a) Liberty Class A stock and (b) Liberty Class B stock.
2. Please describe the ownership interests and rights Liberty would have in the merged firm following Motorola's proposed merger with General Instruments. Please clarify what percentage of Motorola's common stock Liberty will hold before and after Liberty exercises its General Instruments warrants.
3. Please identify:
 - a. Common officers and directors between Liberty and AT&T.
 - b. Directors on Liberty's board of directors that AT&T has appointed and the number of directors AT&T has the right to appoint to Liberty's board.
 - c. Directors on AT&T's board of directors that Liberty has appointed and the number of directors Liberty has the right to appoint to AT&T's board.
4. If Liberty is spun off from AT&T, identify the parties that will be responsible for the resulting tax liability and explain the basis for the tax liability. Is the liability a capital gains tax? How will the tax liability be calculated? Is the amount of the liability tied to Liberty's performance or value at the spin-off date? Please approximate the amount of the tax liability and the proportionate amount of that liability that each party will bear.
5. On AT&T Bates-stamped document 000003, produced in this proceeding, what do the terms "JVM" and "NAC" mean?
6. Please provide:
 - a. All contracts and documents relating to AT&T's agreements, negotiations, and strategies for negotiation with content and service providers for the provision of content and services over advanced digital set top boxes deployed by AT&T and its affiliates.
 - b. A detailed description of AT&T's plans for deployment of advanced digital cable set top boxes over its owned and controlled and affiliated cable systems. This description should specify the services, content and content providers that AT&T plans to provide over its advanced digital set top boxes, and the projected time-table for such roll-out.
7. Please provide all internal and external research in AT&T's and MediaOne's possession concerning customer preferences for bundled services, including the Yankee Group survey and MediaOne's own research cited on page 4 of the McGee affidavit to the Joint Reply filed on September 17, 1999.

8. The Application (at p. 30) states that the merger of AT&T and MediaOne would "accelerate the development and deployment of digital cable technology on MediaOne systems." Please describe (a) MediaOne's pre-merger plans for the deployment of digital cable technology and (b) AT&T's post-merger plans for deployment of digital cable technology on MediaOne systems.
9. Please describe the role of AT&T's network or other assets (including the assets of Teleport Communications Group (TCG)) in AT&T's provision of local telephony service over the cable network. Please describe how AT&T's strategy might differ in markets where TCG does not have facilities.
10. Please describe AT&T's strategy to provide local telephony and Internet services in MediaOne markets prior to the date when AT&T and MediaOne began negotiations for the merger, and produce all documents generated since June 30, 1998, that concern any plan or strategy to provide these services in MediaOne markets.
11. Please submit all documents discussing the advantages and disadvantages of a merger between AT&T and MediaOne, or comparisons of such a merger with other strategies for AT&T's offering of high-speed Internet or local telephony services to residential customers.
12. Please provide a description of and submit all documents related to each efficiency (including cost savings, new product introductions, and service or product improvements) that AT&T anticipates will result from the proposed merger, including in the description: (1) the steps that the company anticipates taking to achieve the efficiency, the risks involved in achieving the efficiency and the time and costs required to achieve it; (2) a quantification of the efficiency and a detailed explanation of how the quantification was calculated; (3) a detailed explanation of how the proposed merger would allow AT&T to achieve the efficiency; and (4) each alternative by which AT&T could achieve the efficiency without the proposed transaction. For efficiencies that involve cost savings, state separately the one-time fixed cost savings, recurring fixed cost savings, and variable cost savings (in dollars per unit and dollars per year).
13. Please provide (a) maps showing current and planned deployment of circuit-switched and packet-switched telephony services in AT&T and MediaOne service areas, including information identifying the income levels of subscribers in areas identified on the maps; (b) schedules for completion of telephony-related upgrades in AT&T and MediaOne service areas; and (c) a narrative explanation of the foregoing, including a discussion of how the merger will affect each company's plans for deployment and the actual rollout of services.
14. Please provide a description of, and all documents related to, AT&T's post-merger strategy to provide local telephony and Internet services in MediaOne's markets,

including the anticipated steps, investments, revenue increases, and timetables for the rollout of each service. Identify the extent to which the introduction of each service is dependent on and specific to the merger, and provide all documents that are relied on to support your response.

15. Does AT&T now require or plan to require that customers must purchase one product or service from AT&T in order to obtain another? If so, please identify the products or services at issue and state when AT&T plans to offer such combined services.
16. Please identify any and all interests held by MediaOne (including TWE, TWE Advance/Newhouse, and TWI Cable) in:
 - a. MDS licensees serving, in whole or in part, any portion of a cable franchise area in which AT&T or the above named cable operators are authorized to provide service.
 - b. Television broadcast stations whose predicted grade B contours overlap with any portion of the cable franchise area in which AT&T or the above named cable operators are authorized to provide service.
 - c. SMATV operators serving any portion of a cable franchise area in which AT&T or the above named cable operators are authorized to provide service.
17. Please identify all interests held by AT&T or Liberty Media in:
 - a. MDS licensees serving, in whole or in part, any portion of a cable franchise area in which AT&T or MediaOne (including TWE, TWE Advance/Newhouse, and TWI Cable) are authorized to provide service.
 - b. Television broadcast stations whose predicted grade B contours overlap with any portion of a cable franchise area in which AT&T or MediaOne (including TWE, TWE Advance/Newhouse, and TWI Cable) are authorized to provide service.
 - c. SMATV operators serving any portion of a cable franchise area in which AT&T or Media-One (including TWE, TWE Advance/Newhouse, and TWI Cable) are authorized to provide service.
18. If you state in response to request numbers 16 and 17 that AT&T or MediaOne (including TWE, TWE Advance/Newhouse, and TWI Cable) has any interest in MDS licenses, television broadcast stations, or SMATV operators, please explain whether such interest does or would, as a result of the merger, violate the Commission's buy-out and cross-ownership rules as set forth in 47 C.F.R. §§21.912 and 76.501.
19. Does MediaOne (including TWE, TWE Advance/Newhouse, and TWI Cable) have any interests in a competitive or incumbent local exchange carrier? If so, please identify the following:
 - a. The name of the carrier and level of ownership interest.

- b. Whether AT&T's acquisition of such interest would violate the prohibition on buy-outs as stated in 47 U.S.C. § 572.
20. Please provide a copy of Excite@Home's agreement with RealNetworks, Inc., whereby Excite@Home will utilize RealNetworks' G2 Internet-streaming system.
21. Please describe AT&T's plans with respect to the relationship between Excite@Home and RoadRunner. After the merger, would the two entities compete with each other for cable affiliates? Does AT&T's business plan include a strategy to address this issue, such as a combination of the two ISPs, or a spin-off of one of them?
22. Please explain whether AT&T (through Excite@Home or RoadRunner) now has or would have after the merger a business interest in establishing proprietary standards or protocols for Internet software and/or applications. Please provide all contracts and documents relating to any agreements, negotiations or strategies for negotiations between AT&T, Excite@Home, or RoadRunner and developers of Internet software and/or applications.
23. Explain how Excite@Home and RoadRunner currently use and post-merger would use caching, blocking, or filtering technologies to prioritize or block delivery of Internet content (for example, caching of content provided by preferred vendors). Please include an explanation of how these technologies would enable prioritization or blocking of content.
24. The trade press has reported that AT&T intends to open (to the extent it is able) its cable modem platform to unaffiliated ISPs when its current exclusive contracts with Excite@Home and RoadRunner expire in 2002. Please describe AT&T's plans in this regard.
25. Please provide the following documents requested at our September 9, 1999 meeting with AT&T:
- a. Initial public offering prospectus for Excite@Home.
 - b. A list of regional data centers for Excite@Home and a list of Excite@Home service areas. The list should identify areas served by AT&T systems.
26. Please provide a list of regional data centers for RoadRunner and a list of RoadRunner service areas. The list should identify areas served by MediaOne systems.
27. The Application requests authority to transfer to AT&T MediaOne's Section 214 authority to operate as an international resale carrier between the United States and certain foreign points. The Applicants assert, however, that "MediaOne is not a participant or a previously precluded competitor for the provision of international telephone service . . ." Please state whether MediaOne is now

using or has ever used its Section 214 authority to provide international resale service. If the Section 214 authority has never been used, explain how MediaOne intended to use the resale authority when it applied for it.