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April 28, 2000

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FEDERAL COMMUNICATIONS COMMISSION
WASHINGTON, D.C. 20554

By Hand Delivery

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TW-A325
Washington, DC 20554

EX PARTE ORAL EX PARTE FILED

Re: Notice of Oral Ex Parte
In the Matter of Applications for Consent to the Transfer of Control of Licenses
and Section 214 Authorizations from MediaOne Group, Inc. to AT&T Corp.
(CS Docket No. 99-251)

Dear Ms. Salas:

On behalf of U S WEST, Inc. ("U S WEST"), William R. Richardson, Jr. and Julie A. Veach of Wilmer, Cutler & Pickering and Melissa Newman of U S WEST met yesterday with David Goodfriend of Commissioner Ness's office. We discussed the nature of U S WEST's interest in this proceeding, as a competing provider of broadband access over DSL facilities. U S WEST is also a new competitor in the delivery of cable services, currently holding cable franchises for communities that have, in total, 800,000 homes. We also discussed issues identified in the attachment hereto.

The original and one copy are enclosed for filing pursuant to Section 1.1206 of the Commission's rules. Should you have any questions, please communicate with the undersigned.

Sincerely,

Julie A. Veach
Julie A. Veach

Attachment

cc: David Goodfriend

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April 27, 2000

AT&T/MEDIAONE MERGER

I. THE COMMISSION SHOULD REQUIRE DIVESTITURE WITHIN 6 MONTHS OF A COURT DECISION UPHOLDING THE STATUTORY CAP REQUIREMENT.

- The rules are required by statute. Enforcing them is what the Commission told MSOs it would do in 1993 and again in 1998. It is what the Commission told the D.C. Circuit it would do less than a month ago. FCC Br. 48.
- If the rule is not enforced for an MSO with an attributable interest in 40.3% of the Nation's cable subscribers, it will be a dead letter.
- There is *no record evidence* that the Commission was wrong in concluding that six months is adequate for divestiture.
- There is nothing "technical" about common ownership of over 25% of TWE (with its 11 million subscribers), 9% of its parent, and 100% of one of its most important sources of programming. Such common ownership goes to the heart of the statute's concern about the viability of independent programmers.
- There is nothing "post hoc" about requiring compliance with the Commission's clear deadline for cable divestiture, and with its clear policy on attribution of limited partnership interests. AT&T and MediaOne have now had *one year* to explore avenues for divestiture.
- While *the public interest standard* of Section 310(d) does warrant weighing of competitive benefits and harms, *rule violations* should not be excused based on promises of unrelated benefits.
- The cable telephony benefits promised here relate to the *MediaOne* systems, not the *TWE* systems -- in which AT&T has now committed to sell its interests (or insulate itself).

II. TO ENSURE REGULATORY PARITY WITH DSL, SECTION 706 REQUIRES THAT APPROVAL BE CONDITIONED ON A REQUIREMENT OF NONDISCRIMINATORY ACCESS TO AT&T'S CABLE MODEM FACILITIES.

- This major merger will set a practical standard for the cable industry: voluntary, post-2002 open access promises for AT&T as it sees fit, in a race against DSL providers facing mandatory, immediate line-sharing, loop unbundling, and DSLAM collocation obligations.
- Rep. Dingell: "Why should they be regulated differently when they are giving functionally equivalent service?" Chairman Kennard: "Well, they shouldn't, but the question is: How do we get them both on an even keel"? MultiChannel News, Nov. 1, 1999, at 38.