

May 25, 2000



Magalie Roman-Salas
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

**Re: Notice of *Ex Parte* Presentation
CS Docket No. 99-251
*Merger Application of AT&T & MediaOne***

Dear Ms. Salas:

In accordance with Section 1.1206(b)(2) of the Commission's rules, this letter memorializes a May 24, 2000 telephone conversation pertaining to Docket 99-251 between Andrew Jay Schwartzman of Media Access Project (MAP) and David Goodfriend Legal Advisor to Commissioner Ness.

In the conversation with Mr. Goodfriend, Mr. Schwartzman explained the importance of the Commission directing that AT&T divest the MediaOne interest in TWE. He referred to the May 24, 2000 written memorandum submitted to members of the Commission staff, including Mr. Goodfriend, for the proposition that AT&T inappropriately seeks government assistance in gaining leverage in a private contract, and elaborated on how AT&T seeks to turn its own delay into a justification for an extended waiver. Mr. Schwartzman warned that this would lead to a flood of new waiver requests.

In a discussion as to the justification for granting a waiver to AT&T, Mr. Schwartzman renewed his objection that is impossible to argue against AT&T's secret campaign without knowing what in fact is being said. He noted that Mr. Verveer's communication with Mr. Goodfriend was the first - and only - written indication that AT&T would accept a 12 month, rather than an 18 month waiver. He then pointed out the material differences from the recent CBS/Viacom case that there is a Congressional finding that AT&T and other cable operators have, in fact, exercised monopoly power, and that it seeks relief from a statutorily mandated cap, not one adopted under generic agency authority. Thus, the harm to the public interest in the cost/benefit analysis is much greater in this case, he stressed.

In response to Mr. Goodfriend's query concerning the value of a trust to insure compliance with Commission divestiture, Mr. Schwartzman stressed the historic problems with trust devices in divestitures. He noted that unless trusts are denominated as irrevocable liquidation trusts, with the trustee instructed that there must be a divestiture in a time certain, there is a likelihood that the trust turns into a "parking lot" while the grantor lobbies for regulatory changes.

Sincerely,

Andrew Jay Schwartzman
President and CEO

cc. David Goodfriend