

Brown<sup>73</sup> SWBT's long distance price *increase* in Texas belies its misleading claim that its entry into long distance has led to long distance price cutting in Texas.<sup>74</sup>

In sum, contrary to SWBT's claims, recent events in Texas demonstrate precisely the danger of premature long distance authorization. Although this Commission has noted that Congress did not adopt a market share test for BOC entry into long distance, Congress by no means required the Commission to ignore market shares which, at a minimum, are evidence that a BOC maintains its monopoly over residential service. The TPUC Report demonstrates that if such evidence, together with other factors that indicate that a closed market, is ignored, consumers face the prospect of monopoly power over residential service being extended into markets for bundled services. Far from the competitive triumph claimed by SWBT, this is exactly the sort of competitive disaster that section 271 and the Consent Decree on which it is based were designed to prevent.

SWBT clearly maintains monopoly power over residential services in its service areas. Permitting SWBT to provide long distance service under these conditions will simply permit SWBT to extend its monopoly into and impair competition in adjacent markets as it already has begun to do in Texas. On this record, SWBT has failed to demonstrate its entry into long distance would be consistent with the public interest.

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<sup>73</sup> *Id.*

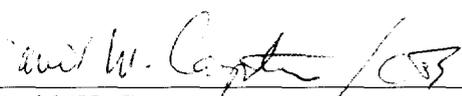
<sup>74</sup> SWBT Br. at v, 88-89. SWBT nowhere mentions in its voluminous pleadings that, since the beginning of 1999, intrastate access charges have been cut by 3.9 cents, and intrastate access rates were slashed an additional two cents per minute after SWBT's entry into long distance. Thus, in large part, the long distance price-cutting SWBT attributes to its own entry into long distance, simply reflected the flowing through of access rate cuts.

**CONCLUSION**

For the reasons stated above, AT&T respectfully submits that SWBT's 271 Application for Missouri should be denied.

Respectfully submitted,

Mark C. Rosenblum  
Dina Mack  
AT&T CORP.  
295 North Maple Avenue  
Basking Ridge, NJ 07920  
(908) 221-4343

  
\_\_\_\_\_  
David W. Carpenter  
Mark E. Haddad  
Ronald S. Flagg  
David L. Lawson  
Richard E. Young  
Christopher T. Shenk  
SIDLEY & AUSTIN  
1722 Eye Street, NW  
Washington, D.C. 20006  
(202) 736-8000

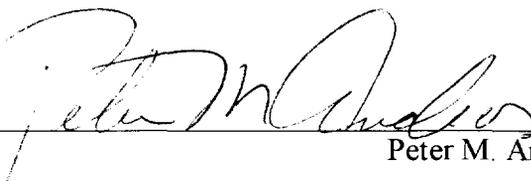
Attorneys for AT&T Corp.

April 24, 2001

**CERTIFICATE OF SERVICE**

I hereby certify that on this 24<sup>th</sup> day of April, 2001, I caused true and correct copies of the forgoing Comments of AT&T Corp. to be served on all parties by mailing, postage prepaid to their addresses listed on the attached service list.

Dated: April 24, 2001  
Washington, D.C.

  
Peter M. Andros

**SERVICE LIST**

Magalie R. Salas  
Office of the Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Room TW-B204  
Washington, D.C. 20554

Janice Myles  
Policy and Program Planning Division  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Room 5-C327  
Washington, D.C. 20554

ITS, Inc.  
1231 20<sup>th</sup> Street, NW  
Washington, D.C. 20036

Donald J. Russell  
David F. Smutny  
Frances Marshall  
Department of Justice  
Telecommunications Task Force  
1401 H Street, NW  
Suite 8000  
Washington, D.C. 20530

Luin Fitch  
Ajit V. Pai  
Department of Justice  
Telecommunications Task Force  
1401 H Street, NW  
Suite 8000  
Washington, D.C. 20530

W. Robert Majure  
Mathew Magura  
Department of Justice  
Economic Regulatory Section  
1401 H Street, NW  
Suite 8000  
Washington, D.C. 2053

Layla Sirafi  
U.S. Department of Justice  
Antitrust Division  
Telecommunications Task Force  
1401 H Street, NW, Suite 8000  
Washington, D.C. 20005

Dan Joyce, General Counsel  
Missouri Public Service Commission  
P.O. Box 360  
Jefferson City, MO 65102

James D. Ellis  
Paul M. Mancini  
Martin E. Grambow  
Kelly M. Murray  
Robert J. Gryzmala  
John S. DiBene  
John M. Lambros  
SBC Communications, Inc.  
175 E. Houston  
San Antonio, TX 78205

Michael K. Kellogg  
Geoffrey M. Klineberg  
Kellogg, Huber, Hansen, Todd & Evans  
1615 M Street, NW, Suite 400  
Washington, DC 20006

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