



Jim Lamoureux  
Senior Counsel

SBC Telecommunications Inc.  
1401 I Street NW, Suite 400  
Washington, D.C. 20005  
Phone 202 326-8895  
Fax 202 408-8745

June 9, 2004

**VIA ECFS AND U.S. MAIL**

Mr. William Davenport  
Chief  
Investigations and Hearings Division  
Enforcement Bureau  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington D.C. 20554

**Re: *Applications of Ameritech Corp., Transferor, and SBC Communications, Inc., Transferee, For Consent to Transfer of Control of Corporations Holding Commission Licenses and Lines Pursuant to Section 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission's Rules (CC Docket No. 98-141)—Post Merger Audit Requirements***

Dear Mr. Davenport:

SBC respectfully requests that the Commission discontinue requiring SBC to conduct SBC/Ameritech post-merger audits for all periods beginning on or after January 1, 2004.<sup>1</sup> Most of the merger conditions sunset prior to January 1, 2004, and are not subject to audits for periods post-2003. In addition, with the Enforcement Bureau Staff's approval, SBC has elected to include two conditions with a 2004 sunset in the scope of the 2003 compliance audit. Regardless of whether the Commission requires SBC to conduct additional audits, SBC will continue to be subject to certain merger compliance requirements and will report on its compliance on March 15 of each year pursuant to Merger Condition 26.<sup>2</sup> There is, therefore, no productive reason for the Commission or SBC to devote their resources to further audits.

As of June 1, 2004, seventeen of the 25 SBC/Ameritech operative merger conditions will have sunset. See Table 1. Thus, the amount of information provided to the Commission through the audit report will be substantially less than in prior years. Of the eight merger conditions that have not sunset, two of the conditions require SBC to maintain specific discounts for competitive local exchange carriers for 36 months on previously ordered eligible services and do not require additional action on the Company's part. Further, if SBC were to fall out of compliance with any of these conditions, the harmed party could file a complaint with the FCC. In addition, one of the remaining operative merger conditions is effectively self-policing. For Merger Condition 6, SBC will continue to file quarterly reports on its compliance with the deployment of xDSL in low income urban and rural wire centers.

---

<sup>1</sup> See SBC/Ameritech Merger Conditions, Appendix C, Merger Condition 27, subparagraph 66 and 67.

<sup>2</sup> See SBC/Ameritech Merger Conditions, Appendix C, Merger Condition 26, subparagraph 65.c.

In any event, the merger compliance reporting process, as required by Merger Condition 26, will continue to be in place through the sunset of the last merger condition.<sup>3</sup> Under the merger compliance reporting process, SBC will file merger reports on March 15 of each year, describing SBC's compliance with the all open merger conditions. The merger reports are "prepared in a format substantially similar, in relevant respects, to the format of the independent auditor's section of the audit report" described in Merger Condition 27.<sup>4</sup> This report will allow the Commission and others to confirm SBC's compliance with the merger conditions, without expending costly and time consuming resources necessary for an independent audit. SBC expects the merger condition audits for the years 2004 and beyond would cost at least one million dollars, above and beyond the time and resources that would be expended by SBC and Commission personnel to support and review the audits. The burdens of continued audits clearly outweigh any possible benefits.

For these reasons, SBC requests that the Commission permit SBC to discontinue conducting SBC/Ameritech post-merger audits for all periods beginning on or after January 1, 2004.

If you have any questions, please do not hesitate to contact me at (202) 326-8895.

Sincerely,



Jim Lamoureux  
Senior Counsel  
SBC Telecommunications, Inc.

cc: Hugh Boyle  
Hillary De Nigro  
Trent Harkrader  
Diana Lee  
Pete Young

---

<sup>3</sup> See SBC/Ameritech Merger Conditions, Appendix C, Merger Condition 26, subparagraph 65.c.

<sup>4</sup> See SBC/Ameritech Merger Conditions, Appendix C, Merger Condition 27, subparagraph 66.f.

**Table 1**  
**SBC/Ameritech Merger Conditions**  
**that have Sunset through June 1, 2004**

<b>Condition Number</b>	<b>SBC/Ameritech Merger Condition</b>	<b>Sunset Year</b>
1	Separate Affiliate for Advanced Services	2003
2	Discounted Surrogate Line Sharing Charges	2000
4	Access to Loop Information for Advanced Services	2003
5	Loop Conditioning Charges and Cost Studies	2002
7	Carrier-to-Carrier Performance Plan	2004 - Compliance for 2004 included in scope of 2003 compliance audit.
9	Restructuring OSS Charges	2002
10	OSS Assistance to Qualifying CLECs	2002
11	Collocation Compliance	2002
12	Most-Favored-Nation Provisions for Out-of-Region and In-Region Arrangements	2002
13	Multi-state Interconnection and Resale Agreements	2002
17	Offering of UNEs	2003
18	Alternative Dispute Resolution through Mediation	2002
20	Access to Cabling in Multi-Unit Properties	2002
21	Out-of-Territory Competitive Entry	2002
22	InterLATA Services Pricing	2004 – Compliance for 2004 included in scope of 2003 compliance audit.
24	Additional Service Quality Reporting	2002
25	NRIC Participation	2002

**Table 2**  
**SBC/Ameritech Merger Conditions**  
**that Sunset after May 31, 2004**

<b>Condition Number</b>	<b>SBC/Ameritech Merger Condition</b>	<b>Sunset Year</b>
3	Advanced Services OSS	2005 - Complete after SBC East sunsets August 2005.
6	Non-discriminatory Rollout of xDSL Services	2005 - Complete after Indiana urban sunsets January 2005.
8	Uniform and Enhanced OSS	2003 – The Company must provide access to the OSS enhancements and additional interfaces for 36 months after they were deployed.
14	Unbundled Loop Discount	2003 - The Company remains obligated to discount loops ordered pursuant to this offering for 36 months for qualifying loops.
15	Resale Discount	2002 - The Company remains obligated to provide the promotional discount ordered prior to the sunset of the offer for 36 months.
16	UNE Platform	2002- The Company remains obligated to provide the promotional UNE platform for 36 months from date of installation.
19	Shared Transferred in Ameritech States	To be determined.
23	Enhanced Lifeline Plans	2004 - Complete after Arkansas sunsets in August 2004.