

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
AT&T Corp.	)	WC Docket No. 05-65
	)	
and	)	
	)	
SBC Communications Inc.	)	
	)	
Application Pursuant to Section 214 of the	)	
Communications Act of 1934 and Section	)	
63.04 of the Commission's Rules for Consent	)	
to the Transfer of Control of AT&T Corp. to	)	
SBC Communications Inc.	)	

**COMMENTS OF  
THE NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES**

Attachment B

## ATTACHMENT B – Listing of news clips and other items

### The Competitive Landscape – Now and Potential Impact of Mergers

1. Ken Belson, “Dial M for Merger”, The New York Times, January 28, 2005.
2. Shawn Young and Christopher Rhoads, “Some Fear Prices Could Rise”, The Wall Street Journal, January 28, 2005.
3. Matt Richtel and Ken Belson, “Large Cost Cuts a Crucial Goal for SBC Deal”, The New York Times, February 1, 2005.
4. Andy Kessler, “You’ve Come a Long Way, Baby”, The Wall Street Journal, February 2, 2005.
5. Michael Bazeley, “Telecom choices for consumers: probably just two”, The Mercury News, February 2, 2005.
6. Matt Richtel, “New Economy”, The New York Times, February 7, 2005.
7. Matt Richtel, “Valuing MCI in an Industry Awash in Questions”, The New York Times, February 9, 2005.
8. “Verizon Takeover of MCI Another in Wave of Mergers Hurting Consumers’ Pocketbooks”, Consumer Federation of America and Consumers’ Union News Release, February 14, 2005.
9. Paul Davidson, “Deal means consumers may see fewer choices”, USA Today, February 15, 2005.
10. Almar Latour, “After a Year of Frenzied Deals, Two Telecom Giants Emerge”, The Wall Street Journal, February 15, 2005.
11. Peter Grant and Anne Marie Squeo, “What About the Customers”, The Wall Street Journal, February 15, 2005.
12. Anne Marie Squeo, “Regulators Now Must weigh Two Tangled Telecom Deals”, The Wall Street Journal, February 15, 2005.
13. Steven Pearlstein, “Calling for Real Competition”, The Washington Post, February 16, 2005.
14. Marguerite Reardon, “Telecom chiefs: Price hikes could follow mergers”, CNET News at [http://news.com.com/2102-1037\\_3-5596509.html?tag=st.util.print](http://news.com.com/2102-1037_3-5596509.html?tag=st.util.print), March 2, 2005.
15. Special Report: Consolidation Fallout, The Rogers Report, March 7, 2005.
16. Grant Gross, “Think tank, consumer group object to telecom mergers”, Infoworld, March 24, 2005.

17. Sandy Shore, "Qwest Files Protest Against SBC-AT&T Merger", Associated Press, [http://biz.yahoo.com/ap/050418/qwest\\_mergers.html?v=3](http://biz.yahoo.com/ap/050418/qwest_mergers.html?v=3), April 18, 2005. Also in The Columbus Dispatch, April 19, 2005.
18. "Verizon, SBC Strengthen Hand for Telecom Overhaul Through Deals," Bloomberg.com, April 4, 2005.

### Intermodal Competition

1. Eric Hand, "911 directors say Internet calls create liability", Arkansas Democrat-Gazette, January 23, 2005.
2. Simon London, "US warns on risk of net-based telephony", Financial Times, February 3, 2005.
3. Chris Seper, "Internet phones can be challenge", The Cleveland Plain Dealer, February 4, 2005.
4. Paul Davidson, "Net-based 911 fight puts lives on line", USA Today, February 28, 2005.
5. "VoIP Poses Problems for 911 Call Systems", CRM Daily, [http://crm-daily.newsfactor.com/story.xhtml?story\\_id=31022](http://crm-daily.newsfactor.com/story.xhtml?story_id=31022), March 8, 2005.
6. Deb Kollars, "Families dig deep to stay in constant contact", The Sacramento Bee as published in the Columbus Dispatch, March 23, 2005.
7. Laurence Viele Davidson and Timothy W. Doyle, "Texas Sues Vonage After Crime Victim Unable to Call 911", The Washington Post, March 23, 2005.
8. Marguerite Reardon, "Options expand despite telecom mergers", CNET News, March 31, 2005.
9. Ken Stammen, "Cingular rings up most complaints", The Columbus Dispatch, April 1, 2005.
10. "Internet Phone Service ("VoIP"): Will You Be Able to Reach 9-1-1 in an Emergency?" Michigan Attorney General Mike Cox, Consumer Alert, April 4, 2005.
11. "The new telephony", CNN.com at <http://www.cnn.com/2005/TECH/internet/04/13/new.telephony.ap/index.html>, April 13, 2005.
12. Todd Wallack, "Verizon CEO sounds off on Wi-Fi, customer gripes. Seidenberg also explains phone company's reasons for wanting to buy MCI", The San Francisco Chronicle at <http://www.sfgate.com/cgi-bin/article.cgi?f=/c/a/2005/04/16/BUGJ1C9R091.DTL>, April 16, 2005.

13. Murray Weiss and Heidi Singer, "The 911 Phone You *Don't* Want to Call", The New York Post at <http://www.newyorkpost.com/news/nationalnews/44864.htm>, April 19, 2005

#### Fines/Penalties

1. "Ameritech Ohio has been hit with another financial penalty, this one for failing to live up to the terms of its 1999 merger. Ameritech yesterday sent a \$295,000 check to the Public Utilities Commission of Ohio." "Ameritech fined again", Alan Johnson, The Columbus Dispatch, October 21, 2000.
2. "[S]BC paid another \$810,500 to Illinois for inadequate service to wholesale customers." "Ameritech pays more penalties", Akron Beacon Journal, October 20, 2000.
3. "Ameritech Fined Lowest Monthly Penalty Yet: \$286,600", Adam Fendelman, Chicago.org, February 21, 2002.
4. Numerous articles in TR's State NewsWire regarding "remedy payments" to Ameritech states. I.e., "Ameritech to pay \$863,000 in penalties", November 27, 2001; "Ameritech to pay \$1.1M in December penalties", February 22, 2002; "Ameritech to pay \$877,000 in January penalties", March 26, 2002; "SBC pays \$1.7M in wholesale fines (Illinois), September 23, 2002.
5. "SBC agreed to pay \$250,000 into the U.S. Treasury to conclude an FCC investigation into the carrier's compliance with reporting conditions set when it acquired Ameritech." "SBC to pay \$250,000 to settle FCC probe", Telecom. A.M., March 21, 2003.
6. "5 States Fine Ameritech \$5.1 Million", State Telephone Regulation Report, September 27, 2002.
7. Links to some of the payments that SBC made to the FCC for failing to meet the wholesale conditions in the SBC/Ameritech merger:  
[http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=651558238](http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=651558238)  
[2](#) (for 3 months ending 10/03);  
[http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=651529264](http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=651529264)  
[6](#) (for 3 months ending 9/03);  
[http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=651358360](http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=651358360)  
[2](#) (for 3 months ending 12/02);  
[http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native\\_or\\_pdf=pdf&id\\_document=651538261](http://gullfoss2.fcc.gov/prod/ecfs/retrieve.cgi?native_or_pdf=pdf&id_document=651538261)  
[6](#) (FCC's listing of payments from 12/00-12/02)
8. The FCC's web site for merger compliance; provides listing of FCC Orders & enforcement actions. <http://www.fcc.gov/eb/mergercomp/>; see [http://hraunfoss.fcc.gov/edocs\\_public/attachmatch/FCC-02-282A1.pdf](http://hraunfoss.fcc.gov/edocs_public/attachmatch/FCC-02-282A1.pdf) for Forfeiture Order on \$6,000,000 fine.

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of	)	
	)	
AT&T Corp.	)	WC Docket No. 05-65
	)	
and	)	
	)	
SBC Communications Inc.	)	
	)	
Application Pursuant to Section 214 of the	)	
Communications Act of 1934 and Section	)	
63.04 of the Commission's Rules for Consent	)	
to the Transfer of Control of AT&T Corp. to	)	
SBC Communications Inc.	)	

**COMMENTS OF  
THE NATIONAL ASSOCIATION OF STATE UTILITY CONSUMER ADVOCATES**

Attachment C

## ATTACHMENT C

### SBC/Ameritech Merger Conditions

#### Promoting Equitable and Efficient Advanced Services Deployment

##### I. Create separate affiliate for deployment of advanced services

SBC/Ameritech shall provide all advanced services in the SBC/Ameritech service area through one or more affiliates.<sup>1</sup> The affiliates may use the incumbent's name and employees to market and provide support for the advanced services.<sup>2</sup>

##### II. Discounted surrogate line sharing charges

This section dictates the terms and sets the rates charged to unaffiliated providers for line sharing.<sup>3</sup>

##### III. Advanced Services OSS

SBC/Ameritech shall develop and deploy enhancements to the existing pre-ordering and ordering interfaces used to provide xDSL and other advanced service to Unaffiliated Providers.<sup>4</sup> Until SBC/Ameritech has developed and deployed OSS options for pre-ordering and ordering xDSL, Unaffiliated Providers shall have access to the same pre-order and ordering interface(s) utilized by SBC/Ameritech's retail operations and shall make available through inclusion in interconnection agreements a 25% discount from the applicable recurring and nonrecurring charges.<sup>5</sup>

##### IV. Access to loop information for advanced services

SBC/Ameritech shall provide unaffiliated providers with non-discriminatory access to the same local loop information for the deployment of xDSL and Advanced Services that is available to SBC/Ameritech retails operations.<sup>6</sup> Examples of information include, the loop length from the customer premise to the wire center, by zip code the number of customers located between 12,000-17,000 feet of their respective wire centers, overall condition of the loop and whether the loop can support Advanced

---

<sup>1</sup> *SBC/Ameritech Order*, Appendix Cat 2, ¶ 1.

<sup>2</sup> *Id.* at 2-3, ¶¶ 3a-c.

<sup>3</sup> *Id.* at 22-23, ¶¶ 14a-e.

<sup>4</sup> *Id.* at 24, ¶ 15a.

<sup>5</sup> *Id.* at 28, ¶ 18.

<sup>6</sup> *Id.* at 29, ¶ 19.

Services.<sup>7</sup>

V. Loop conditioning charges and cost studies

Where necessary SBC/Ameritech shall file cost studies and proposed rates for conditioning of xDSL loops.<sup>8</sup>

VI. Non-discriminatory rollout of xDSL services

SBC/Ameritech shall ensure that xDSL services are fairly deployed throughout urban (upper and lower income areas) and rural wire centers. The company shall also file a quarterly report describing the status of this xDSL roll-out.<sup>9</sup>

Ensuring Open Local Markets

VII. Carrier to Carrier Performance Plan (including performance measurements)

SBC/Ameritech shall implement a carrier to carrier Performance Plan and submit a monthly report.<sup>10</sup> The company is also obligated to make voluntary payments of up to \$1.25 billion over 3 years to the US treasury based on the company's performance in the 20 measurement categories. If SBC/Ameritech completes the OSS commitments ahead of schedule the total liability may be reduced by up to \$125 million.<sup>11</sup>

VIII. Uniform and Enhanced OSS

To facilitate local services and Advance Services competition SBC/Ameritech shall develop and apply uniform, electronic OSS throughout the 13 state service area. The company shall first identify and assess the existing OSS and identify the OSS changes needed to implement the OSS commitments.<sup>12</sup> SBC/Ameritech shall develop jointly with the CLECs and deploy throughout the service area either a software solution that ensures CLEC submitted local service requests are consistent with the business rules or develop uniform business rules for completing CLEC local service requests.<sup>13</sup>

---

<sup>7</sup> *Id.* at 29-30, ¶¶ 20a-c .

<sup>8</sup> *Id.* at 30, ¶ 21.

<sup>9</sup> *Id.* at 31-32, ¶¶ 22a-d.

<sup>10</sup> *Id.* at 32, ¶ 23.

<sup>11</sup> *Id.*

<sup>12</sup> *Id.* at 33, ¶ 25.

<sup>13</sup> *Id.* at 38, ¶ 31.

IX. Restructuring OSS charges

On a forward going basis, SBC/Ameritech shall eliminate flat rate monthly charges for access to Remote Access Facilities and Information Service Call Center and any manual processing charges associated with processing manual orders. This provision does not limit SBC/Ameritech's right to charge carriers for the costs of processing service orders, or recover the costs of developing and providing OSS to carriers.<sup>14</sup>

X. OSS assistance to qualifying CLECs

SBC/Ameritech shall make available one or more teams of OSS experts dedicated to assist CLECs with OSS issues.<sup>15</sup>

XI. Collocation Compliance

SBC/Ameritech shall file collocation tariffs and interconnection agreements that contain standard terms and conditions for collocation.<sup>16</sup> An independent auditor (retained by SBC/Ameritech) will review the terms and conditions offered in the tariffs and amendments to the interconnection agreements to make sure they are in compliance with the *Collocation and Advanced Services Order*.<sup>17</sup>

XII. Most-Favored-Nation provision for Out-of-Region and In-Region arrangements

Out of Region Agreements – SBC/Ameritech shall make available to requesting telecommunications carriers in the SBC/Ameritech Service Area the same interconnection arrangement or UNE on the same terms (exclusive of price) that are available for an SBC/Ameritech affiliate. To assist telecommunications carriers in exercising the options made available SBC/Ameritech or the out of region entit(ies) shall post on its Internet website all interconnection agreements between the SBC/Ameritech out of territory entity and an unaffiliated incumbent LEC.<sup>18</sup>

In-Region Agreements – SBC/Ameritech shall make available to any requesting telecommunications carrier in the SBC/Ameritech Service Area within any SBC/Ameritech State any interconnection arrangement or UNE in the SBC/Ameritech Service Area within any other SBC/Ameritech State that was negotiated with a telecommunications carrier by an SBC/Ameritech incumbent LEC that at all times during the interconnection agreement negotiations was an affiliate of SBC and has been made available under an agreement to which SBC/Ameritech is a

---

<sup>14</sup> *Id.* at 42, ¶ 35.

<sup>15</sup> *Id.*, ¶ 36b.

<sup>16</sup> *Id.* at 43, ¶ 38.

<sup>17</sup> *Id.* ¶ 39.

<sup>18</sup> *Id.* at 46, ¶ 42.

party.<sup>19</sup>

### XIII. Multi-State Interconnection and Resale Agreements

Upon request SBC/Ameritech shall negotiate in good faith an interconnection and/or resale agreement covering the provision of interconnection arrangements, services and/or UNEs in the SBC/Ameritech Service Area in two or more SBC/Ameritech states.<sup>20</sup>

### XIV. Carrier-to-carrier promotions: Unbundled Loop Discount

SBC/Ameritech shall offer promotional discounted prices on MRC for unbundled local loops. <sup>21</sup>This provision also designates the maximum number of unbundled local loops that SBC/Ameritech shall be required to provide at the promotional discount rate in each state. The company is required to provide CLECs written or Internet notices when 50% and 80% of these maximum numbers are reached.<sup>22</sup>

### XV. Carrier-to-carrier promotions: Resale Discount

Beginning 30 days after the Merger Closing Date SBC/Ameritech and ending 36 months later or the month following the date when the sum of resold lines in service in a state at the promotional resale discounts reaches the allowable quantity by state set forth for each state, SBC/Ameritech shall offer promotional resale discounts on telecommunications services that SBC/Ameritech provides at retail to subscribers who are not carriers, where such telecommunications services are resold to residential end user customers.<sup>23</sup> This provision also designates the maximum number of resale discounts plus the quantity of promotional End to End UNE Combinations that SBC/Ameritech shall be required to provide at the promotional discount rate in each state. SBC/Ameritech is required to provide CLECs written or Internet notices when 50% and 80% of these maximum numbers are reached.<sup>24</sup>

### XVI. Carrier-to-carrier promotions: UNE Platform

Beginning 30 days after the Merger Closing Date SBC/Ameritech shall offer promotional, end-to-end combinations of UNEs to enable the telecommunications carriers to provide residential POTS service and residential Basic Rate Interface

---

<sup>19</sup> *Id.* at 46-47, ¶ 43.

<sup>20</sup> *Id.* at 47, ¶ 44.

<sup>21</sup> *Id.* at 48, ¶ 46.

<sup>22</sup> *Id.* at 50, ¶ 46g.

<sup>23</sup> *Id.* at 50, ¶ 48.

<sup>24</sup> *Id.* at 51, ¶ 49.

ISDN service.<sup>25</sup> This provision also designates the maximum number of resale discounts plus the quantity of promotional End to End UNE Combinations that SBC/Ameritech shall be required to provide at the promotional discount rate in each state. SBC/Ameritech is required to provide CLECs written or Internet notices when 50% and 80% of these maximum numbers are reached.<sup>26</sup>

#### XVII. Offering of UNEs

SBC/Ameritech shall continue to make available UNEs or combinations of UNEs that were made available in each state under SBC's or Ameritech's local interconnection agreements as in effect on January 24, 1999 until the date of the Commission issues a final order in its UNE remand proceeding or combination of UNEs is not required to be provided by SBC/Ameritech in a relevant geographic area.<sup>27</sup>

#### XVIII. Alternative Dispute Resolution through Mediations

SBC/Ameritech shall implement, subject to the appropriate state commissions' approval an alternative dispute resolution mediation process to resolve carrier-to-carrier disputes regarding the provision of local services.<sup>28</sup>

#### XIX. Shared Transport in Ameritech states

SBC/Ameritech shall in the SBC/Ameritech Service Area within the Ameritech States, file tariffs and/or offer amendments containing terms and conditions for inclusion in interconnection agreements.<sup>29</sup>

#### XX. Access to Cabling in Multi-Unit Properties

SBC/Ameritech shall offer to conduct a trial with one or more interested, unaffiliated CLECs in each of the five large cities within the SBC/Ameritech Service Area to identify the procedures and associated costs required to provide CLECs with access to cabling within Multi-Dwelling Unit premises and multi-tenant premises housing small business, where SBC/Ameritech controls the cables.<sup>30</sup>

---

<sup>25</sup> *Id.* at 52, ¶ 51.

<sup>26</sup> *Id.* at 53, ¶ 52.

<sup>27</sup> *Id.* at 54, ¶ 53.

<sup>28</sup> *Id.* ¶ 54.

<sup>29</sup> *Id.* at \_\_, ¶ 55.

<sup>30</sup> *Id.* at 56, ¶ 57.

## Fostering Out-of-region competition

### XXI. Out-of-Territory Competitive Entry (National-Local Strategy)

SBC/Ameritech, within 30 months of the merger closing date, to enter at least 30 major markets outside SBC's and Ameritech's incumbent service area as a facilities-based provider of local telecommunications services to business and residential customers.<sup>31</sup>

## Improving Residential Phone Service

### XXII. InterLATA Services Pricing

Effective the first day after the Merger Closing date and ending 36 months after its effective date or 36 months after the first date on which SBC/Ameritech provides telephone exchange services to residential customers in at least 15 out of territory markets, SBC/Ameritech shall not charge wireline residential consumers a minimum monthly or minimum flat rate charge on interLATA long distance services.<sup>32</sup>

### XXIII. Enhanced Lifeline Plans

SBC/Ameritech shall propose a new, stand-alone Lifeline plan or provide additional discounts to an existing plan that are comparable to the terms and conditions of the Ohio Universal Service Assistance Lifeline plan set for the in Ameritech Ohio's Alternative Regulation Plan.<sup>33</sup>

### XXIV. Additional Service Quality Reporting

On a quarterly basis, SBC/Ameritech shall file with the Reporting Management Staff of the Commission, state by state service quality reports in accordance with the retail service quality reporting recommendations of the NARUC Technology Policy Subgroups "Service Quality White Paper" adopted November 11, 1998.<sup>34</sup> SBC/Ameritech shall also file, on a quarterly basis, ARMIS local service quality data required by the Commission separately for each of its operating companies.<sup>35</sup>

### XXV. NRIC Participation

---

<sup>31</sup> *Id.* at 58, ¶ \_\_.

<sup>32</sup> *Id.* at 61-62, ¶¶ 60a-c.

<sup>33</sup> *Id.* at 62, ¶ 61.

<sup>34</sup> *Id.* at 64, ¶ 62.

<sup>35</sup> *Id.* at 65, ¶ 63.

SBC/Ameritech shall continue to participate in the Network Reliability and Interoperability Council (“NRIC”), or a successor organization, if any.<sup>36</sup>

### Ensuring Compliance with and Enforcement of These Conditions

#### XXVI. Compliance Program

SBC/Ameritech shall establish a Compliance Program. SBC/Ameritech shall appoint a senior corporate officer to oversee SBC/Ameritech’s implementation of, and compliance with, these Conditions; to monitor SBC/Ameritech’s compliance program and progress toward meeting the deadlines specified herein; to provide periodic reports regarding SBC/Ameritech’s compliance as required by these Conditions; to ensure that payments due under these Conditions are timely made; and to consult with the Chief of the Common Carrier Bureau and other appropriate individuals as necessary on an ongoing basis regarding SBC/Ameritech’s compliance with these Conditions.<sup>37</sup>

#### XXVII. Independent Auditor

SBC/Ameritech shall at its own expense annually engage an independent auditor to conduct an examination of SBC/Ameritech’s compliance with all of the Conditions and the sufficiency of SBC/Ameritech’s internal controls designed to ensure compliance with such Conditions.<sup>38</sup> SBC/Ameritech shall at its own expense annually engage an independent auditor to conduct an examination of SBC/Ameritech’s compliance with the separate Advanced Services affiliate requirements of Section I of these Conditions.<sup>39</sup>

#### XXVIII. Enforcement

Performance or non-performance of these Conditions by SBC/Ameritech does not in itself constitute compliance or non-compliance with any federal, state, or local law or regulations, except SBC/Ameritech’s obligations to perform these Conditions. SBC/Ameritech shall be strictly obligated to make the payments for non-performance specifically required by these Conditions, and no showing of a willful violation shall be necessary in order to enforce such payments. If necessary, at his or her discretion, the Chief of the Common Carrier Bureau shall extend the effective period of a Condition for a period that does not exceed the period during which SBC/Ameritech

---

<sup>36</sup> *Id.*, ¶ 64.

<sup>37</sup> *Id.*, ¶ 65a.

<sup>38</sup> *Id.* at 66, ¶ 66.

<sup>39</sup> *Id.* at 67, ¶ 67.

failed to comply with the Condition.

XXIX. Sunset

Except where other termination dates are specifically established herein, all Conditions set out in this Appendix, except for the Conditions requiring SBC/Ameritech to provide Advanced Services through one or more separate affiliates, shall cease to be effective and shall no longer bind SBC/Ameritech in any respect 36 months after the Merger Closing Date, unless the Commission orders that a Condition or Conditions be extended for noncompliance reasons.<sup>40</sup>

XXX. Effect of Conditions

These Conditions shall supplement, but shall not be cumulative of, substantially related conditions imposed under state law. In situations where both these Conditions and conditions imposed in connection with the merger under state law grant parties similar rights against SBC/Ameritech, affected parties shall not have a right to invoke the relevant terms of these Conditions in a given state if they have invoked a substantially related condition imposed on the merger under state law. Also the Commission shall not consider the possible expirations of any of the Conditions to be a factor when considering a request by SBC/Ameritech for in-region, interLATA authority under 47 U.S.C. § 271.<sup>41</sup>

---

<sup>40</sup> *Id.* at 70, ¶ 74.

<sup>41</sup> *Id.* ¶ 75.