



AMERICANS FOR TAX REFORM

GROVER G. NORQUIST

PRESIDENT

Marlene H. Dortch, Secretary
Office of the Secretary
Federal Communications Commission
236 Massachusetts Ave., N.E., Suite 110
Washington, DC 20002

May 10, 2005

Re: WC Docket No. 05-65; SBC Communications, Inc. and AT&T Corp. Applications for Approval of Transfer of Control

Dear Secretary Dortch:

In response to the initial comments filed with the Commission both in support and opposition to the proposed merger between SBC Communications, Inc. and AT&T Corp., Americans for Tax Reform would like to reiterate its support for the merger moving forward without government interference.

It is first necessary to again point out that the telecommunications landscape is radically different than that of 1984, when the AT&T-Bell monopoly came to an end. Indeed, even in 1996, when Congress last passed major telecommunications legislation, cellular phones had yet to become the ubiquitous technology we know today, and the Internet was in its infancy. Consumers now enjoy the benefits of both intermodal and intramodal competition – multiple communications technologies compete against each other, and multiple providers compete within each technology. A consumer can choose among traditional telephone service, cellular service, voiceover Internet protocol (VoIP), or any combination thereof, all offered by both traditional telecommunications providers and new companies. At the current rate of technological innovation, it is fair to predict that consumers will soon enjoy other telecommunications technologies that are impossible to foresee in 2005.

All of the benefits of this technological innovation and increased competition are in addition to the obvious benefits of allowing the free market to do its work. To do so under all circumstances presents consumers with more numerous and better choices, all at lower prices.

Unfortunately, this reality seems lost on some who have voiced their opposition to the merger. For instance, a joint petition filed by the Consumer Federation of America, Consumers Union and U.S. Public Interest Research Group decries the proposed merger as “not in the public interest.” Government getting out of the way and allowing the free market to function is always in the public interest. A far greater threat to the public interest would be government interference in market-driven mergers, which would take power from the hands of consumers and place it in the hands of government bureaucrats.

It cannot be overstated that the best course of action for the federal government is to allow the free market to do its work, to the benefit of consumers. It is with this rationale in mind that I ask the FCC to allow the merger to proceed, unencumbered by government interference.

Respectfully submitted,

Grover Norquist