

SIDLEY AUSTIN BROWN & WOOD LLP

BEIJING  
BRUSSELS  
CHICAGO  
DALLAS  
GENEVA  
HONG KONG  
LONDON

1501 K STREET, N.W.  
WASHINGTON, D.C. 20005  
TELEPHONE 202 736 8000  
FACSIMILE 202 736 8711  
www.sidley.com  
FOUNDED 1866

LOS ANGELES  
NEW YORK  
SAN FRANCISCO  
SHANGHAI  
SINGAPORE  
TOKYO  
WASHINGTON, D.C.

WRITER'S DIRECT NUMBER  
(202) 736-8088

WRITER'S E-MAIL ADDRESS  
dlawson@sidley.com

June 17, 2005

**EXHIBITS REDACTED FOR PUBLIC INSPECTION  
By Hand Delivery and Electronic Filing**

Marlene H. Dortch  
Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington, D.C. 20554

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

Dear Ms. Dortch:

At the request of the Commission's Staff, AT&T Corp. ("AT&T") is providing additional information to supplement the responses that AT&T provided to the Commission's April 18, 2005 Information and Document Request.

**Specifications 8(b)(1) & 8(b)(2).** In response to these Specifications, AT&T provided the requested customer and circuit counts and revenues for each of the Internet services AT&T provides (*i.e.*, Managed Internet Services, Dial-Up Services, and DSL Services). At the Staff's request AT&T now provides these data separately for AT&T's consumer, business, and wholesale service segments, and, where available, separately for each AT&T customer segment (*i.e.*, Signature, Enterprise, Select, wholesale and small business).<sup>1</sup>

*Supplemental Revenue Information.* In Supplemental Exhibit 1, AT&T provides, for each quarter from January 2004 through March 2005, all billed revenues associated with (1) AT&T's consumer dial-up service ("WorldNet") and (2) AT&T's consumer DSL service.<sup>2</sup>

<sup>1</sup> As AT&T has explained to the Commission, it is not possible to provide these data separately for Internet Service Providers ("ISPs"), because AT&T does not treat ISPs as a separate segment and thus does not maintain such data.

<sup>2</sup> In Supplemental Exhibit 1, AT&T also provides advertising revenues associated with these services, which principally includes advertising on the AT&T web sites used by AT&T's WorldNet and Dial-up customers. AT&T

Marlene H. Dortch  
June 17, 2005  
Page 2

In Supplemental Exhibit 2, AT&T provides, for each quarter from January 2004 through March 2005, billed revenues associated with AT&T's business dial-up service, business DSL service, and business Managed Internet Service ("MIS"). The revenues for each of these services are further disaggregated by AT&T customer segment, *i.e.*, Signature, Enterprise, Select, wholesale and small business segments.

*Supplemental Customer Count Data.* In Supplemental Exhibit 1, AT&T provides, for the last month of each fiscal quarter from March 2004 through March 2005, the number of AT&T's consumer dial-up and DSL subscribers.

In Supplemental Exhibit 3, AT&T provides, for the last month of each fiscal quarter from March 2004 through March 2005, the number of AT&T's business DSL customers, business dial-up customers, and business MIS customers separately for each AT&T business segment.

In Exhibit 4, AT&T provides the number of AT&T wholesale MIS customers as of June 1, 2005. AT&T does not maintain, in the ordinary course of business, historical customer count information for wholesale services.

*Supplemental Line/Circuit Counts.* Consumer and business dial-up customers can access AT&T's dial-up platform using voice-grade copper telephone line. These lines are usually provisioned by the incumbent local exchange carrier serving the end-user customer. Consumer and business DSL services are also provisioned using copper telephone lines that are usually purchased by the customer from the incumbent local exchange carrier. The number and speed of the lines purchased by AT&T's consumer and business DSL customers are shown in Supplemental Exhibit 5. In Supplemental Exhibit 6, AT&T provides the number of each type of circuit used to provide business and wholesale MIS services, by customer segment.<sup>3</sup>

**Specification 8(b)(4).** In Supplemental Exhibit 7, AT&T provides the average amount of monthly traffic exchanged with its Internet Backbone Peers for the last month of each quarter in 2004 and 2005. The average monthly peering traffic is provided in both Megabits per second (Mbps) and Megabytes per second (MB/sec), and is provided for both inbound and outbound traffic. Note that AT&T was unable to obtain Peering traffic volumes for the first seven days in March. As a result, the data for March 2004 reflects average traffic from March 8, 2004 through March 31, 2004.

**Specification 8(b)(5).** The Staff requested that AT&T provide average inbound and outbound traffic volumes separately for peering arrangements and transiting arrangements. As

---

does not sell advertising separately for its dial-up and DSL services. Accordingly, these revenues are provided on an aggregate basis.

<sup>3</sup> These values omit a small number of circuits used to provide government services and AT&T internal services.

Marlene H. Dortch  
June 17, 2005  
Page 3

AT&T has explained, however, AT&T does not offer a standalone transiting service. Rather, AT&T provides managed Internet services to customers that permit them to access any Internet site connected to AT&T's backbone. In Supplemental Exhibit 8, AT&T provides, for the last month in each quarter since 2004, the average amount of monthly traffic exchanged with (1) AT&T's peers and (2) AT&T's MIS customers (a proxy for transiting services). The average monthly traffic is provided in Gigabits per second (Gbps).

AT&T has previously provided to the Commission the average monthly inbound and outbound volumes for AT&T's "Top 20 Customers" based on revenues. The Staff has asked for clarification as to how those customers were identified. AT&T does not maintain a single database containing all Internet Backbone related revenues on a customer basis. Rather, AT&T maintains revenues on a service-by-service basis. To identify AT&T's Top 20 Customers by traffic, therefore, AT&T extracted, for each customer, the revenues associated with that customer for each Internet Backbone service purchased by that customer. AT&T then computed the total Internet revenue for that customer. Due to the extremely time consuming nature of identifying the Top 20 customers by revenues for any given month, AT&T responded to Specification 8(b)(5) by estimating AT&T's Top 20 customers by revenues, as of March 15, 2005. AT&T then provided the revenues associated with those customers for each month from May 2004 through March 2005.

Please contact me if you have any questions or concerns.

Sincerely,

David L. Lawson

Enclosures

cc: James Bird  
C. Anthony Bush  
Ann Bushmiller  
Ben Childers  
Kathleen Collins  
Gail Cohen  
Bill Dever  
David Krech  
Marcus Maher  
Pamela Megna  
Jon Minkoff

Marlene H. Dortch

June 17, 2005

Page 4

Kent Nilsson

Karen Onyeije

Joel Rabinovitz

Craig Stroup

Mark Uretsky

Rodger Woock

Paul Zimmerman