

REDACTED FOR PUBLIC INSPECTION

August 3, 2005

BY ECFS

Ms. Marlene Dortch
Secretary, Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

Re: In the Matter of Applications for Consent to the Transfer of Control of Licenses and Section 214 Authorizations from AT&T Corp., Transferor, to SBC Communications Inc., Transferee, WC Docket No. 05-65

Dear Ms. Dortch:

The staff has requested that we provide additional information with respect to the effect, if any, of the new contractual arrangement between SBC and WilTel Communications, LLC ("WilTel")¹, which was announced on June 15, 2005, on the synergy model that SBC submitted to the Commission on May 9, 2005. In particular, the staff asked whether the new agreement alters the assumptions in the synergy model about payments to WilTel. Finally, the staff asked whether the resulting net present value of the expected synergies is altered as a result of the newly executed agreement.

The assumptions in the synergy model regarding the payments to WilTel following the termination of the original agreement are not materially different than the payments that we expect to be incurred as a result of the new agreement, and therefore we expect that there will be no material change to the synergy net present value. [REDACTED]

The new WilTel agreement has similar provisions, albeit they are calculated somewhat differently. [REDACTED]

¹ On June 15, 2005, WilTel and SBC, through their affiliates, entered into a Master Services Agreement and a Termination, Mutual Release and Settlement Agreement which terminated and replaced the previous contractual arrangements (known as the "Alliance Agreements") between the parties.

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In summary, the contractual provisions in the new agreement are approximately the same as the assumptions SBC utilized to develop the synergy model that was submitted to the Commission. Therefore, SBC expects that the net present value of the synergies resulting from the transition of SBC's voice traffic from Wiltel to AT&T's network to be the same as the value previously included in the synergy model provided to the Commission.

If additional information is required, please let us know.

Very truly yours,

/s/ Gary L. Phillips

Gary L. Phillips
SBC Communications Inc.
1401 I Street, N.W.
Suite 400
Washington, D.C. 20005
Tel: (202) 326-8910

cc: Gary Remondino
Marcus Maher