

May 9, 2006

VIA ECFS

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

Re: **Notice of Written Ex Parte: In the Matter of Review of AT&T Inc. and
BellSouth Corp. Application for Consent to Transfer Control, WC Docket
06-74**

Dear Ms. Dortch:

On May 8, 2006, the same day that AT&T was trumpeting its plan to “make its Project Lightspeed video services available within three years to more than 5.5 million low-income households,”¹ AT&T was filing papers in the Federal District Court, Central District of California, as part of its on-going, multi-front crusade to drive out of business Fones4All Corporation (“Fones4All”), a very small California-based competitive local exchange carrier (“CLEC”) led by a female minority President/CEO.

Fones4All is focused on providing service to 80,000 low-income, mostly minority Californians who qualify for Universal Service subsidized telephone service. The 80,000 low-income households served by Fones4All, most of whom had never before received basic wireline local telephone service until Fones4All made them aware of the existence of the state Universal Service program through grassroots efforts, are less concerned with someday gaining access to the latest “IP enabled video services” that AT&T is promising, and more concerned with keeping their existing basic telephone service. Fones4All customers place a high value on receiving service provided by a small company that understands their unique needs and provides very personal multi-lingual service focused specifically on the low-income customers. However, AT&T is currently abusing its dominant position in the California telecommunications marketplace to take anti-competitive actions against Fones4All by wrongfully withholding millions of dollars in reciprocal compensation payments it owes Fones4All, while at the same time suing Fones4All in a spurious California Public Utilities Commission proceeding where it is

¹ See *Ex Parte* Letter from Joan Marsh, AT&T to Marlene Dortch, WC Docket 06-74 (May 9, 2006); “AT&T To Offer Web-TV, Broadband to Less Affluent,” Wall Street Journal, page B4 (May 9, 2006).

seeking a multimillion dollar refund of payments that were properly made to Fones4All over two years ago.

AT&T's anticompetitive conduct is threatening the very existence of Fones4All, and as a result, is seriously endangering the ability of 80,000 low-income consumers in California to keep their telecommunications carrier of choice. This fight is but one in the all-out campaign that AT&T is waging against the company. As the Commission considers the merger of AT&T and BellSouth, it must bear in mind that the ability of the merged company to undertake anticompetitive actions against other very small companies, like the actions AT&T is now taking against Fones4All, will only grow if the merger is approved.

Sincerely,



Ross A. Buntrock

cc: Chairman Martin
Commissioner Copps
Commissioner Adelstein
Commissioner Taylor Tate
Daniel Gonzales
Ian Dillner
Jessica Rosenworcel
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