May 31, 2006

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

Re: AT&T, Inc. and BellSouth Corporation Applications for Approval of Transfer of Control, WC Docket No. 06-74

Dear Ms. Dortch:

Consistent with Section 1.65(a) of the Commission’s rules, 47 C.F.R. § 1.65(a), BellSouth Corporation (“BellSouth”) is submitting herewith a Supplemental Declaration of William L. Smith. Mr. Smith’s Supplemental Declaration contains additional information concerning BellSouth’s video offerings and corrects the upstream speed of the 6 mbps DSL transport service that BellSouth offers on a wholesale basis.

In accordance with Commission rules, I am filing an electronic copy of Mr. Smith’s Supplemental Declaration and request that you place it in the record in the above-referenced proceeding. A copy of this filing has been served upon parties of record in accordance with Section 1.47 of the Commission’s rules, as reflected in the attached certificate of service. Thank you for your attention to this matter.

Yours very truly,

[Signature]

BLR:dlr
cc via email:
  Gary Remondino
  Nick Alexander
  Bill Dever
  Renee Crittendon
  Don Stockdale
  Mary Shultz
  John Bransome
  Erin McGrath
  Jeff Tobias
  David Krech
  JoAnn Lucanik
  Sarah Whitesell
  Tracy Waldon
  Jim Bird
  Leslie Marx
  Best Copy and Printing, Inc.
I, William L. Smith, declare the following:

1. Paragraph 21 of my original declaration stated that "...BellSouth had not decided whether to launch an IPTV service at the time it agreed to merge with AT&T." Since the filing of that declaration and in response to market demand from developers, BellSouth has made the decision to pursue video business opportunities in a small number of newly constructed, multi-family communities, and video service in some of those communities may be provided using IPTV technology. We are now pursuing contracts with developers of such communities, and we have one contract under which we intend to offer IPTV in mid-2007. Assuming we obtain contracts with similar developments in the future, we intend to continue using the most appropriate video technology, which may include IPTV. This limited approach does not require the large investments that would be needed for a generally available commercial rollout of IPTV, and for the reasons cited in my original declaration BellSouth has not yet decided to make a generally available commercial offering of IPTV.

2. We are unlikely to offer IPTV service in any community before 2007. Accordingly, both in the limited approach described above as well as in any broad rollout of IPTV that would occur post-merger, the merger should, as explained in my original declaration, enable the combined
company to deploy IPTV more quickly and at lower cost than BellSouth could do so on its own.

3. The initial phase of the expanded technical trial referenced in Paragraph 11 of my original declaration was completed in April, 2006. BellSouth then decided to convert the market trial described in Paragraph 12 of that declaration to a second phase of the expanded technical trial that will involve approximately 500 households consisting mostly of BellSouth employees and retirees.

4. Paragraph 19 of my original declaration indicates that BellSouth has not begun negotiations with content providers for purposes of IPTV. In connection with its recent decision to provide video service in a limited number of newly constructed, multi-family communities that may include IPTV, BellSouth has begun the process of negotiating carriage agreements to obtain the necessary content. The terms of these agreements may not support a generally available commercial offering of IPTV.

5. Paragraph 5 of my original declaration reflects the incorrect upstream speed of the 6 Mbps DSL transport service that BellSouth offers on a wholesale basis. The upstream speed is 896 Kbps rather than 512 Kbps.
I declare under penalty of perjury the foregoing is true and correct. Executed May 31, 2006.

William L. Smith
CERTIFICATE OF SERVICE

I do hereby certify that I have this 31st day of May 2006 served the following parties to this action with a copy of the foregoing Supplemental Declaration of William L. Smith by electronic filing and electronic mail addressed to the parties listed below.

+Marlene H. Dortch
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+ VIA ELECTRONIC FILING
* VIA U.S. MAIL

Dionne L. Rothwell