

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)
)
)
Application Pursuant to Section 214 of the)
Communications Act of 1934 and) **WC 06-74**
Section 63.04 of the Commission's)
Rules for Consent to the Transfer of)
Control of BellSouth Corporation to)
AT&T, Inc.)
)

**DECLARATION OF K. TODD GRAHAM
ON BEHALF OF SCANSOURCE, INC.**

DECLARATION OF K. TODD GRAHAM:

1. My name is K. Todd Graham. I am employed by ScanSource, Inc. ("ScanSource") as its Director of Telecommunications. My business address is ScanSource, Inc., 6 Logue Court, Greenville, South Carolina 29615. I am responsible for managing ScanSource's telecommunications infrastructure and help desk.

2. ScanSource submits this declaration in support of its Reply Comments in opposition to the proposed merger AT&T and BellSouth in the above-captioned proceeding.

3. ScanSource is a leading value-added distributor of specialty technologies, including automatic data collection and point-of-sale products. Headquartered in Greenville, South Carolina, ScanSource has distribution centers in Miami, Florida and

Memphis, Tennessee, and numerous other U.S. locations, including Atlanta, Georgia and Phoenix, Arizona. ScanSource also has offices in Canada, Mexico, France, Belgium and the United Kingdom. As a Fortune 1000 and NASDAQ-listed company with multiple domestic and international offices, ScanSource has significant and sophisticated telecommunications needs.

4. ScanSource uses a variety of vendors to serve its domestic and international telecommunications needs. ScanSource purchases MPLS/data, toll-free, long distance voice, VoIP, Internet access and sophisticated local services to meet its complex communications services needs.

5. ScanSource is currently a major enterprise customer of BellSouth. ScanSource spends hundreds of thousands of dollars annually with BellSouth on sophisticated local products such as SONET rings, T1s, 1FB business lines, DSL and ISDN lines.

6. ScanSource is a former enterprise customer of AT&T. ScanSource previously utilized AT&T to provide toll free, long distance, frame relay and managed Internet services.

7. AT&T and BellSouth have competed against each other in the past for ScanSource's telecommunications business. BellSouth was able win ScanSource's toll-free service business from AT&T due to AT&T's lack of service, as well as BellSouth's competitively superior service support and pricing.

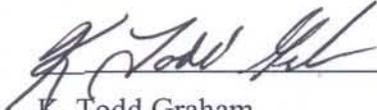
8. On or about the middle of January, 2006, BellSouth approached ScanSource with a request to bid to provide various services to ScanSource outside

BellSouth's traditional nine-state service territory. BellSouth wanted to bid to provide CLEC services at various ScanSource locations that it did not already serve.

9. Most of ScanSource's contracts with its telecommunications vendors expire in 2008. ScanSource had expected BellSouth and AT&T to figure significantly and separately in the bidding for its expanding communications needs. ScanSource expects to pay higher than expected rates for certain services upon the expiration of those agreements if the AT&T-BellSouth merger is approved. ScanSource may need to raise the prices of its products and services or forego purchase of related communications services to account for any differential.

10. In ScanSource's experience, the BellSouth and AT&T business practices tend to directly contrast, with BellSouth having the more favorable practices. ScanSource is concerned that a combined AT&T/BellSouth entity will adopt AT&T's business practices as standard operating procedure throughout the combined AT&T/BellSouth operating region. ScanSource's experience is that A&T is a bureaucracy and that its customer service and account teams are not responsive to customer requests for installation information, billing detail, contractual agreements, and trouble resolution. ScanSource is fearful that a merged AT&T/BellSouth entity would dismantle its current BellSouth account team and greatly diminish the current level of service support ScanSource receives. Such a result would be detrimental not only to ScanSource but also to its downstream customers and consumers across the nation.

I assert under penalty of perjury that the foregoing is true and correct to the best of my information and belief. This concludes my declaration.



Dated: June 20, 2006

K. Todd Graham