STATEMENT OF Dean Simon  
(Iberia Bank Inc.)

1. I am the Telecom Consultant for Iberia Bank, Inc. I am responsible for the procurement and negotiation of Iberia's telecommunications and network services contracts. I have worked with Iberia for 4 years, and have been in the telecommunications industry for over 25 years.

2. Iberia Bank, which is headquartered in Lafayette, Louisiana, is the state's second largest bank. It has approximately $2.9 billion in assets and more than 50 locations throughout Louisiana.

3. Iberia Bank spends roughly $1 million annually on wireline telecommunications services. We currently rely on AT&T for long distance service and our point-to-point T1 circuits, and we also procure data service and local voice service from BellSouth, CenturyTel, Cox Cable, and Kaplan. When placing new business, I will informally ask each of those companies to submit a bid for a particular service. For the most recent long term data service contract we signed, Iberia informally requested bids from BellSouth, CenturyTel, Cox Cable, and Kaplan, and we ultimately selected CenturyTel because of their fiber optics capabilities. In addition, Iberia Bank is currently using VoIP services wherever possible.

4. I do not believe that the proposed AT&T-BellSouth merger will harm competition. I have enough options to choose from, both large and small, when making telecom decisions. There is no monopoly in this industry. However, if the merger does not suit the market's needs, then the market will adjust and take care of it accordingly. The only change I see resulting from the merger will be one less bill for Iberia Bank to deal with.

Dean Simon  
Telecom Consultant for Iberia Bank, Inc.

Date
Declaration of Greg Smith

1. I am the Department Manager for Information Systems of Honda Precision Parts of Georgia, LLC. Our plant, based in Tallapoosa, Georgia, opened on March 19, 2006. The division began in a temporary space in April 2005. Accordingly, we only recently purchased telecommunications services for the plant. Prior to then, we were sharing services with Honda Manufacturing of Alabama through a small T-1.

2. We purchase our local voice services from BellSouth, after also considering Sprint and Synchronet for those services.

3. Our long distance service is provided by Qwest as part of a corporate account Honda’s headquarters negotiated.

4. Data services are delivered through a SONET ring from BellSouth. Equant provides the bridge from the SONET ring to Honda Manufacturing of Alabama. We also spoke to Sprint, AT&T, and Synchronet about providing those services.

5. I am not concerned about the merger between BellSouth and AT&T. I do not think it will affect the choices in my area and may improve pricing.

Dated: May 22, 2006

[Signature]

Greg Smith
DECLARATION OF BRIAN TEW

1. I am Brian Tew, Director of Information Services for Indian River Memorial Hospital in Vero Beach, Florida. Indian River is a 340 bed community, not-for-profit acute care facility. In my position, I am responsible for the procurement of telecommunications services for the hospital. I have been in this position for three years.

2. Indian River purchases metro Ethernet, local voice, and long distance service from BellSouth. We are currently in the early stages of investigating a VoIP solution for the hospital with Vocera.

3. While we are very happy with the services provided by BellSouth, we have the option of obtaining such services from any of the multiple vendors which solicit our business on a regular basis.

4. A primary reason for recently adding long distance to the list of services that we obtain from BellSouth was consolidation. Consolidation is useful because it serves to increase the ease with which service issues are addressed and also focuses accountability on a single provider. Consolidation of services with one provider also provides greater leverage to the hospital in negotiating terms with the service provider.

5. In the unlikely event that the combined company were to raise prices or decrease the quality of service offered, Indian River would have multiple vendors to which it could turn to serve its telecommunications needs.

Date: May 10, 2006

Brian Tew
Director of Information Services
Indian River Memorial Hospital
Statement of Larry Hanger (Innotrac Corporation)

1. I am the Senior Vice President of Client Services for Innotrac Corporation in Duluth, Georgia. I have discussed our telecom and data purchases with John Cummins, our Director of IT Operations, who is responsible for managing our voice and data network.

2. Innotrac delivers end-to-end marketing support, order fulfillment, and call center services to our customers. BellSouth uses us as a vendor of these services and is one of our larger customers. As a result of this customer relationship, we usually allow BellSouth the first opportunity to win and maintain our business.

3. We have eight distribution facilities across the United States and two call centers in Colorado and Nevada. We use BellSouth for local telephone service in all of our locations within BellSouth’s footprint. Outside of BellSouth’s footprint, we typically use the incumbent LEC. We also have used BellSouth as our exclusive long distance voice and data provider since the time they were first able to offer the service. Before switching to BellSouth, we used Sprint, MCI, and AT&T for long distance services.

4. BellSouth is also our primary carrier of WAN connections to each of our locations. We use Qwest as a secondary provider and have a few point-to-point data connections with other providers.

5. For wireless services, including cellular and wireless data, we use Verizon Wireless. Before Verizon we used Nextel. We also have considered using T-Mobile.

6. We have been very pleased about the level of customer service that we have received from BellSouth. BellSouth has provided us with strong account teams supported by good technical personnel and has always worked to build a relationship with us.

7. As both a customer and vendor, we have some hopes and concerns about the merger’s potential impact on Innotrac. As a customer, I believe the proposed merger of AT&T and BellSouth could benefit Innotrac because the combined company may be able to offer a broader scope of service for a lower price. However, our company does not want to lose the high level of customer service that we have received from BellSouth. As a vendor, the merger provides us with the opportunity to offer our services to the larger company, increasing our business with the merged company and expanding into a larger geographical footprint. There is, of course, some uncertainty about whether the merged company will elect to continue to use us as a vendor. If BellSouth were to become a smaller customer of ours or were to
become less attentive to our needs, we would likely reallocate our telecom services to the other competitors in the marketplace, especially those that purchase our services.

Larry Häger
Innotrac Corporation
STATEMENT OF PAUL FOSTER  
(JAS Worldwide)  

1. I am the Chief Information Officer of JAS Worldwide. JAS specializes in international freight forwarding and is headquartered in Atlanta, Georgia. We have 152 offices in 76 countries worldwide with over 2,200 employees. JAS was founded in 1978, with revenues reaching approximately $1 billion in 2005.

2. Prior to becoming the CIO of JAS Worldwide, I was Vice President of IT at JAS Forwarding (USA), Inc. and responsible for the selection of telecommunications services, including voice, data, and cellular/wireless. I have been employed by the company and involved in telecommunications procurement since 1997.

3. JAS uses both formal and informal RFP processes in procuring telecommunications services. JAS spends well over $5 million a year on telecommunications services, including voice (both local and long distance), data (internet access and wide-area network), and cellular/wireless services. We also use VoIP in bits and pieces throughout the organization, and we see potentially huge benefits to us getting that capability globally in the future.

4. Because JAS is an international company, we highly value the ability to standardize our operations around the globe. This is also true in selecting which company to use for telecommunications services. One of the key factors in our decision to contract with AT&T for telecommunications services in the fall of 2005 is AT&T’s global reach, which matches very well with the needs and locations of our company. With AT&T, we can have a single provider and point of contact to provide and support most of the telecommunications services that we need globally. Of course, competitive prices were also important to our decision. During the informal RFP process we used last fall, we had a number of telecommunications service providers present quotes, including Verizon/MCI and some regional carriers as well.

5. From JAS’s point of view, I see the proposed merger between AT&T and BellSouth to be potentially beneficial, as it can be very helpful for companies like ours with many offices all over the world to be able to contract with a single
provider that has a large portfolio of services. For companies with international needs, I don’t see much overlap between BellSouth and AT&T.

Paul Foster
Chief Information Officer

April 19th, 2006
Date
Declaration of Bob Greenwell

1. I am the Network Communications Manager for Jewish Hospital and St. Mary’s Health Care, a non profit health care facility with 70 locations in Kentucky and southern Indiana.

2. We use BellSouth for many of our services, including local voice, PRIs lines on our main campus in Louisville, Kentucky, 200-300 business lines for our remote locations, T-1 lines, and metro-Ethernet.

3. We use NuVox for 7-8 PRI lines and local voice for three buildings that are not connected to our PBX. We found it was less expensive to purchase the 10-12 lines we needed for those buildings from NuVox than from BellSouth. We also use some other telecomm providers, such as AllTel and Brandenburg Telephone Co., in pockets of Kentucky where BellSouth does not provide services.

4. We purchase our internet access from the University of Louisville.

5. Our long distance is provided by Sprint and BellSouth. Sprint provides us with dedicated T-1s on our downtown campus, and either BellSouth or Sprint provide the long distance services for our remote locations. Qwest also provides us with a T-1 line to connect our Scottsburg, Indiana location to our Louisville campus.

6. We use a VPN for approximately 300 users, such as coders and transcriptionists who work at home, to transmit their work to the main database. We also use VoIP for our Intranet. I expect that we will move our call center, which is used to schedule patient procedures, to VoIP. That may ultimately grow to allow the physicians’ offices to utilize the Internet to make their calls as well.
7. I am optimistic about the merger between BellSouth and AT&T. Perhaps we will be able to purchase the rather expensive T-1 that connects our Indiana facility from the merged entity less expensively. Although I have been in the business for 28 years and recall when the original AT&T was broken up, the marketplace is very different now with services such as cable and wireless.

Dated: May 3, 2006

Bob Greenwell

[Signature]

Robert B. Greenwell
Network Communications Manager
Jewish Hospital & St. Mary's Healthcare
HUGH CROMBIE DECLARATION

1. I, Hugh Crombie, am the Vice-President of Operations at Kentucky Bank. I have worked at the bank for over 40 years and held my current position for the last several years.


3. We spend about $144,000 annually for BellSouth services, including local voice, frame relay, internet, long distance, and equipment. We also use AllTel for local service in four locations. In the past, we have purchased long distance service from Sprint, MCI, AT&T, and LDDS, a predecessor of WorldCom.

4. Kentucky Bank is currently making a transition to VoIP. To prepare, we took a look at several equipment vendors, including MiTel and InterTel, before we settled on BellSouth because it offered us the best pricing. In addition to giving us four-digit dialing between all of our branches, we expect that VoIP will lower our long distance costs and cut down on the number of lines we need to purchase as we phase out switched voice service.

5. I am not responsible for purchasing cellular telephone service for Kentucky Bank. It is my understanding, however, that Cingular is our primary provider. We would like to have the option to purchase wireless and wire-line service from a single company as part of one contract. Among other advantages, I expect we would be able to gain better pricing by increasing our volume with one vendor.

6. I also believe that the proposed merger will benefit Kentucky Bank by giving us access to AT&T’s advanced technology. In view of the other vendors to which we could turn, I cannot see any downsides for Kentucky Bank from the proposed merger of BellSouth and AT&T.

Date: 5-1-06

HUGH CROMBIE
Vice-President of Operations
Kentucky Bank
STATEMENT OF GLEN DUCOTE
(KINETIX BROADBAND, LLC)

1. I am General Manager and Chief Technology Officer of Kinetix Broadband, LLC ("Kinetix") and am responsible for the company's telecommunications procurement. With partner Network Telephone (recently acquired by Talk America), Kinetix operates as a Competitive Local Exchange Carrier ("CLEC") for Central Louisiana, providing local voice and data services (offering DSLAM technology) to small and medium businesses. Kinetix is also a Tier 2 wireless provider, offering some local wireless loop services which it places on BellSouth's network. In addition, Kinetix provides managed IT solutions and technical services, such as web and database design and security applications.

2. For those telecommunications needs that Kinetix can not supply internally, BellSouth is our primary supplier, providing us with local and long distance voice service as well as data transport and wholesale DSL, which we resell to our own customers. Kinetix is also in the process of testing VoIP technology, which is provided by Red Gap Communications of Fort Worth, Texas.

3. I value BellSouth's network and have been satisfied with their prices and service. I do, however, regularly evaluate other prices in the market to confirm that I am receiving a competitive offer from BellSouth. In this regard, I am aware of several other available competitors, including Qwest, MCI and Cox, offering telecommunications services in Kinetix's area.

4. The proposed merger of BellSouth and AT&T should have a positive impact on BellSouth and its customers, in addition to the small, rural community in which Kinetix operates.
The addition of AT&T's technologies and national network should expand BellSouth's service offerings to the benefit of its customers. I do not consider BellSouth and AT&T to be competitive substitutes for each other (for instance, I do not compare BellSouth's prices to those of AT&T when reevaluating our BellSouth contract) and thus do not believe the merger of the two companies will lessen competition.

Dated: 4/28-06

By: Glen Ducote
Kinetix Broadband, LLC
STATEMENT OF RANDY WILBURN

1. I am the Network Manager with responsibility for telecom procurement at Lane Furniture, a national furniture company headquartered in Tupelo, Mississippi. I have been with Lane for 15 years.

2. BellSouth is Lane Furniture’s primary telecommunications provider, serving our local, long distance and frame relay network requirements. Outside the BellSouth region, we also use Qwest for frame relay and long distance circuits, and other local phone companies for our local services needs.

3. Our Internet services are currently provided by EBI Comm, which was recently acquired by XFone. We are considering moving this business to BellSouth because BellSouth is offering us a better combination of reliability and value than EBI. Comcast also provides us with a backup broadband connection to our DSL service.

4. We also used Sprint for a time for a company we acquired in 2001, but decided to move the business to BellSouth because BellSouth offered us a better overall package.

5. We purchase our telecommunications services in consultation with TalkSouth, a Birmingham-based telecom broker that offers best-in-breed solutions to its customers. TalkSouth helps us ensure that we get the best available price and service for all of our telecommunications purchases. Although we have been happy with BellSouth’s services, TalkSouth keeps us aware of any opportunities in the market to get better value, whether from BellSouth or from others.
6. I have no concerns about AT&T's merger with BellSouth

2/27/06
Date

Randy Wilburn
STATEMENT OF TERRY LEONARD (LIFE CARE CENTERS OF AMERICA)

1. I am Chief Information Officer at Life Care Centers of America, a national provider of nursing, assisted living, retirement, home care, and Alzheimer’s care services. We have facilities in twenty-eight states, from Massachusetts to Hawaii. I have been Chief Information Officer for a year and a half, and before that I was Vice President for Technical Service with Life Care. I have been with Life Care Centers of America for five and a half years and have twenty-five years experience in technology management with numerous companies.

2. As CIO, I am responsible for overall IT governance for Life Care Centers, and am responsible for all technology and telecommunications purchasing decisions. Over the past five years, AT&T has supplied us with a wide area network as well as long-distance voice services and additional services, including some T1 lines.

3. Recently, however, we went through a new RFP process and as a result we decided to award the contract to provide our wide area network to Verizon and will be moving those services from AT&T to Verizon. We will continue to buy long distance services from AT&T. The RFP process was conducted using an outside consultant, RangeComm, which provided recommendations after several months of analyzing our network needs and soliciting proposals from competitors. RangeComm recommended the Verizon WAN and AT&T long-distance, a recommendation we accepted.

4. Because BellSouth could not offer a nationwide network, it was not a meaningful competitor in this RFP. With access to BellSouth’s strong southern DSL network, however, AT&T’s offer would have been more competitive.

5. We have considered using VoIP telephony services, but our present voice rates are low enough that we have not aggressively pursued this option.

6. We do not buy local voice services from AT&T at all. We typically buy local service from the incumbent local exchange carrier. A company that is able to offer a true national contract for local services would be an attractive option, but no firm is able to do that today. Without the ability to offer a true national contract, AT&T is unlikely to be a competitor for local voice service in the future.

7. As a result, I have no concerns that the proposed merger will harm telecommunications competition.

DATED:

Terry Leonard
Chief Information Officer
Life Care Centers of America
Declaration of Claudia Melancon

1. I am the inventory control analyst for Louisiana Machinery, the Caterpillar dealer in the state of Louisiana.

2. We obtain our local telephone service from BellSouth, as well as two independent carriers, Latel Co. and Reserve Telephone. For the past four years, we have obtained our long distance service from BellSouth. Before then, we used Cable and Wireless, which went out of business. A new company acquired their assets, but we did not want to do business with them because their prices were high. So we sought bids from BellSouth and two other companies for long distance service. We chose BellSouth because of their rates and quality of service.

3. Internet is provided through a server at Caterpillar. We are in the process of considering how to move our voice services to the internet.

4. I think the merger of BellSouth and AT&T is great. I think the larger company will be able to provide us with great customer support. They will be able to take care of all of our service needs. I like the ability to deal with as few suppliers as possible. That way, when we have a problem, we know who to call. We don't have to figure out who the telephone provider is for the area that's not working, and then try to get them to fix it. With the new company, I'll be able to call just
one company and know it'll get fixed.

Dated: May 1, 2006

Claudia Melancon

Claudia Melancon
STATEMENT OF LARRY WHITE
(MACTEC)

1. I am the Chief Information Officer (CIO) for MACTEC and have been in this position since March 2002 when MACTEC merged with Law Companies Group (LAW). Prior to being named CIO of the merged companies I was CIO of LAW from 1994 to 2002 and CIO of Weston, Inc. from 1989 to 1994. My responsibilities in these previous positions also included making decisions regarding procuring telecom services.

2. MACTEC is an engineering, environmental and construction services company with over 3,000 professional engineers, scientists, and administrative staff at over 85 locations throughout the U.S.

3. Our company presently purchases telecommunications services from AT&T for LD voice and data, and BellSouth for local phone service, leased lines, and voice conferencing. MACTEC also uses Nextel to provide Walkie-Talkie cellular services and Sprint for leased lines and wireless voice and data services.

4. MACTEC uses RFPs to procure all of its telecom services. Our last RFP was in August/September 2005. AT&T, Sprint, Quest, and MCI, along with BellSouth, SBC, and Solarcom (proposing a Tier 2 company) participated in the process. AT&T and Sprint were quickly selected as the two finalists because each could provide the services we needed for our 85+ sites throughout most of the United States, as well as offer the most competitive pricing. We also felt that both companies had demonstrated superior customer service and support. Ultimately, AT&T won the contract based on its past performance (service, support and accurate billing) and price. I have never considered BellSouth to be a viable alternative to AT&T or other Tier 1 telecoms because it does not have the necessary geographic coverage.
5. Each time we go through the competitive bidding process I feel that the participants competing for our business are aggressive. As a result, I believe that we have gotten good contracts in the past. However, if we find the major competitors do not meet our requirements, we will use other providers for significantly better prices. Overall, the market is very competitive at this time.

6. In my opinion, the merger between AT&T and BellSouth does not eliminate or appreciably reduce competition. My first thought when I learned about the merger was that if they became one company, MACTEC's purchases with the combined company would be greater, which could give us leverage to further lower our costs.

Lawrence J White, Senior VP - CIO
MACTEC, Inc.

May 4, 2006
Date
Confidential

Statement of Butch Hammack, Madison County, MS E911

1. My name is Butch Hammack. I am the 911 Coordinator for Emergency Management for Madison County, Mississippi. I have been in this position for approximately 2-1/2 years. My responsibilities include assigning 911 addresses to businesses throughout the County to establish phone service (for which a 911 fee is assessed) and coordinating responses to emergency events for four cities and one sheriff’s office.

2. For our 911 operations, the County purchases network services and customer premises equipment, or CPE, such as phones at premises. I am an “influencer” in the County’s purchase of these services and equipment. This means that I gather information on pricing and service for providers, make recommendations in person to the County Board of Supervisors, and request a vote on the recommendation. I generally do not ask for formal bids from providers. The Board of Supervisors makes all decisions on these purchases.

3. Bell South is the only supplier for 911 network services for the County. No other company has offered to provide this service. For equipment, four companies are listed on the State’s approved bid list, meaning these are the companies we can choose from. They are Bell South, Motorola, 911 Inc., and TCI.

4. Our current budget for these services and equipment is about $75,000 a month, and it is increasing.

5. The County is doing an upgrade of our 911 equipment. We have several sites and a call center that use different systems. For this project, I was told Bell South was ready to go, I got pricing proposals from Bell South and brought them to the Board, and the Board adopted the proposal. We were satisfied with what Bell South brought to us and that’s what we adopted.

6. Because of the limited type of services for our 911 operations and the State’s bid list, we have not tried any other vendors. We have been satisfied with Bell South for the services we need. I do not foresee using cell phone or wireless services for our operations in the near future.

7. AT&T is not a competitor of Bell South for our 911 services and equipment. Let me add this. I am completely satisfied with the goods and services provided by Bell South. I would not entertain any changes from what I currently receive from Bell South.

Butch Hammack

[Signature]
Statement of Jim Trotter (Management Services Network)

1. I am the Director of Operations for Management Services Network ("MSN"). MSN provides medical billing services, primarily for hospital-based physicians in the radiology and anesthesiology fields. The company is approximately ten years old, and I have been with MSN for the past six years. Among other things, my responsibilities include the acquisition and management of telecommunications and IT products.

2. MSN is located primarily in the southeastern United States. We have fourteen locations, all outside of major metropolitan areas. Our headquarters is in Columbus, Georgia. We also have operations in Wichita, Kansas and in Missouri.

3. MSN uses both voice and data services, including local DID trunks and traditional long distance services. I expect that our current telecommunications expenditures are running at approximately $250,000 or more annually. Last fall, MSN signed an agreement with BellSouth to deploy an MPLS/VPN network connecting the majority of our locations. That network is still being implemented.

4. Because our business locations are primarily in smaller towns outside of larger cities, MSN has historically looked to the resident local telephone company for the majority of its telecommunication services. These include BellSouth, Alltel, Deltacom, and NuVox in the southeastern states, and SBC in Kansas and Missouri. However, under these arrangements, it has been a burden on my people to attempt to manage our telecommunications needs from inside the company.
5. We talked to a number of companies in seeking to outsource our telecommunications management functions, including BellSouth, Sprint, Deltacom, and RoadRunner. Only BellSouth could provide the services we needed both at the majority of our locations and for connecting them to each other. We are, however, still considering using RoadRunner in southern Alabama because of its low prices for bandwidth.

6. It is especially important to MSN that we have a single point of contact for as many of our telecommunications requirements as possible and that we receive strong customer service. I do not foresee us changing from BellSouth as our primary supplier so long as they deliver as promised.

7. I believe the merger with AT&T could have some plusses for MSN especially to the extent it extends BellSouth’s reach into areas where MSN intends to grow its operations so that we can maintain a single point of contact. I also expect that the merger will make newer technologies more readily available to us. For example, although we are not yet ready to pull the trigger on VoIP, our new BellSouth network platform is capable of supporting that technology.

Jim Trotter
Management Services Network
Statement of John Leonowich (Mannington Mills)

1. I am Director of Technology Services for Mannington Mills ("Mannington"). Mannington is a leading manufacturer of floor coverings and is headquartered in Salem, New Jersey. We are a privately owned company with several locations, including one location in Calhoun, Georgia.

2. I have general oversight of all of Mannington's telecommunications services, including purchasing. I report to Mannington's CIO, who reviews my recommendations, and I have sign-off authority on the contracts. I have been in this position for six years, and with Mannington for approximately 23 years. Of those 23 years, I have had some responsibility for telecommunications matters for 20 years.

3. Mannington purchases about $10,000 a month in telecommunications services from AT&T. This includes local and long-distance service, network services, and Internet. In addition, we purchase some wireless services from Cingular (including both voice and data). We have had a relationship with AT&T for about 10 years, and we signed a new three-year contract in September 2005. We also use Qwest for some voice and data services, provided over dedicated T-1 lines.

4. During our contract process last September, we considered AT&T, Verizon, and BellSouth. In the end we chose AT&T, primarily because of the competitive price it offered and its service reliability. I also firmly believe that AT&T is the most technologically suited to our business.

5. The primary reason we did not select BellSouth to provide our long distance service is that we felt BellSouth promised services it couldn't deliver. Although BellSouth made promises regarding its ability to serve our out-of-region needs, I did not have confidence that it would be able to do so. I view BellSouth as a regional provider that cannot compete on a national level with AT&T.

6. I believe competition in the telecommunications marketplace is healthy. Competition in the industry is important to Mannington. It keeps rates low and network reliability high. Our practice is to have at least two providers. AT&T knows this and knows it has to earn our business and stay competitive. I don't think the merger will change this.
7. I think that the AT&T/BellSouth merger could bring benefits in terms of stability and technological advancement. There has been a great deal of instability with telecommunications companies in the recent past, and I hope that AT&T will be able to assure BellSouth's stability for the future. I also think that the merger will enable AT&T to invest more in research and development and to bring better products to market faster. I hope and expect this will enable AT&T to become more competitive both domestically and internationally, while expanding to BellSouth the great service we have come to rely on from AT&T.

John Leonowich
Director of Technology Services
Mannington Mills

5/1/06
DATE
Statement of Dave Ruby (Marriott International)

1. I am Senior Vice President of Information Resources for Marriott International. I have held this position for approximately six years. Marriott has over 2,500 hotels and timeshares throughout the U.S. and in more than 60 countries. I, along with another individual, am responsible for Marriott's technical infrastructure. Marriott spends in excess of $100 million each year on telecommunications.

2. AT&T is currently Marriott's primary telecommunications provider in the U.S. We use AT&T for private line data service, managed internet service, virtual private networking, and data center hosting, as well as local and long distance phone services. We also use Qwest and Verizon for private line services. We currently use Sprint Nextel and Cingular for wireless services, and we also use a variety of local telephone companies worldwide.

3. We have used AT&T as our primary U.S. telecommunications provider for many years. We have a clause in our contract with AT&T that allows us to go through an annual benchmarking process. Every year we examine the current competitive rates for the various telecommunications services we utilize, and we sit down with AT&T to discuss how their current pricing measures up. This has allowed us to annually renegotiate our prices with AT&T based on current competitive rates in the market. AT&T has always been very responsive to these annual benchmarking renegotiations. In fact, under the terms of our contract, we have the right to remove services from the contract if AT&T is not responsive to renegotiations.

4. After examining the current state of the market for telecommunications providers, I would say that the market is extremely competitive, and I don't believe that the proposed merger between AT&T and BellSouth will have a negative impact on the competitiveness of the market or lead to increased prices.