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Federal Communications Commission  
Washington, D.C. 20554

June 23, 2006

*Via Facsimile and First Class Mail*

Mr. Wayne Watts  
Senior Vice President & Associate General Counsel  
AT&T Inc.  
175 East Houston  
San Antonio, TX 78205

Mr. James G. Harralson  
Vice President & Associate General Counsel  
BellSouth Corporation  
1155 Peachtree Street NE  
Suite 1800  
Atlanta, GA 30309-3610

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

Dear Messrs. Watts and Harralson:

On March 31, 2006, the Commission received applications seeking consent for the transfer of control to AT&T Inc. of licenses and authorizations held directly and indirectly by BellSouth Corporation.<sup>1</sup> In order for the Commission to complete its review of the applications and make the necessary public interest findings under sections 214 and 310(d) of the Communications Act of 1934, as amended (the Act) and section 2 of the Cable Landing License Act, we require additional information and clarification of certain matters discussed in the applications.

Accordingly, pursuant to sections 214 and 308(b) of the Act, and section 2 of the Cable Landing License Act, we request that you provide written responses and supporting documentation for each request set forth in the attached Initial Information and Document Request and, where appropriate, amend the lead application to reflect such responses. In order to expedite consideration of your application, please respond to the following requests pertaining to this proposed merger by July 14, 2006.

Your responses should be filed with Marlene H. Dortch, Secretary, Federal Communications Commission, under reference number WC Docket No. 06-74. The Wireline Competition Bureau also should receive, at a minimum, two copies of all filings.<sup>2</sup>

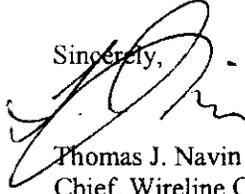
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<sup>1</sup> The applications were submitted pursuant to sections 214 and 310(d) of the Communications Act, and section 2 of the Cable Landing License Act. 47 U.S.C. §§ 35, 214, 310(d); *see also Commission Seeks Comment on Application for Consent to Transfer of Control Filed by AT&T Inc. and BellSouth Corporation*, WC Docket No. 06-74, Public Notice, DA 06-904 (rel. Apr. 19, 2006).

<sup>2</sup> If you submit information pursuant to the Protective Order issued in this proceeding, you should follow the filing procedures specified therein. *AT&T Inc. and BellSouth Corporation Applications for Approval of Transfer Of Control*, WC Docket No. 06-74, Protective Order, DA 06-1032 (rel. May 12, 2006).

If you have any questions regarding this matter, please contact Nick Alexander or Bill Dever, Wireline Competition Bureau, at (202) 418-2173 or (202) 418-1578, respectively.

Sincerely,

A handwritten signature in black ink, appearing to read 'T. Navin', written over the word 'Sincerely,'.

Thomas J. Navin  
Chief, Wireline Competition Bureau

Attachment

**ATTACHMENT**  
**INITIAL INFORMATION AND DOCUMENT REQUEST**  
**June 23, 2006**

1. Definitions

1. The terms “and” and “or” have both conjunctive and disjunctive meanings.
2. The term “AT&T” means AT&T Inc. and its subsidiaries.
3. The term “BellSouth” means BellSouth Corp. and its subsidiaries.
4. The term “business customers” means end-user business customers, and does not include carriers.
5. The term “Cingular” means Cingular Wireless Corporation and its subsidiaries.
6. The term “documents” means written or graphic materials in the possession, custody, or control of the company or companies identified in the particular specification. The term “documents” includes hardcopy and electronic copies of correspondence, spreadsheet and database analyses, analyses, reports, memos, and presentations created, revised, prepared for, or distributed within the company or companies identified in the particular specification.
7. The term “franchise area” means all geographic areas within a state in which a person provides local exchange services pursuant to franchise or other authority granted by a relevant government or government agency and in which that person is the incumbent local exchange carrier as that term is used in the Telecommunications Act of 1996.
8. The term “Internet backbone provider” (IBP) means a provider that transports and routes packets between and among Internet service providers (ISPs) and regional backbone networks.
9. The term “local exchange service” means telephone exchange service or exchange access, whether offered with or without vertical features.
10. The term “MSA” means metropolitan statistical area as defined by the U.S. Census Bureau.
11. The term “person” includes AT&T, BellSouth and Cingular, and means any actual person, corporate entity, partnership, association, joint venture, government entity, or trust.
12. The term “over-the-top VoIP provider” means a provider of voice over Internet protocol (VoIP) service that requires the end user to obtain last mile broadband transmission from a third party.
13. The term “responses” means documents or other information submitted in response to a particular specification.
14. The term “revenues” means billed amounts for goods or services without any allowance for uncollectibles, commissions or settlements. Revenues should not include settlement receipts for terminating foreign traffic billed by foreign carriers. Revenues should not include any amounts corresponding to taxes levied on a company’s customers by any governmental body but do include any pass-through charges that a company levies on customers to recover taxes, regulatory fees or other assessments placed on a company.

15. The term "special access" (or its equivalent, which some carriers may refer to as "private line" or by another name) means a point-to-point dedicated facility for the transmission of data, voice or both.
16. The term "specification" means a particular numbered request for documents or other information specified in section III below.
17. The term "Tier 1 IBP" means a large IBP that sells transit and/or dedicated Internet access to substantial numbers of ISPs and enterprise customers, and that peers on a settlement-free basis with all other Tier 1 IBPs.
18. The term "Type I" means a dedicated transmission service provided wholly over a carrier's own facilities, and the term "Type II" means a dedicated transmission service provided in part using another carrier's facilities.
19. The term "wholesale customers" means carrier customers, resellers, and Internet access providers.

## II. Instructions

1. Responses to this Initial Information and Document Request shall be submitted in the following manner:
  - a. Unless otherwise indicated, AT&T and BellSouth each should respond separately to each specification. Cingular should respond only to the specifications regarding Cingular.
  - b. Responses shall be complete and, unless privileged, unredacted. Documents shall be submitted as found in the company's files. Individual documents shall be separated from one another by a divider (such as a colored sheet of paper). An electronic mail message and any attached files shall be treated as a single document.
  - c. AT&T, BellSouth, and Cingular should submit photocopies (with color photocopies where necessary to interpret the document), in lieu of original hardcopy responses.
  - d. Unless otherwise indicated, requests for data or spreadsheets should be submitted in Microsoft Excel format. Each spreadsheet should contain or be accompanied by instructions and/or documentation sufficient to describe the spreadsheet's purpose, organization and contents.
  - e. AT&T, BellSouth, and Cingular should submit electronic copies in lieu of original electronic responses. The electronic copies shall be submitted in a searchable format, formatted in Microsoft Word, PDF, or such other format as may be approved by the Wireline Competition Bureau.
  - f. Each page of the responses shall be marked with a corporate identification and consecutive document control numbers.
  - g. Responses to interrogatories and data requests shall be grouped based on the particular specification to which they are responsive.
  - h. Responses to document requests requiring a search of individuals' documents shall be grouped based on the individual from whom the documents were obtained. Place all documents produced in file folders. Mark each file folder with corporate identification and the name of the person whose documents are in the folder; provide equivalent information for any documents provided in electronic form.
2. Provide a master index listing: (a) each specification; (b) with respect to interrogatories, the corresponding consecutive document control number(s) for each response; (c) the name and location of all data files submitted; and (d) the name of the individual(s) from whom responsive documents are most likely to be submitted in response to the particular specification.
3. Unless otherwise specified, each request for documents is limited to documents created from March 1, 2005, to May 1, 2006, and each request for data is limited to data from January 1, 2005 through

May 1, 2006. Data shall be provided on a quarterly basis, except that data for April, 2006 and May, 2006 shall be provided on a monthly basis.

4. AT&T and BellSouth shall search the files of the document custodians identified in Appendix A hereto for documents responsive to the following specifications:
  - a. Enterprise and Wholesale Services Custodians: Specifications 7, 8, 9 and 10.
  - b. Special Access Services Custodians: Specifications 19, 20, 21 and 22.
  - c. Wireless Broadband Services Custodians: Specifications 26 and 27.
  - d. Internet Services Custodians: Specifications 28.f, 33, 34 and 35.
  - e. Mass Market Services Custodians: Specifications 41 and 42.
  - f. Public Interest Benefits Custodians: Specifications 54, 55 and 56.

Note, however, where we have requested a specifically identified document or set of documents, the parties shall provide it regardless of the custodians (e.g., specifications 5.d, 6.d, and 12.d).

### III. Initial Information Request Regarding Material Contained in Application

#### A. Background

1. Define the retail customer classes: enterprise, large business, medium business, small business, mass market, and residential; and define any other retail customer class in which your company monitors competition between AT&T and BellSouth and regularly creates sales reports. Explain the specific characteristics that distinguish each customer class (e.g., revenue size; employee size; telecom needs; other criteria).
2. Define the retail services your company includes within the following retail service categories: local voice; local data; interexchange voice; interexchange data; and managed services. Define any other retail service category for which your company monitors competition between AT&T and BellSouth.
3. Define each wholesale customer class in which your company monitors competition between AT&T and BellSouth, and regularly creates sales reports. Explain the specific characteristics that distinguish each customer class (e.g., carrier classification (competitive LEC, wireless, IXC); revenue size; type of wholesale service; other criteria).
4. Define the wholesale services your company includes within the following wholesale services: local voice; local data; interexchange voice; interexchange data; and long-haul services. Define any other wholesale service category for which your company monitors competition between AT&T and BellSouth.

#### B. Enterprise and Wholesale Services

5. For the nation, each BellSouth franchise area, and each MSA within BellSouth's region, provide separately for AT&T and BellSouth, by each customer class identified in specifications 1 and 3 and each service category identified in specifications 2 and 4:
  - a. Revenues, and an estimate of your company's market share of revenues. Explain the methodology used to create the estimate and any supporting documentation.
  - b. The number of lines by capacity (e.g., DS-0, DS-1, DS-3, OCn), and an estimate of your company's market share of lines by the appropriate capacity measure. Explain the methodology used to create the estimate and any supporting documentation.
  - c. An estimate of each competitor's market share of revenues. Provide an explanation of how the estimates were arrived at and a copy of supporting documentation.

- d. An estimate of each competitor's market share of capacity (*e.g.*, DS-0, DS-1, DS-3, OCn). Provide an explanation of how the estimates were arrived at, and a copy of supporting documentation.
6. For long-haul services provided to competitive LECs, interexchange carriers, and wireless providers within the United States, provide:
    - a. An explanation of BellSouth's long-haul capabilities outside its franchise areas.
    - b. AT&T's revenues, wholesale minutes, and the corresponding nationwide market share estimate.
    - c. BellSouth's revenues, wholesale minutes, and the corresponding nationwide market share estimate.
    - d. The name and estimated nationwide market share of each facilities-based long-haul service competitor. Provide an explanation of how the estimates were arrived at, and a copy of supporting documentation.
  7. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition on proposals to provide any relevant service (RFPs) for enterprise or wholesale business customers.
  8. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) relating to the company's business plans for enterprise or wholesale businesses, including strategic plans, budgets, and financial projections for these businesses. For regularly prepared budgets and financial projections, the company need only submit one copy of final year-end documents and cumulative year-to-date documents for the current year.
  9. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition for enterprise or wholesale customers (other than long-haul services), including market studies, competitive analyses, product strategies, marketing strategies, and all other documents relating to (a) the market share or competitive position of AT&T, BellSouth or any other competitor for these services; (b) supply or demand conditions for these services; (c) customers' willingness or ability to substitute to alternative competitive services or providers; (d) competitors' willingness or ability to meet increased demand for their services; and (e) attempts to win these customers from other companies or to stem losses of these customers to other companies.
  10. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss AT&T's, BellSouth's or any other company's pricing strategies for enterprise or wholesale customers (other than long-haul services), including any documents that report or estimate an elasticity of demand for services provided to these customers.

### C. Special Access Services

11. Provide a definition for each type of special access service provided by your company. Explain whether the types of service are distinguished by: whether the service is Type I, Type II or other type; capacity (*e.g.*, DS-0, DS-1, DS-3, OCn); optional payment plan (*e.g.*, term or volume commitment); or other factors.
12. For each BellSouth franchise area and each MSA within BellSouth's region, provide separately for AT&T and BellSouth, by type and capacity (*e.g.*, Type I-DS-1, Type I-DS-3, etc.):
  - a. The special access revenues and number of circuits.
  - b. An estimate of your market share of revenues and circuits.
  - c. The corresponding revenues and market share of each competitor. Provide an explanation of how the estimates were arrived at, and a copy of supporting documentation.

- d. The number of lines by type and capacity and market share of each competitor. Provide an explanation of how the estimates were arrived at, and a copy of supporting documentation.
13. For each wire center within BellSouth's region, BellSouth shall provide in an Excel spreadsheet:
    - a. An identifier for the wire center and an identifier for the MSA in which the wire center is located.
    - b. The name of each carrier with a fiber-based collocation at the wire center.
    - c. Indicate whether the fiber-based collocation is "on-net" (connected to the carrier's network with the carrier's own facilities - a Type I connection) or "off-net" (connected to the carrier's network via facilities leased from another carrier - a Type II connection). In the case of a Type II connection, indicate if the facilities are leased from BellSouth, AT&T, or another carrier.
  14. For each MSA within BellSouth's region where AT&T and BellSouth have facilities (either owned or leased), provide:
    - a. A map of AT&T's network, a listing of AT&T's facilities, and the address of each building that AT&T plans to bring "on-net" within the next two years (by May 1, 2008).
    - b. In an Excel spreadsheet:
      - i) The address of each building for which AT&T has a Type I connection.
      - ii) The capacity of AT&T's Type I connection and the number of circuits, as well as the number of lit and dark fiber strands.
      - iii) The name of each other carrier that has a Type I connection to that same building, and the capacity of each carrier's Type I connection.
      - iv) The name of each carrier with a Type II connection to that same building.
    - c. In an Excel spreadsheet:
      - i) The address of each building for which AT&T has a Type II connection.
      - ii) The capacity of AT&T's Type II connection and the number of circuits.
      - iii) The name of each other carrier that has a Type I connection to that same building, and the capacity of each carrier's Type I connection.
      - iv) The name of each other carrier that has a Type II connection to that same building.
  15. For the nation and each BellSouth franchise area, provide separately for AT&T and BellSouth, a quarterly count of the number of RFPs for special access service in which your company submitted a bid to provide special access service.
  16. For each RFP for special access service to be provided within BellSouth's region in which AT&T or BellSouth submitted a bid, provide in an Excel spreadsheet:
    - a. The name of the company requesting bids.
    - b. The RFP designation number issued by the company requesting the proposal.
    - c. The month and year that AT&T submitted its bid.
    - d. The state(s) and MSA(s) in which AT&T proposed to provide the service.
    - e. The month and year that BellSouth submitted its bid.
    - f. The state(s), and MSA(s) in which BellSouth proposed to provide the service.
    - g. An indication of who was awarded the contract.
  17. Separately for each MSA within BellSouth's region in which AT&T owns facilities used to provide telephone exchange or exchange access service, provide in the form of lists and network maps of sufficiently precise detail a description of AT&T's facilities, including the capacity and number of strands of lit and unlit fiber and the geographic area that practically can be reached by the network, via either (1) direct fiber connection or (2) special access loops or EELs.
  18. For each BellSouth franchise area, describe the state regulation, if any, that applies to intrastate special access service.

19. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition on RFPs for special access customers.
20. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) relating to the company's business plans for special access services (whether wholesale or retail), including strategic plans, budgets, and financial projections for this business. For regularly prepared budgets and financial projections, the company need only submit one copy of final year-end documents and cumulative year-to-date documents for the current year.
21. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition for special access services (whether wholesale or retail), including market studies, competitive analyses, product strategies, marketing strategies, and all other documents relating to (a) the market share or competitive position of AT&T, BellSouth or any other competitor for these services; (b) supply or demand conditions for these services; (c) customers' willingness or ability to substitute to alternative competitive services or providers; (d) competitors' willingness or ability to meet increased demand for their services; and (e) attempts to win these customers from other companies or to stem losses of these customers to other companies.
22. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss AT&T's, BellSouth's or any other company's pricing strategies for special access services, including any documents that report or estimate an elasticity of demand for services provided to these customers.

#### D. Wireless Broadband Services

23. For all WCS, BRS and EBS spectrum that AT&T, BellSouth, or Cingular owns, leases or otherwise controls (including through wholesale or resale arrangements), provide separately for AT&T, BellSouth, and Cingular in an Excel spreadsheet:
  - a. A designation of the geographic area in which the spectrum is located (*e.g.*, basic trading area, major economic area or, if the entity only holds or controls spectrum in a partial license area, county or undefined area).
  - b. A listing of the MSAs and/or RSAs in which there is overlap of the geographic areas where the entities hold the spectrum.
  - c. The amount of spectrum owned, leased or otherwise controlled in each geographic area by AT&T, BellSouth, or Cingular.
  - d. An indication of whether the spectrum is owned, leased or otherwise controlled.
24. Provide separately for AT&T, BellSouth, and Cingular in an Excel spreadsheet:
  - a. Revenues earned using WCS, BRS and EBS spectrum, separately by customer class and service offering.
  - b. The number of end-users served via WCS, BRS and EBS spectrum, separately by customer class and service offering.
25. For any spectrum identified in Specification 23, provide in a separate Excel spreadsheet, by geographic area (*e.g.*, basic trading area, major economic area), a listing of all other firms owning, leasing or otherwise controlling spectrum in these frequencies and the amount of spectrum assigned to each of these firms.
26. Provide all documents prepared expressly for AT&T, BellSouth or Cingular (whether prepared internally or by outside advisors) that discuss competition between wireless broadband services and

other broadband services (*e.g.*, DSL, cable modem), including market studies, competitive analyses, product strategies, marketing strategies, and all other documents relating to (a) the market share or competitive position of any firm providing wireless broadband services; (b) supply or demand conditions for wireless broadband services; (c) consumer willingness or ability to use wireless broadband services; and (d) wireless broadband providers' ability to meet increased demand for their services.

27. Provide all documents prepared expressly for AT&T, BellSouth, or Cingular (whether prepared internally or by outside advisors) relating to the company's business plans for WCS, BRS, and EBS spectrum assigned to, leased by or otherwise controlled by AT&T, BellSouth or Cingular, or any wireless broadband service offering in other bands, including strategic plans, budgets, and financial projections for such services.

#### E. Internet Services

28. Provide separately for AT&T and BellSouth:
- a. A description of each Internet service offered by your company.
  - b. A description of the different types of peering arrangements or transit agreements that your company has with Internet backbone providers.
  - c. A description of your company's current policies and contractual requirements for permitting providers access (*e.g.*, peering, transit, dedicated access, and xDSL) to your Internet backbone service.
  - d. An explanation of the fees your company charges for transit and an explanation for any material differences in these charges assessed to particular ISPs or enterprise customers or classes thereof.
  - e. The total amount of domestic outbound volume of traffic (in terabytes/day or a similar measure) carried on your network, and the total amount of domestic inbound volume of traffic (in terabytes/day or a similar measure) carried on your network.
  - f. A description of how your company assesses its market presence for the Internet services described in subsection a. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss the market share or competitive position of AT&T, BellSouth or any other competitor for these services.
29. For the nation and BellSouth's franchise areas, provide separately for AT&T and BellSouth in an Excel spreadsheet:
- a. By customer class (as defined in specifications 1 and 3) and Internet service (as identified in specification 28).
    - i) The number of customers.
    - ii) The number and type of circuits connecting those customers to the Internet backbone.
  - b. Revenues for each Internet service, *e.g.*, dedicated internet access (DIA) revenue, wholesale up-stream transit revenue, wholesale down-stream transit revenue.
  - c. Payments to AT&T, BellSouth and all others for each Internet service provided to your company, *e.g.*, DIA revenue, wholesale up-stream transit revenue, and wholesale down-stream transit revenue.
30. Provide separately for AT&T and BellSouth in an Excel spreadsheet:
- a. The name of each person with which your company has a settlement-free peering relationship, the volume of outbound traffic (megabits per second) provided to that person, and the volume of inbound traffic (megabits per second) received from that person.
  - b. The name of each person with which your company has a paid peering relationship, the volume of outbound traffic (megabits per second) provided to that person, and the volume of inbound traffic (megabits per second) received from that person.

- c. The names of the top 20 persons (in terms of revenues) for which your company provides transit service, the volume of outbound traffic (megabits per second) provided to each of these persons, and the volume of inbound traffic (megabits per second) provided to each of these persons.
  - d. The name of each person that provides transit to your company, the volume of outbound traffic (megabits per second) provided from your company, and the volume of inbound traffic (megabits per second) provided to your company.
31. Provide:
- a. An estimate of the current total domestic level of Internet traffic, based upon an accepted industry standard (e.g., terabytes/day). Provide an explanation of the methodology used and a copy of supporting documents.
  - b. The name and estimated national market share for each Tier 1 IBP measured in terms of Internet backbone revenue, and traffic (megabits per second). Provide an explanation of the methodology and a copy of supporting documents.
32. Provide separately for AT&T and BellSouth:
- a. The name of each person with whom your company has a peering relationship, where that peering relationship has changed from a settlement-free to paid or a paid to a settlement-free basis. Provide the date of the change and an explanation of the reason for change in the arrangement.
  - b. For each person identified in specification 32.a, the volume of outbound traffic (megabits per second) provided to that person and the volume of inbound traffic (megabits per second) received from that person and the revenues attributed to this person for the time period identified in the instructions.
33. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) relating to the company's business plans for Internet services, including strategic plans, budgets, and financial projections for this business. For regularly prepared budgets and financial projections, the company need only submit one copy of final year-end documents and cumulative year-to-date documents for the current year.
34. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss competition for the Internet services described in specification 28.a, including market studies, competitive analyses, product strategies, marketing strategies, and all other documents relating to (a) supply or demand conditions for these services; (b) customers' willingness or ability to substitute to alternative competitive services or providers; (c) competitors' willingness or ability to meet increased demand for their services; and (d) attempts to win these customers from other companies or to stem losses of these customers to other companies
35. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss AT&T's, BellSouth's or any other company's pricing strategies for the Internet services described in specification 28.a, including any documents that report or estimate an elasticity of demand for services provided to these customers.

#### F. Mass Market Services

36. For each BellSouth franchise area, BellSouth shall provide:
- a. The number of BellSouth's residential wireline lines and:
    - i) The number of these lines for which BellSouth, AT&T (or SBC), Verizon (or MCI), Sprint, Qwest, or another long distance carrier is the presubscribed interstate long distance carrier.
    - ii) The number of these lines for which there is no presubscribed interstate long distance carrier.

- iii) The number of these lines for which the consumer subscribes to a combined BellSouth local and long distance plan. Indicate the proportion of consumers that subscribe to: a usage per minute plan; and a plan that includes a bucket or an unlimited number of interexchange minutes.
    - b. The number of residential lines resold by BellSouth, and the name and corresponding line counts for the top 3 purchasers of resold lines.
    - c. The number of residential UNE-P lines provided by BellSouth, and the name and corresponding line counts for the top 3 purchasers of UNE-P lines.
    - d. The number of residential UNE-L lines provided by BellSouth, and the name and corresponding line counts for the top 3 purchasers of UNE-L lines.
    - e. The number of BellSouth's residential DSL lines and the proportion of these customers for which BellSouth does not also provide wireline local exchange service.
    - f. The number of residential access lines provided by facilities-based competitive local exchange providers (e.g., based on E-911 listings), and the name and corresponding line counts for the top 3 facilities-based providers.
    - g. An estimate of the total number of residential consumers relying upon over-the-top VoIP for all of their voice telecommunications needs. Provide an explanation of the derivation of the estimate and a copy of the supporting documentation.
    - h. An estimate of the total number of residential consumers that subscribe to a mobile wireless service instead of wireline local exchange and long distance service. Provide an estimate of the proportion of these consumers that subscribe to Cingular's service. Provide an explanation of the derivation of these estimates and a copy of the supporting documentation.
    - i. An estimate of the number of residential cable broadband (e.g., cable modem) subscribers. Provide an explanation of the derivation of this estimate and a copy of the supporting documentation.
37. For each BellSouth franchise area, AT&T shall provide:
- a. The number of AT&T's residential wireline lines and:
    - i) The number of these lines for which BellSouth, AT&T (or SBC), Verizon (or MCI), Sprint, Qwest, or another long distance carrier is the presubscribed interstate long distance carrier
    - ii) The number of these lines for which there is no presubscribed interstate long distance carrier.
    - iii) The number of these lines for which the consumer subscribes to a combined AT&T local and long distance plan. Indicate the proportion of consumers subscribing to: a usage per minute plan; and a plan that includes a bucket of or an unlimited number of interexchange minutes.
  - b. The number of AT&T's residential CallVantage lines. Provide an estimate of the proportion of these lines in which the consumer is relying upon CallVantage for all of their voice telecommunications needs. Provide an explanation of the derivation of the estimate and a copy of the supporting documentation.
  - c. An estimate of the total number of residential consumers that subscribe exclusively to wireless service instead of wireline local exchange and long distance service. Provide an explanation of the derivation of this estimate and a copy of the supporting documentation.
  - d. An estimate of the total number of residential consumers that use over-the-top VoIP instead of wireline local exchange and long distance service. Provide an explanation of the derivation of the estimate and a copy of the supporting documentation.
  - e. An estimate of the number of residential cable broadband (e.g., cable modem) subscribers. Provide an explanation of the derivation of this estimate and a copy of the supporting documentation.
38. For the nation and each BellSouth franchise area, provide separately for AT&T and BellSouth the number of residential presubscribed interstate carrier access lines regardless of whether AT&T (SBC) or BellSouth is the residential customer's local exchange carrier.

39. For each BellSouth franchise area, describe the state regulation, if any, that applies to a combined local and long distance service package for residential customers.
40. Explain how AT&T has complied with applicable rate integration and geographic rate averaging requirements of section 254, and how the merged entity would comply with these requirements if the merger is approved.
41. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss: (a) AT&T's and BellSouth's market share for residential or mass market telephony services in BellSouth's region; (b) consumer willingness to subscribe to residential or mass market telephony services offered by AT&T; or (c) BellSouth's loss of mass market or residential customers to AT&T's service offerings within BellSouth's region.
42. Provide all documents prepared expressly for AT&T or BellSouth (whether prepared internally or by outside advisors) that discuss the extent to which residential or mass market consumers within BellSouth's region subscribe to VoIP services or to mobile wireless services in lieu of wireline local exchange and exchange access services.

#### G. International

##### Submarine Cable Ownership and Capacity.

43. The application for transfer of control of BellSouth's cable landing licenses, SCL-T/C-20060331-00003, provides information on three cable systems in which BellSouth has an ownership interest – MAYA-1, TAT-14, and the Pan American Cable. It does not, however, include any ownership interests that BellSouth or its affiliates may have in cable landing stations. Please describe any (including less than 5 percent) ownership interests that BellSouth or its U.S. affiliates may have in any cable landing stations on these or other cable systems.
44. The Public Interest Showing states that BellSouth holds an Indefeasible Right of Use (IRU) in the South American Crossing cable. Please provide information on this IRU and any other IRU that BellSouth or its U.S. affiliates may have, including the capacity included in the IRU and the total capacity of the cable system.
45. Please provide information on any ownership interest or IRU that AT&T may have in any cable system or cable landing station in which BellSouth has an ownership interest or IRU, including, but not limited to, TAT-14, MAYA-1, the Pan American Cable and the South American Crossing cable. Specifically, consistent with section 1.767(a)(11)(i) of the rules, please identify, on a segment-specific basis, the ownership interests held by AT&T and its affiliates collectively as set out in each cable's Construction and Maintenance Agreement (C&MA).

##### International Telecommunications Services.

46. For AT&T and its U.S. affiliates (but not Cingular), please provide in Excel spreadsheets, for reporting year 2004 and for the most recent year, the following information: (1) the minutes and revenues for U.S.-international traffic that AT&T carried over its own facilities on a route-by-route basis for all destination markets; (2) the minutes and revenues for U.S.-international traffic that AT&T provided as a pure reseller on a world-total basis; and (3) the underlying carriers AT&T uses when providing U.S.-international resale services, and the relative percentage of AT&T's minutes of U.S.-international resale traffic carried by each underlying carrier.

47. For BellSouth and its U.S. affiliates (but not Cingular), please provide in Excel spreadsheets, for reporting year 2004 and for the most recent year, the following information: (1) the minutes and revenues for U.S.-international traffic that BellSouth carried over its own facilities on a route-by-route basis for all destination markets; (2) the minutes and revenues for U.S.-international traffic that BellSouth provided as a pure reseller on a world-total basis; and (3) the underlying carriers BellSouth uses when providing U.S.-international resale services and the relative percentage of BellSouth's minutes of U.S.-international resale traffic carried by each underlying carrier.
48. For Cingular and its U.S. affiliates (but not AT&T and BellSouth), please provide in Excel spreadsheets, for reporting year 2004 and for the most recent year, the following information: (1) the minutes of traffic and revenues for U.S.-international traffic that Cingular carried over its own facilities on a route-by-route basis for all destination markets; (2) the minutes and revenues for U.S.-international traffic that Cingular provided as a pure reseller on a world-total basis; and (3) the underlying carriers Cingular uses when providing U.S.-international resale services and the relative percentage of Cingular's minutes of U.S.-international resale traffic carried by each underlying carrier.
49. For (1) AT&T and its U.S. affiliates (but not Cingular), (2) BellSouth and its U.S. affiliates (but not Cingular), and (3) Cingular and its U.S. affiliates (but not AT&T and BellSouth), please provide in Excel spreadsheets for reporting year 2004 and for the most recent year, the world-total minutes and revenues for facilities-based U.S.-international traffic and pure resale U.S.-international traffic (combined) received from the following classes of customers: (1) residential; (2) business and government; (3) other U.S. carriers; (4) foreign carriers (except for traditional transit); and (5) the world-total minutes and revenues received for providing traditional transit.
50. For (1) AT&T and its U.S. affiliates (but not Cingular) that provide U.S.-international service through prepaid calling cards, and (2) BellSouth and its U.S. affiliates (but not Cingular) that provide U.S.-international service through prepaid calling cards, please provide in Excel spreadsheets information on the revenues and minutes associated with the calls placed using those prepaid calling cards. Please describe how (1) AT&T and its U.S. affiliates (but not Cingular) and (2) BellSouth and its U.S. affiliates (but not Cingular) market those prepaid calling cards.

Global Telecommunications Services (GTS).<sup>1</sup>

51. Please provide individually for AT&T and BellSouth the total number of GTS customers. Please provide for the total of AT&T's GTS customers for the reporting year 2004 and for the most recent year, the following information: (1) the aggregate revenues for U.S.-international traffic that AT&T carried over its own facilities or provided as a pure reseller; and (2) aggregate revenues for all traffic originating outside the United States that AT&T carried over its own facilities or provided as a pure reseller. Please provide for the total of BellSouth's GTS customers for the reporting year 2004 and for the most recent year, the following information: (1) aggregate revenues for U.S.-international traffic that BellSouth carried over its own facilities or provided as a pure reseller; and (2) aggregate revenues for all traffic originating outside the United States that BellSouth carried over its own facilities or provided as a pure reseller.

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<sup>1</sup> For a definition of the global telecommunications market, see the *SBC/AT&T Merger Order*, ¶ 165.

52. In Excel spreadsheets please identify all suppliers (not just U.S. suppliers) of GTS and their respective shares of the GTS market, including each of AT&T's and BellSouth's market share. Please provide the information sources for the answers, including sources for the definition of the GTS market.

#### H. Public Interest Analysis

53. Provide:
- a. A description of each asserted benefit or efficiency arising from the merger, including the steps that AT&T, BellSouth, and Cingular will take to achieve these benefits or efficiencies, the costs the company will incur to achieve these benefits or efficiencies, the risks involved in achieving these benefits or efficiencies, the underlying assumptions for achieving these benefits or efficiencies, and the time required to achieve these benefits or efficiencies.
  - b. An estimate of the yearly benefits, costs, and risks attributable to the merger, and an explanation of whether these benefits, costs and risks will have a one-time or multi-time period effect.
  - c. A detailed explanation of the methodology used to estimate the benefits, costs, and risks, and a detailed explanation of the methodology's underlying assumptions.
  - d. A detailed explanation of how the proposed transaction permits the merged company to achieve these benefits, why the merger of AT&T and BellSouth is necessary to achieve these benefits, and why these benefits could not be reaped by AT&T alone or by merging with another firm.
  - e. A discussion of whether and how these benefits will be passed on to residential, business and government customers with regard to price reductions, enhanced quality of existing services, new services, or any other benefits. In addition, quantify the size of these benefits to these customers, whether this will be a one-time or multi-period benefit, and an explanation of why the merger is necessary for AT&T and BellSouth to achieve these benefits for these customers.
  - f. A copy of all documents and spreadsheets prepared expressly for AT&T, BellSouth, or Cingular (whether prepared internally or by outside advisors) that were used to prepare the response to specification 53.
54. Provide:
- a. A copy of all documents prepared expressly for AT&T, BellSouth, or Cingular (whether prepared internally or by outside advisors) that discuss the merger integration strategy.
  - b. A copy of all documents prepared expressly for AT&T, BellSouth, or Cingular that discuss the benefits the merged entity could reap from a larger footprint, including the effect of the merger on the company's incentives or abilities to discriminate against other companies.
55. Provide all documents prepared expressly for AT&T, BellSouth, or Cingular (whether prepared internally or by outside advisors) that discuss the proposed acquisition's impact:
- a. On AT&T's, BellSouth's, or the merged entity's control of Cingular.
  - b. On the modification or development of Cingular's strategic goals and pricing structure for its service offerings offered in-region or out-of-region of the merged entity's combined franchise areas.
56. Provide all documents cited in the Public Interest Statement and supporting declarations, as well as any data or competitive analyses relied upon in preparing those documents, grouped by declaration/Public Interest Statement.

**APPENDIX A  
DOCUMENT CUSTODIANS**

AT&T

Enterprise and Wholesale Services Custodians: Susan Johnson, Mark Keiffer, Christopher Rooney, Donna Henderson, Howard Irgang, Susan Soares, Eric Shepcaro, Michael Antieri, Sherry Charles, John Minier, Judi Hand, Ron Spears, Dan Walsh, Brendan Floyd, Richard Hubbard, Kathie Morrissey.

Special Access Services Custodians: Susan Johnson, Mark Keiffer, Christopher Rooney, Clayton Lockhart, Donna Henderson, Howard Irgang, Eric Shepcaro, Sherry Charles, John Minier, Judi Hand, Brendan Floyd, Richard Hubbard, Dan Walsh, Ron Spears, Kathy Morrissey.

Wireless Broadband Services Custodians: Susan Johnson, Mark Keiffer, Cathy Martine-Dolecki, Chris Rooney, Howard Irgang, Jon Minier, Eric Shepcaro, Christine Urbanek, Susan Soares, Michael Antieri, Sherry Charles, Donna Henderson, Scott Helbing, Kathie Morrissey, Chris Rice, Lee Ann Champion.

Internet Services Custodians: Susan Johnson, Mark Keiffer, Cathy Martine-Dolecki, Christopher Rooney, Howard Irgang, Sherry Charles, John Minier, Eric Shepcaro, Susan Soares, Michael Antieri, Donna Henderson, Chris Rice, Lee Ann Champion.

Mass Market Services Custodians: Susan Johnson, Cathy Martine-Dolecki, Eric Shepcaro, Christine Urbanek, Scott Helbing, Lee Ann Champion.

Public Interest Benefits Custodians: Susan Johnson, Rick Moore.

BellSouth

Enterprise and Wholesale Services Custodians: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Trip Agerton, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Miott, Rick Wheelahan.

Special Access Services Custodians: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, John Irwin, Donna Lee, Martin Chandler, Jack Hullings, Nimesh Shah, Keith Milner, Ken Hawkins, Lee Priest, Scott Waid, Brent Miott, Rick Wheelahan.

Wireless Broadband Services Custodians: Barry Boniface, Jean Calloway, Bob McCarthy, Sid Ganju, Michael Bowling, Doug O'Neill, Donna Lee, Susan Callaghan, Maggie-Robinson Hatfield, Keith Milner, Ken Hawkins, Rick Wheelahan, Peter Hill.

Internet Services Custodians: Barry Boniface, Jean Calloway, Jeff Ezell, Sid Ganju, Laura Reid, Michael Bowling, Doug O'Neill, Donna Lee, Martin Chandler, Keith Milner, Ken Hawkins, Rick Wheelahan, Bryan Garrett, Peter Hill.

Mass Market Services Custodians: Barry Boniface, Jean Calloway, Bob McCarthy, Joey Schulz, Susan Callaghan, Maggie Robinson-Hatfield, Michael Bowling, Doug O'Neill, Laura Reid.

Public Interest Benefits Custodians: Barry Boniface, Bob McCarthy.