

July 6, 2006

**BY ECFS**

Thomas J. Navin  
Chief, Wireline Competition Bureau  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, D.C. 20554

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

Dear Mr. Navin:

In accordance with Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, AT&T Inc. ("AT&T") and BellSouth Corporation ("BellSouth"), applicants in the above-referenced proceeding ("Applicants"), submit this letter to address the need for enhanced confidential treatment for certain materials called for by the Commission's request for information and documents dated June 23, 2006 (the "Information Request"), such that only outside counsel and their consultants and employees may have access to such materials. Applicants seek enhanced protection for certain materials related to their integration plans, granular customer data, detailed maps and network facilities inventories, and business and marketing plans. These materials constitute some of the most sensitive data requested by the Commission, and contain the types of information that has been afforded heightened protection in prior proceedings.<sup>1</sup> For the reasons set forth below, inadvertent or intentional disclosure of these materials to Applicants' competitors – some of whom are parties in this proceeding<sup>2</sup> – could have a devastating

---

<sup>1</sup> See, e.g., *EchoStar Communications Corp., General Motors Corp., and Hughes Electronics Corp. – Order Adopting Second Protective Order*, 17 FCC Rcd. 7415 (2002); *News Corporation, General Motors Corporation, and Hughes Electronics Corporation – Order Concerning Second Protective Order*, 18 FCC Rcd 15198 (2003); *SBC Communications Inc. and AT&T Corp. – Order Adopting Second Protective Order*, 20 FCC Rcd. 8876 (2005); *Sprint Corporation and Nextel Communications, Inc. – Order Adopting Second Protective Order*, 20 FCC Rcd. 9280 (2005); *Verizon Communications Inc. and MCI, Inc. – Order Adopting Second Protective Order*, 20 FCC Rcd. 10,420 (2005); *Adelphia Communications Corporation, Time Warner Inc. and Comcast Corporation – Order Adopting Second Protective Order*, 20 FCC Rcd. 20,073 (2005).

<sup>2</sup> For example, parties to this proceeding include Sprint Nextel Corporation, T-Mobile USA, Inc., Time Warner Telecom, Inc., Global Crossing North America, Inc., and XO Communications.

Thomas J. Navin  
July 6, 2006  
Page 2

effect on Applicants' businesses and place them at a significant competitive disadvantage. Accordingly, Applicants request that the Commission create an enhanced level of confidentiality, as it did in prior proceedings.

Applicants seek enhanced protection for confidential and commercially sensitive information regarding the specific steps that Applicants anticipate taking to achieve benefits or efficiencies from the integration of their networks and operations, the risks Applicants perceive in achieving the benefits or efficiencies, the conditions necessary for achieving the benefits or efficiencies, the time and costs required to achieve the benefits or efficiencies, and disaggregated quantifications of these benefits or efficiencies, as well as supporting documents and data. *See* Information Request, ¶¶ 53(c) & (f) and 54-56. The fact that Applicants are even between themselves limiting the exchange of such information to their counsel and experts, notwithstanding their agreement to merge, confirms the importance of according them the special protections that the Commission has previously employed to prevent the intentional or inadvertent disclosure of highly sensitive commercial information.

Applicants seek enhanced protection for granular customer data. These include: revenues (by MSA or state or franchise area) and numbers of customer (by customer type) and the identities and characteristics of specific companies that are customers of Applicants or with whom Applicants have (or are negotiating) commercial arrangements. *See* Information Request, ¶¶ 5(a), 7, 12(a), 13(b), 16, 19, 24, 29(b) & (c), 30, 32, 46(3), 47(3), 48(3), 49 and 50. To the extent granular customer data constitute network proprietary information or customer proprietary network information, such data would be protected from disclosure under 47 U.S.C. § 222. Granular customer data also are used to gauge customer demand for services, as well as to analyze the strength and weaknesses of service offerings. This information could reveal Applicants' plans and strategies, and any competitor who obtained access to these data could be able to exploit any perceived weakness.

Applicants seek enhanced protection for detailed inventories and maps of their Internet backbone and other network facilities. *See* Information Request, ¶¶ 14(a), (b)(i), (b)(ii), (c)(i) & (c)(ii) and 17. These materials are deserving of enhanced protection not only because they are commercially sensitive, but because their disclosure could raise national security concerns.

Applicants seek enhanced protection for their business and marketing plans. Such planning documents and information are among Applicants' most competitively sensitive

Thomas J. Navin  
July 6, 2006  
Page 3

information. It is critically important that such information be effectively shielded from inadvertent disclosure to competitors that would be able to react to this information in their own business and marketing strategies. Accordingly, Applicants request enhanced protection for all forward looking competitive analyses or studies that discuss their competition for any customer class; engineering capacity planning documents; analyses that discuss anticipated changes in the number of customers or the volume of associated traffic; competitive market studies or competitive analyses that may reveal strengths, weaknesses or strategies of Applicants or other competitors; plans to construct new facilities; and information and documents that could reveal procurement strategies, pricing strategies, competitive strategies, product strategies, merger integration strategies and marketing strategies. *See* Information Request ¶¶ 8-10, 20-22, 26, 27, 28(f), 33-35, 41 and 42.

If you have any questions concerning the foregoing, please do not hesitate to contact the undersigned.

Sincerely,

/s/

John B. Gibson  
AT&T Inc.

/s/

Bennett L. Ross  
BellSouth Corporation

cc: Nick Alexander  
William Dever  
Donald Stockdale