



September 8, 2006

Ms. Marlene Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Dear Ms. Dortch:

RE: Ex Parte Notice. WC Docket No. 06-74. Application for Consent to Transfer of Control Filed by AT&T and Bellsouth Corporation

On September 6, 2006, Debbie Goldman, CWA Research Economist, met with Scott Deutchman, Legal Advisor to Commissioner Michael J. Copps, to discuss the AT&T/BellSouth merger.

Ms. Goldman discussed the potential public interest benefits of the proposed merger, particularly the promise of accelerating the deployment of high-speed Internet networks to many more Americans by expanding AT&T's Project Lightspeed into the nine-state BellSouth region. Ms. Goldman noted that the Commission has no assurance that this deployment will reach all types of consumers in the BellSouth region – including low-income and rural customers. Moreover, AT&T has not made a concrete commitment to the Commission with specific deployment benchmarks to ensure that the promise of accelerated deployment becomes a verifiable, merger-related public interest benefit.

As the Commission considers specific deployment benchmarks, Ms. Goldman suggested as a starting point the commitments that AT&T has made in its 13-state region. AT&T has already announced plans to deploy Project Lightspeed's IPTV services, which is being offered under the U-verse brand, to 18 million of its 36 million customers – or 50 percent of its customers -- in its 13-state region.¹ Further, AT&T CEO Edward Whitacre earlier this year affirmed the company's commitment to make its Project Lightspeed video services available within three years to 5.5 million low-income customers, representing 30

¹ Application for Consent to Transfer of Control Filed by AT&T and Bellsouth Corporation, Description of Transaction, Public Interest Showing and Related Demonstration, WC Docket No. 06-74, page 22.

percent of its projected 18 million Lightspeed customers. In addition, Mr. Whitacre announced plans to offer a satellite-based broadband service in select rural markets not served by landline broadband services, and to expand WiMAX and other fixed wireless technologies.² A copy of that announcement was provided to Mr. Deutchman, and is attached to this notice.

At a minimum, the Commission should look for such commitments by AT&T to widespread high-speed network deployment – including low-income and rural customers – throughout the 9-state BellSouth region.

Sincerely,

A handwritten signature in cursive script that reads "Debbie Goldman".

Debbie Goldman, Research Economist
Research and Development Department

cc: Scott Deutchman

Enclosure

² Letter from Thomas F. Hughes, AT&T Vice President – Federal Regulatory to Ms. Donna Gregg, FCC Chief of the Media Bureau, dated May 9, 2006.