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A PROFESSIONAL LIMITED
LIABILITY COMPANY

September 22, 2006

VIA ECFS

Marlene Dortch, Secretary
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

**Re: Notice of Written Ex Parte: In the Matter of Review of AT&T Inc. and
BellSouth Corp. Application for Consent to Transfer Control, WC Docket
06-74**

Dear Ms. Dortch:

To date, aside from throwing out baseless procedural red-herring arguments regarding why Fones4All Corporation (“Fones4All”) should be precluded from participating in this proceeding, the applicants have failed to substantively respond to Fones4All’s filings in this docket. It is clear that transaction is not in the public interest and in order to address this fact the Commission should impose meaningful conditions .

1. AT&T California’s Batch Hot Cut Process Remains Deficient

AT&T has yet to explain why it has failed to put in place a scalable bulk migration process that is similar to BellSouth’s process. As a result of AT&T’s failure to deploy a workable scalable batch process, competition is being stifled significantly. Fones4All and other carriers must engage in negotiations in order to schedule hot cuts and AT&T imposes severe restrictions on this process. This process stands in stark contrast to the process BellSouth provides in its territory.

2. AT&T Is Attempting To Quash What Meager Competition That Exists Today in the Low Income Market

AT&T argues that it was simply a case of the “market” at work¹ when it refused to allow any other provider of telecommunications services, including carriers like Fones4All, that are focused on the low-income wireline market, to participate in the 2006 Fiesta Broadway Show, “the largest Hispanic event in the largest Hispanic market.”² But it was AT&T who demanded

¹ See AT&T/BellSouth Joint Reply Appendix at A-5.

² See http://www.fiestabroadway.la/fiesta_facts.php.

that it be granted to exclusive telecom sponsorship of the event. In light of AT&T's "harvesting" strategy, and the applicants announcement of their strategy to shift market focus away from the residential wireline market, it is unclear why AT&T would take the steps it has taken in California to deprive low-income end users of knowledge regarding the existence of subsidized telephone service from carriers like Fones4All and others who focus on the low-income market, who clearly pose little competitive threat to AT&T. This action is particularly egregious in light of fact that as the Commission has acknowledged, only one-third of customers eligible for the Lifeline program are enrolled.

3. To Address Competitive Harms To The Low Income Market the Commission Should Impose Conditions On the Merger If It Is Approved

In light of the demonstrable harms to low income customers, the Commission should impose the following conditions on the merger transaction if it is approved:

- The merged company should be required, for a period of at least 60 months, to provide basic two-wire residential loop combined with local switching at the most recently applicable state commission established TELRIC rates to requesting carriers for the purpose of allowing carriers to serve single-line residential end users who are eligible for participation in either a state or federal universal program, thereby ensuring facilities-based wireline competition in the low income universal service market.
- The merged company should be required to repair on a going forward basis substandard copper loop plant reported by CLECs in order to ensure that these facilities are available to serve low income end users, who often reside in areas where degraded plant is present.
- The merged company should be required to implement in the AT&T region the same systems and procedures that BellSouth currently has in place for processing bulk migrations and hot cuts (as described by Fones4All in its filings in this docket) by no later than 9 months after the close of the transaction.

Respectfully submitted,

/s/

Ross A. Buntrock

cc: Chairman Martin
Commissioner Copps
Commissioner Adelstein
Commissioner Taylor Tate
Daniel Gonzalez
Michelle Carey

Jessica Rosenworcel
Scott Bergmann
Scott Deutchman
Ian Dillner
Aaron Goldberger
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