

October 5, 2006

BY ECFS

Marlene H. Dortch
Secretary
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 Ms. Dortch:

The latest submission by the New Jersey Public Advocate, Division of Rate Counsel (“NJPA”) is an improper, untimely and extraordinarily misguided attempt to abuse the merger review process to promote an outdated regulatory agenda that bears no relation to this merger, the marketplace realities or even the NJPA’s own prior advocacy.¹ In its comments to the New Jersey Board of Public Utilities, the NJPA urged the Board “to issue an order *approving the Merger expeditiously*” and without conditions, noting public interest benefits of the SBC-AT&T merger and the parties’ expectation that the AT&T-BellSouth merger “will only provide additional growth possibilities . . . going forward.”² The same NJPA now contends that “the proposed merger should be *denied* as not being in the public interest” or, “at a minimum,” approved only subject to conditions that include structural separation, a reduction in the universal service support available to the merged company, the “assignment and allocation of a fair share of the public switched network away from regulated services to unregulated services,” audits of “interaffiliate transactions and sales practices,” video “a la carte” regulation and a host of other proposals that the NJPA does not even attempt to link to any impact of the merger.³

Given the NJPA’s position in the relevant jurisdiction of its own authority, its about face position here would be entitled to no weight even if it reflected a serious attempt to address the transaction at hand. And by submitting a 100+ page filing *more than six months* after the Commission issued its public notice in this proceeding and using it as a vehicle to criticize virtually every aspect of the Commission’s laudatory efforts to *benefit* consumers by ensuring that today’s robustly competitive marketplace is not burdened by unnecessary regulation, the NJPA has made abundantly clear that its interests are far removed from responsible merger proceeding advocacy.

¹ See *Ex Parte* Letter from Seema M. Singh (New Jersey Public Advocate, Division of Rate Counsel) to Marlene Dortch (FCC) (Oct. 3, 2006) (“*Oct. 3 NJPA Ex Parte*”).

² See Letter from Christopher J. White (New Jersey Division of the Ratepayer Advocate) to Kristi Izzo (New Jersey Board of Public Utilities), at 1 (May 18, 2006) (emphasis added) (attached hereto).

³ *Oct. 3 NJPA Ex Parte* at 3.

AT&T and BellSouth have previously shown that their merger will not harm competition in any relevant market and will provide enormous public interest benefits. The NJPA's rambling submission simply ignores these showings and the record evidence and does not merit further response beyond noting that the NJPA's advocacy is built upon a topsy-turvy world view that more competition should beget more regulation. Thus, for example, the NJPA contends that AT&T and BellSouth business documents that confirm the fierce competition that they face from intermodal competitors across the entire spectrum of voice, data and video services somehow show "the need to impose structural separation on telecommunications and cable companies that compete outside of their core businesses."⁴ Whatever one makes of such logic, it is clear that the NJPA's requests are beyond the proper scope of this merger proceeding.

Simply put, the NJPA's untimely submission adds nothing to an expansive record that supports only one conclusion: the proposed merger of AT&T and BellSouth will serve the public interest and should be expeditiously approved without conditions.

Sincerely,

/s/ Gary L. Phillips

AT&T Inc.
1120 Twentieth Street, N.W.
Suite 1000
Washington, D.C. 20036
Tel: (202) 457-3055

/s/ Bennett L. Ross

BellSouth Corporation
1133 Twenty-First Street, N.W.
Suite 900
Washington, D.C. 20036
Tel: (202) 463-4113

cc: Nicholas Alexander
William Dever
Donald K. Stockdale, Jr.

⁴ *Oct. 3 NJPA Ex Parte*, Baldwin/Bosley/Howington Decl. at 35-36.

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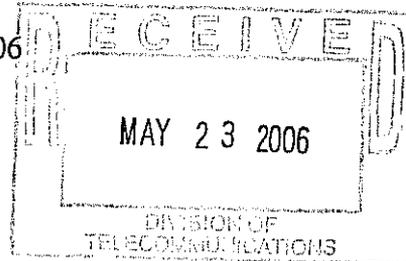
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DIVISION OF THE RATEPAYER ADVOCATE
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JON S. CORZINE
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SEEMA M. SINGH, Esq.
Ratepayer Advocate
and Director

May 18, 2006



VIA HAND DELIVERY

Kristi Izzo
Board Secretary
New Jersey Board of Public Utilities
Two Gateway Center
Newark, New Jersey 07101

**RE: I/M/O the Joint Verified Petition of AT&T Inc., BellSouth Corporation and BellSouth Long Distance, Inc., for approval of Merger
BPU Docket No. TM06030262**

Dear Ms. Izzo:

The New Jersey Division of the Ratepayer Advocate ("Ratepayer Advocate") hereby submits its comments in the above referenced matter. AT&T Inc. ("AT&T") and BellSouth Corporation and BellSouth Long Distance, Inc. (hereinafter "Joint Petitioners") ask for approval of its proposed merger by the New Jersey Board of Public Utilities ("Board"). In the Verified Petition, Joint Petitioners state that statutory standards set forth in N.J.S.A. 48: 51.1 are met and that positive benefits will flow to customers and to the State of New Jersey on competition, rates, employment, and on the provision of safe, adequate and proper service here in New Jersey.

In meetings with the Ratepayer Advocate, Joint Petitioners have provided information showing that employment and investment in New Jersey at the AT&T Labs has ceased to decline and in fact, shows an increase in 2006 compared to 2005. Also, AT&T has provided information showing that the sharp downward trend in employment and investment for the GNOC, Labs and Enterprise segments that was occurring prior to the SBC/AT&T merger has moderated. Joint Petitioners also point to the fact that BellSouth has a deminimus presence in New Jersey. The Joint Petitioners have stated that while these trends will not be directly affected by the Merger, the expectation is that the Merger will only provide additional growth possibilities in New Jersey going forward.

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Based on the above, the Ratepayer Advocate does not oppose the Merger and urges the Board to issue an order approving the Merger expeditiously.

Very truly yours,

SEEMA M. SINGH, ESQ.
RATEPAYER ADVOCATE

By:



Christopher J. White, Esq.
Deputy Ratepayer Advocate