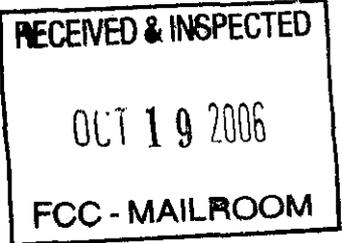


WESTPORT ASSET MANAGEMENT, INC.

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October 18, 2006

VIA FEDERAL EXPRESS (Phone 202-418-1000)

DOCKET FILE COPY ORIGINAL

The Honorable Kevin Martin
Chairman
Federal Communications Commission
9300 East Hampton Drive
Capitol Heights, MD 20743

Re: AT&T Inc. and BellSouth Corporation Applications for Approval of Transfer of Control,
DA 06-2035
WC Docket No. 06-74

Dear Chairman Martin:

The FCC appears to be in the final stages of evaluating and presumably approving the purchase of BellSouth Telecommunications, Inc. (BellSouth) by AT&T, Inc. (AT&T). I am the Chairman of a small investment advisory firm in Westport, CT and believe my firm's recent dealings with AT&T, as its telecommunications carrier, has negative implications for small businesses in the BellSouth territory should AT&T become the dominant facilities based local service provider and long distance carrier. My firm has experienced predatory behavior by AT&T.

AT&T has been the sole supplier of local services, long distance and data communications to Westport Asset Management, Inc. (WAMI) since 1999. In March 2006, WAMI staff found that AT&T had not implemented a contract negotiated in September 2003 that would have reduced WAMI's long distance rates to 6.9¢ per minute. During this period AT&T unilaterally raised WAMI's long distance rates to as much as 84¢ per minute, generating excess payments exceeding \$30,000. Attempts by WAMI employees to bring these excess charges to AT&T's attention were ignored. In desperation, payments for long distance service were withheld starting in March 2006, but payment for all other services was made in a timely fashion. After two months AT&T started collection activity. In responding to AT&T's action, a WAMI officer serendipitously encountered an AT&T employee who changed the long distance rate to the previously-negotiated contract rate starting in June 2006. Since that time, payments for all services from AT&T have been made. However, AT&T continued its collection efforts and showed no interest in our claim of excess billing. WAMI filed an informal complaint (#IC-06-10239703) with the FCC on June 23, 2006.

WAMI requested AT&T to suspend its collection efforts until the FCC ruled on our informal complaint. This request was refused and AT&T started to disconnect service on September 12, 2006. AT&T did not limit its disconnect to long distance, where billings were in dispute, but local service as well, where WAMI had timely paid all charges. (The intervention of AT&T's Executive Complaint Group has allowed service to continue, but reaching this group was mostly by chance.) As an investment advisory firm, WAMI cannot survive without telecommunications services. In our locale, other long distance providers are available, but there is no alternative for local telephone and data services, neither the cable company nor an acceptable reseller. Southern New England Telephone Co. (SNET) and AT&T were competitors until SNET was purchased by SBC Communications, Inc. which subsequently purchased AT&T.

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AT&T is using its monopoly power in local service to enforce "strong arm" tactics in the competitive long distance market. WAMI could replace AT&T's long distance service until the Commission rules on its informal complaint, but not local services. The Connecticut Public Service Commission and the Connecticut Attorney General felt they could not intervene since the basis of the dispute was long distance.

The standard the FCC is to use in making its decisions is whether the outcome is in the public interest. Based on the monopoly power by AT&T against WAMI, the public interest has not been served in Connecticut.

Sincerely,


Andrew J. Knuth
Chairman

cc: Best Copy & Printing, Inc.
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Nicholas Alexander, Wireline Competition Bureau
William Dever, Wireline Competition Bureau
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