

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of)	
)	
Application Pursuant to Section 214 of the)	
Communications Act of 1934 and Section)	WC Docket No. 06-74
63.04 of the Commission's Rules for Consent)	DA 06-2035
to the Transfer of Control of BellSouth)	
Corporation to AT&T, Inc.)	

COMMENTS OF ACCESS INTEGRATED NETWORKS, INC.

COMES NOW, ACCESS Integrated Networks, Inc., ("Access"), a Georgia corporation with principal offices in Macon and Atlanta, and herewith provides the following comments in response to the FCC's Public Notice dated October 13, 2006 seeking comment on proposals submitted by AT&T, Inc. and BellSouth Corporation.

1.

Access is a competitive local exchange and long distance telecommunications provider serving approximately 110,000 customers located in all nine (9) states making up the current BellSouth region. It was formed in 1996 to serve primarily small business customers. It has approximately 200 employees. Initially its telecommunications services were provided via UNE-P, but beginning in 2005 it began building an IP-based business-class facilities network and it has to date converted approximately 20% of its UNE-P customer base to this new network. This migration continues at the rate of approximately 2,000 lines per month.

In January, 2005, Access was the first substantial CLEC in its region to enter into a Commercial Agreement with BellSouth. This Agreement has a three (3) year term

without automatic renewal options. This Agreement will expire on December 31, 2007 and Access will not be able to complete its current line migration plan within the time remaining in the Agreement.

Access has invested a substantial sum of money into its new network and will continue to invest even larger sums as the network is expanded over the next several years. It has serious concerns about the willingness of a consolidated AT&T/BellSouth to negotiate with it, in good faith, to reach a new Commercial Agreement which provides the loops, ports and switching needed by Access at just and reasonable rates.

2.

Access believes that the “Potential Merger Conditions” proposed by AT&T/BellSouth are grossly insufficient to maintain and encourage competition in the current BellSouth region. The competitive landscape has gone through significant changes just in the past two years. As previously commented, Access’ wholesale rates under its current Commercial Agreement are often significantly above BellSouth’s retail rates.¹ As a result of this and other factors, competition in the BellSouth region has peaked and is beginning to decline. In Florida, BellSouth’s largest and most competitive state, CLECs are beginning to lose market share and access lines.² Access believes this is a precursor to a precipitous drop in competition over the next few years if steps are not immediately taken to intervene. Access believes that the following conditions, *in addition to each condition proposed by AT&T/BellSouth*, are absolutely imperative if the current decline in competition has any hope of stabilizing and being reversed.

¹ Comments of Access Integrated Networks, June 5, 2006, page 3 and Exhibit “A”

² Draft Report to the Legislature on the Status of Competition in the Telecommunications Industry as of May 31, 2006, Florida Public Service Commission.

<http://www.psc.state.fl.us/publications/pdf/telecomm/2006CompReportDraft.pdf>

3.

Time Period for All Conditions: The FCC should require that any and all conditions imposed upon the merger remain in effect for *at least* five (5) years from the effective date of the merger. This will ensure that competitors will have some degree of regulatory certainty with which to plan their business strategies. Also, this is not inconsistent with previous FCC policies, which have required merger conditions to remain in effect for as long as seven years.³

4.

Commercial Agreement Extensions: The FCC should establish as a merger condition the requirement that the combined company would, immediately following the merger approval, extend the rates, terms, and conditions of commercial agreements for those CLECs in the BellSouth area who are currently in the process of building facilities and migrating their customer base to their new facilities networks at no additional increased cost to the CLEC. This could be used as a stopgap measure to help these companies complete their customer migrations. It should be noted that the applicable rates in the final years of most current commercial agreements are not sustainable, and should not be considered even remotely “just and reasonable.” As previously stated these rates are considerably above BellSouth’s retail rates in many instances and should not be used as benchmarks for § 271 rates.

4.

§ 271 Just and Reasonable Rates: In addition to, or as an alternative to the previous condition on commercial agreements, the FCC should, in exercise of its authority under 47 USC § 271, expressly delegate any and all necessary authority to the state

³ See FCC Docket No. 05-192, Comcast/Time Warner/Adelphia merger application.

commissions and require them to set just and reasonable rates for all §271 checklist items that have been delisted as UNEs. As with UNE rates, the state commissions are in the best position to set these rates and should have the authority to require that the necessary loops, ports and switching be provided at just and reasonable rates.

5.

Wholesale UNE & Collocation Rate Stabilization: AT&T/BellSouth has proposed to freeze UNE and collocation rates for 30 months. As previously stated, this should be extended to *at least* five years. Furthermore, the combined company should not seek to delist any additional UNEs nor add any additional wire centers to its non-impaired lists. Additionally, following this period, the combined company, in order to seek any wholesale UNE and collocation rate increases, should be required to request that the FCC initiate a docket to examine the appropriateness and structure of a price-cap plan for UNEs and that such a price-cap proceeding will conclude before any request for rate increases will be considered by the FCC.

6.

“Naked” DSL Service: The FCC should impose as a merger condition a requirement that the combined company *immediately* offer DSL service to all DSL-capable businesses and residences within its territory, without regard to whether the customer buys voice service from the combined company, at a price no higher than 10% above its price to its own voice customers. AT&T/BellSouth has offered that it will provide the service (at prices undetermined) within 12 months of the merger approval date. Access suggests that, if there is currently a technical limitation that requires some additional time to comply with this requirement, that the merger effective date be postponed until such a

time as the merged company can immediately comply with this and all other requirements.

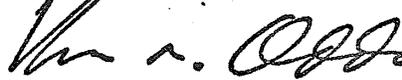
6.

Performance Measures: The FCC must include conditions that require the merged company to be subject to substantive performance measures and penalties to insure that it does not discriminate against competitors in access to its network, provisioning, and other essential services. Access believes this can only be done if either the FCC or the state commissions require regular performance reports and performance measures with significant penalty provisions.

In conclusion, Access strenuously believes that the aforementioned conditions are vital to have any chance of stemming the current tide of decreased competition within the BellSouth region. These conditions should *be in addition to* the ones proposed by AT&T/BellSouth and should remain in effect for *at least* five years. Access respectfully asks the FCC to consider the foregoing comments and incorporate them into a decision whether or not to approve this merger.

Respectfully submitted,

ACCESS INTEGRATED NETWORKS, INC.



By: _____

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CERTIFICATE OF SERVICE

I certify that the foregoing Comments of Access Integrated Networks, Inc., prepared in response to FCC Public Notice dated October 13, 2006, in WC Docket No. 06-74 have been filed electronically and a copy has been served upon the following electronically or by first class mail with proper postage affixed thereon:

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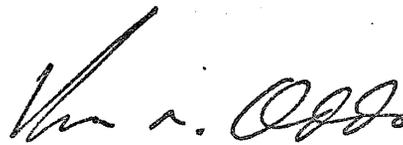
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All in conformity with 47 U.S.C. § 309 (b) and the current procedures of the FCC this
24th day of October, 2006.



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