

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

In the Matter of)	
)	
Application for Consent to Transfer Control Filed)	DA Docket No. 06-2035
By AT&T Inc. and Bellsouth Corporation)	
Commission Seeks Comment on Proposals)	WC Docket No. 06-74
Submitted by AT&T Inc. and Bellsouth Corporation)	

To: Federal Communications Commission

COMMENTS OF CHICKASAW TELEPHONE COMPANY

David Pomeroy, OBA #7209
D. Joe Rockett, OBA #7696
Matthew H. Griffith, OBA #18713
Sandra Benischek Harrison, OBA #18647

ANDREWS DAVIS

A PROFESSIONAL CORPORATION

ATTORNEYS AND COUNSELLORS AT LAW

100 North Broadway Avenue, Suite 3300

Oklahoma City, Oklahoma 73102-8812

Telephone: (405) 272-9241

Facsimile: (405) 235-8786

Attorneys for Chickasaw Telephone Company

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Chickasaw Telephone Company (“Chickasaw”) responds to the Federal Communications Commission (“FCC”) request for comment on the proposed merger of AT&T Inc. and Bellsouth Corporation.¹

I. INTRODUCTION & SUMMARY

Chickasaw, directly or through affiliates, provides local exchange, exchange access, Internet access, long-distance, wireless, and other telecommunications and information services in rural areas of Oklahoma. Chickasaw is a rural telephone company, as defined in Section 153(37) of the Act.²

Chickasaw opposes the unconditional merger of AT&T and Bellsouth on the basis that such a merger, without any restrictions, would be contrary to the public interest. Any approval of the proposed merger must be subject to conditions that will lessen the anticompetitive potential of the merger and protect consumers.

¹ See Commission Seeks Comment on Application for Consent to Transfer of Control File By *AT&T Inc. and Bellsouth Corp.* WC Docket No. 06-74, DA. 06-2035 (rel. Oct. 13, 2006), as amended and corrected by an “Erratum” published October 16, 2006. As amended and corrected, these documents shall be referred to as the “Public Notice.”

² 47 U.S.C. § 153(37).

II. PROPOSED MERGER MUST BE SUBJECT TO CONDITIONS

The Public Notice requests that parties comment the proposals contained within the attachment to the October 16, 2006, "Erratum." In sum, Chickasaw supports all of the conditions proposed in the October 16, 2006, "Erratum" but disagrees with proposed thirty (30) month sunset provision proposed by AT&T and Bellsouth.

Specifically, Chickasaw supports the proposed conditions related to Public Safety and Disaster Recovery, UNEs, Special Access and Transit Services. However, in order to enhance the public benefit of any approved merger and reduce the risk of anticompetitive practices by the merged entity, Chickasaw suggests that all conditions imposed on the merged entity remain in place for a minimum of seven (7) years. Additionally, Chickasaw opposes any sunset provision by which any of the conditions will automatically expire.

The merger with BellSouth would make AT&T the world's largest telecommunications company with seventy (70) million landline customers across twenty-two (22) states. Since AT&T is a co-owner of Cingular Wireless with BellSouth, the deal would give AT&T full control of the nation's largest cellular company. The merged entity's sheer size and market power will enable it to exert a disproportionate amount of control over access and services to the potential detriment of both consumers and smaller carriers. The public interest could be harmed if the FCC allows the restrictions imposed on the post-merger activity to expire without further review and comment.

Accordingly, Chickasaw proposes that the merged entity be required to petition the FCC for removal or modifications of the merger conditions no earlier than seven (7) years following the Merger Closing Date. At that time, the FCC should solicit public comments regarding the

merged entity's compliance with the conditions and the possible consumer impact of lifting or modifying the conditions.

Although Chickasaw believes it would be appropriate to make **all** conditions imposed on the post-merger subject to the initial seven (7) year period, the seven (7) year period should, at a bare minimum, apply to the following conditions:

UNEs

1. The AT&T and BellSouth incumbent LECs shall continue to offer and shall not seek any increase in State-approved rates for UNEs or collocation that are in effect as of the Merger Closing Date. This condition shall not limit the ability of the AT&T and BellSouth incumbent LECs and any other telecommunications carrier to agree voluntarily to any different UNE or collocation rates.
2. AT&T/BellSouth shall recalculate its wire center calculations for the number of business lines and fiber-based collocations and, for those that no longer meet the non-impairment thresholds established in 47 CFR §§ 51.319(a) and (e), provide appropriate loop and transport access. In identifying wire centers in which there is no impairment pursuant to 47 CFR §§ 51.319(a) and (e), the merged entity shall exclude the following: (i) fiber-based collocation arrangements established by AT&T or its affiliates; (ii) entities that do not operate (*i.e.*, own or manage the optronics on the fiber) their own fiber into and out of their own collocation arrangement but merely cross-connect to fiber-based collocation arrangements; and (iii) special access lines obtained by AT&T from BellSouth as of the day before the Merger Closing Date.
3. AT&T/BellSouth shall terminate all pending audits of compliance with the Commission's EELs eligibility criteria and shall not initiate any new audits.

Special Access (references follow the numbering assigned to them in the AT&T proposal dated October 13, 2006)

2. AT&T/BellSouth shall not increase the rates paid by existing customers (as of the Merger Closing Date) of DS1 and DS3 local private line services that it provides in the AT&T/BellSouth in-region territory pursuant to, or referenced in, TCG FCC Tariff No. 2 above their level as of the Merger Closing Date.

3. AT&T/BellSouth will not provide special access offerings to its wireline affiliates that are not available to other similarly situated special access customers on the same terms and conditions.
4. To ensure that AT&T/BellSouth may not provide special access offerings to its affiliates that are not available to other special access customers, before AT&T/BellSouth provides a new or modified contract tariffed service under section 69.727(a) of the Commission's rules to its own section 272(a) affiliate(s), it will certify to the Commission that it provides service pursuant to that contract tariff to an unaffiliated customer other than Verizon Communications Inc., or its wireline affiliates. AT&T/BellSouth also will not unreasonably discriminate in favor of its affiliates in establishing the terms and conditions for grooming special access facilities.

Transit Service

The AT&T and BellSouth incumbent LECs will not increase the rates paid by existing customers for their existing tandem transit service arrangements that the AT&T and BellSouth incumbent LECs provide in the AT&T/BellSouth in-region territory.

III. CONCLUSION

For the foregoing reasons, the FCC should approve the proposed merger between AT&T and BellSouth **only** if the merger is subject to all of the conditions proposed by AT&T in the Public Notice, as amended and corrected. Further, the conditions should be imposed for a minimum of seven (7) years, rather than a mere thirty (30) months. Lastly, the conditions should not expire automatically; rather, the merged entity should be required to petition the FCC for the removal or modification of these conditions subject to public comment.

Respectfully submitted,

David Pomeroy, OBA #7209
D. Joe Rockett, OBA #7696
Matthew H. Griffith, OBA #18713
Sandra Benischek Harrison, OBA #18647
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A PROFESSIONAL CORPORATION
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Oklahoma City, Oklahoma 73102-8812
Telephone: (405) 272-9241
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**ATTORNEYS FOR
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