October 29, 2006

Hon. Marlene Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Dear Ms. Dortch:

RE: Notice of Ex Parte Communication /*
WC Docket No. 06-74 (AT&T/BellSouth Merger)

On October 23, 2006, I had a telephone discussion with Hon. Michael Copps concerning the above-referenced matter. MMTC has taken no position on the merger. The thrust of what I expressed to Commissioner Copps is set out below:

Should there be an impasse among the commissioners on conditions that would protect the public, it may be that all parties might consider a somewhat different paradigm than that reflected in AT&T’s letter of October 13, 2006 (as amended by Erratum, October 16, 2006) appended to the Public Notice, DA 06-2035 (October 13, 2006) (“AT&T Letter”). In particular, merger conditions might be tailored to focus more directly on the needs of those who have enjoyed the least access to telecommunications, both as producers and as consumers.

An illustration of this approach is found in the history of the e-rate program, which originally applied to all schools. When funds became limited, the program was reconfigured to target schools with children from low-income families.

Concepts giving rise to potential merger conditions might include:

(1) buildout goals and timetables for urban multi-channel video systems, it being noted that AT&T has already made a laudable public pledge on this subject;

(2) a substantial telecom literacy campaign aimed at low income consumers and urban schools, and featuring readily comprehensible consumer information material, some of which could be inserted in phone bills

/* This communication is probably exempt under 47 C.F.R. §1.1204(a)(10), but it is being reported in any event out of an abundance of caution.
(3) an expanded commitment to emergency communications support, focusing especially on multilingual services such as reverse 911;

(4) a major supplier diversity initiative aimed at enabling those laid off attendant to the merger, particularly minorities and women, to develop entrepreneurial relationships with the newly merged entity, possibly with the assistance of a private equity initiative aimed at assisting telecom new entrants including suppliers and designated entities;

(5) a pro-active employee lateral placement and outplacement program to minimize the prospect that job losses attendant to the merger would fall more heavily on those with shorter job tenure, particularly minorities and women;

(6) efforts by the merged entity to divest assets widely enough to attract socially and economically disadvantaged bidders; and

(7) frequent, plain English, transparent reporting on diversity issues, as well as other issues, such as network neutrality, that are important to consumer advocates.

These concepts would not be considered in addition to commitments already made or sought, as that approach would reduce the likelihood of a comprehensive agreement among all parties. Rather, these concepts could be considered as a paradigm that would serve many of the same public interest objectives as proposals now under consideration, while focusing more closely on the needs of the most vulnerable consumers. At the end of the day, such a package of merger conditions could be both more effective and less costly than the commitments under discussion now.

Therefore, should an impasse develop, this approach could yield a universal resolution of the matter that all parties might find more attractive than the positions they presently advocate, and in which the parties and the agency could take considerable pride of accomplishment.

Sincerely,

David Honig

David Honig
Executive Director

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cc:  Hon. Michael Copps