

November 17, 2006

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

Re: Notice of Oral *Ex Parte* Presentation - WC Docket No. 06-74, AT&T Inc. and BellSouth Corporation Applications for Approval of Transfer of Control

Dear Secretary Dortch:

On November 16, 2006, Alexandra Wilson, Vice President of Public Policy for Cox Enterprises, Inc., Megan Delany, Senior Director and Legislative Counsel of Federal Government Relations for Charter Communications, Howard Symons of Mintz Levin, and the undersigned met with Commissioner Jonathan S. Adelstein and his legal advisor Scott Bergmann to discuss the issues set forth in the September 27, 2006 written *ex parte* presentation and the October 24, 2006 written comments filed by Advance/Newhouse Communications, Cablevision Systems Corp., Charter Communications, Cox Communications, and Insight Communications Company in the above-referenced docket. We also discussed the conditions proposed by AT&T and BellSouth and reiterated the need for interconnection-related merger conditions. Finally, we explained that the transiting and forbearance conditions proposed by AT&T/BellSouth were insufficient. During the meeting, the parties discussed and distributed the attached handouts.

Please contact the undersigned if you have any questions regarding this matter.

Respectfully submitted,

/s/ Michael H. Pryor

Michael H. Pryor

Attachment

cc: Commissioner Jonathan S. Adelstein
Scott Bergmann

Mintz, Levin, Cohn, Ferris, Glovsky and Popeo, P.C.

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CONDITIONS TO ENSURE FAIR AND EFFICIENT INTERCONNECTION

- Extend section 251/252 interconnection rights to cable voice providers, regardless of technology or regulatory classification.
- Establish interconnection arrangements that enable the exchange of IP voice traffic using an optical level, IP interface at technically feasible points identified by the cable provider.
- Reaffirm the right of competitors to choose a single, technically feasible point of interconnection in a LATA and bar AT&T from imposing additional build out or trunking requirements.
- Reduce the costs and delay of negotiating interconnection agreements by permitting cable telephony providers to:
 - opt into any interconnection agreement approved in any in-region state, subject to state-specific pricing and performance plans.
 - opt into agreements even if not yet updated to reflect changes of law, if the cable providers agrees to negotiate an amendment.
 - use their existing agreement as a starting point for re-negotiation.
 - extend the term of existing agreements for up to three years, subject to amendment for changes of law.
- Exchange non-access traffic, including VOIP, on a bill and keep basis at the cable voice providers request.
- Require AT&T to provide transiting service pursuant to section 251 and at cost-based rates.

APPENDIX A

Cable Companies' Proposed Merger Conditions

Single POI per LATA

AT&T/BellSouth shall permit competitive providers to choose a single, technically feasible point of interconnection on AT&T/BellSouth's network, including choosing a single point of interconnection in a LATA. AT&T/BellSouth and the competitive provider shall each bear the financial responsibility for bringing their originating traffic that is subject to section 251(b)(5) to the chosen point of interconnection. AT&T/BellSouth and the competitive provider may mutually agree to establish additional points of interconnection as justified by sound network engineering and business practices. AT&T/BellSouth cannot unilaterally require the competitive provider to establish additional POIs based on levels of traffic set solely by AT&T/BellSouth.

Reducing Transaction Costs

- (1) AT&T/BellSouth shall make available any entire effective interconnection agreement, whether negotiated or arbitrated, that was entered into by AT&T/BellSouth or any affiliate, in any state in the merged entity's 22-state incumbent LEC operating territory, subject to technical feasibility and state-specific pricing and performance plans.
- (2) AT&T/BellSouth shall not refuse a request to opt into an agreement on the grounds that the agreement has not been amended to reflect changes of law, provided the requesting party agrees to negotiate an amendment regarding such change of law immediately after it has opted into the agreement.
- (3) AT&T/BellSouth shall allow a requesting party, at its option, to use the parties' pre-existing interconnection agreement as the starting point for negotiating a new agreement.
- (4) AT&T/BellSouth shall permit a party to extend the parties' current interconnection agreement, regardless of whether its initial term has expired, for a period of up to three years, subject to amendment to reflect changes of law after the agreement has been extended. During this period, the interconnection agreement may be terminated only via a competitor's request unless terminated pursuant to the agreement's "default" provisions.

Section 251 Rights for Cable Providers

AT&T/BellSouth shall agree to treat any cable telephony provider, regardless of the technology used or the classification of service, as a requesting telecommunications carrier under sections 251 and 252 and shall owe such provider the obligations it owes to a requesting telecommunications carrier under section 251(c). AT&T shall permit such cable telephony providers to opt into any entire interconnection agreement, including, without limitation, any opt in rights established as a condition of this merger. AT&T shall not contest the authority or jurisdiction of a state commission to approve, arbitrate or enforce any interconnection agreement negotiated with any cable telephony provider, either before the state commission (or the Commission acting in the place of a state commission) or on appeal of a state commission

determination regarding such interconnection agreement. This condition shall not expire unless superseded by statute or regulation clarifying the applicability of sections 251 and 252 to IP-enabled voice providers.

Transiting

The AT&T and BellSouth incumbent LECs will not increase the rates paid by existing customers for their existing tandem transiting service arrangements that the AT&T and BellSouth incumbent LECs provide in the AT&T/BellSouth in-region territory. As existing interconnection agreements are negotiated and as transit customers expand into new areas within this territory and request transiting arrangements in these areas, the transit rate for such arrangements will not exceed the rates paid under the customers' existing agreements with AT&T and/or BellSouth, or, if no transiting arrangements exist, the transit rate will not exceed the average transit rate available in interconnection agreements with other companies that have transiting arrangements using the same AT&T/BellSouth tandems. AT&T/BellSouth shall not refuse to negotiate the terms and conditions of transiting in the context of section 251 interconnection agreements.

Forbearance

For thirty months after the Merger Closing Date, AT&T/BellSouth will not seek a ruling, including through a forbearance petition under section 10 of the Act, 47 U.S.C. § 160, or any other petition, altering the status of any facility being currently offered as a loop or transport UNE under section 251(c)(3) of the Act, or from any interconnection or collocation obligation under section 251 of the Act.