

Table 2A • Local Voice • Medium Business Customers (Syndicated State Data)										
	Median	AL	FL	GA	KY	LA	MS	NC	SC	TN
Pre-Merger BellSouth Market Share	[REDACTED]									
Post-Merger BellSouth/AT&T Market Share										
Post-Merger HHI										
<b>Delta</b>										
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. <i>See supra</i> note 210. Figures have been rounded.										

Table 2B • Long Distance Voice- Medium Enterprise Customers (Syndicated State Data)										
	Median	AL	FL	GA	KY	LA	MS	NC	SC	TN
Pre-Merger BellSouth Market Share	[REDACTED]									
Post-Merger BellSouth/AT&T Market Share										
Post-Merger HHI										
Delta										
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. <i>See supra</i> note 210. Figures have been rounded.										

Table 2C • Frame Relay • Medium Business Customers (Syndicated State Data)										
	Median	AL	FL	GA	KY	LA	MS	NC	SC	TN
Pre-Merger BellSouth Market Share	[REDACTED]									
Post-Merger BellSouth/AT&T Market Share										
Post-Merger HHI										
Delta										
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. <i>See supra</i> note 210. Figures have been rounded.										

Table 2D • T1 • Medium Business Customers (Syndicated State Data)										
	Median	AL	FL	GA	KY	LA	MS	NC	SC	TN
Pre-Merger BellSouth Market Share	[REDACTED]									
Post-Merger BellSouth/AT&T Market Share										
Post-Merger HHI										
Delta										
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. <i>See supra</i> note 210. Figures have been rounded.										

Table 3A - Local Voice - Small Enterprise Customers (Syndicated State Data)										
	Median	AL	FL	GA	KY	LA	MS	NC	SC	TN
Pre-Merger BellSouth Market Share	[REDACTED]									
Post-Merger BellSouth/AT&T Market Share										
Post-Merger HHI										
Delta										

Table 3B - Long Distance Voice - Small Enterprise Customers (Syndicated State Data)										
	Median	AL	FL	GA	KY	LA	MS	NC	SC	TN
Pre-Merger BellSouth Market Share	[REDACTED]									
Post-Merger BellSouth/AT&T Market Share										
Post-Merger HHI										
Delta										
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. <i>See supra</i> note 210. Figures have been rounded										

<b>Table 4A - Local Voice - Large Enterprises (Syndicated MSA Data)</b>				
<b>MSA Name</b>	<b>Pre-Merger BellSouth Market Share</b>	<b>Post-Merger BellSouth And AT&amp;T Market Share</b>	<b>Post-Merger HHI</b>	<b>Delta</b>
Asheville NC				
Atlanta-Sndy Spr GA				
Augusta-Rchmnd GA-SC				
Baton Rouge LA				
Birmingham-Hoover AL				
Charleston SC				
Charlotte-Gstn NC-SC				
Chattanooga TN-GA				
Cincinnati OH-KY-IN				
Columbia SC				
Columbus GA-AL				
Deltona-Daytona FL				
Durham NC				
Evansville IN-KY				
Greensboro-HighPt NC				
[REDACTED]				
Hickory-Lenoir NC				
Huntsville AL				
Jackson MS				
Jacksonville FL				
Knoxville TN				
Lafayette LA				
Lexington-Fayette KY				
Louisville KY-IN				
Memphis TN-MS-AR				
Miami-Ft Lauderdale FL				
Mobile AL				
Montgomery AL				
Nashville-Davidson TN				
New Orleans-Metairie LA				
Orlando FL				
Palm Bay-Melbourne FL				
Pensacola-Ferry Pass FL				
Raleigh-Cary NC				
Savannah GA				
Shreveport-Bossier LA				
Spartanburg SC				

[REDACTED]

MSA Name	Pre-Merger BellSouth Market Share	Post-Merger BellSouth And AT&T Market Share	Post-Merger HHI	Delta
Tallahassee FL	[REDACTED]			
Tampa-StPetersbrg FL				
Wilmington NC				
Winston-Salem NC				
Minimum				
Maximum				
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. <i>See supra</i> note 210. Figures have been rounded.				

<b>Table 4B - Long Distance Voice - Large Enterprise Customers (Syndicated MSA Data)</b>				
<b>MSA Name</b>	<b>Pre-Merger BellSouth Market Share</b>	<b>Post-Merger BellSouth And AT&amp;T Market Share</b>	<b>Post-Merger HHI</b>	<b>Delta</b>
<b>Asheville NC</b>				
<b>Atlanta-Sndy Spr GA</b>				
<b>Augusta-Rchmnd GA-SC</b>				
<b>Baton Rouge LA</b>				
<b>Birmingham-Hoover AL</b>				
<b>Charleston SC</b>				
<b>Charlotte-Gstn NC-SC</b>				
<b>Chattanooga TN-GA</b>				
<b>Columbia SC</b>				
<b>Columbus GA-AL</b>				
<b>Deltona-Daytona FL</b>				
<b>Durham NC</b>				
<b>Evansville IN-KY</b>				
<b>Greensboro-HighPt NC</b>				
<b>Greenville SC</b>				
<b>Hickory-Lenoir NC</b>				
<b>Huntsville AL</b>				
<b>Jackson MS</b>				
<b>Jacksonville FL</b>				
<b>Knoxville TN</b>				
<b>Lafayette LA</b>				
<b>Lexington-Fayette KY</b>				
<b>Louisville KY-IN</b>				
<b>Memphis TN-MS-AR</b>				
<b>Miami-Ft Lauderdale FL</b>				
<b>Mobile AL</b>				
<b>Montgomery AL</b>				
<b>Nashville-Davidson TN</b>				
<b>New Orleans-Metairie LA</b>				
<b>Orlando FL</b>				
<b>Pensacola-Ferry Pass FL</b>				
<b>Raleigh-Cary NC</b>				
<b>Shreveport-Bossier LA</b>				

[REDACTED]

MSA Name	Pre-Merger BellSouth Market Share	Post-Merger BellSouth And AT&T Market Share	Post-Merger HHI	Delta
Spartanburg SC	[REDACTED]			
Tampa-StPetersbrg FL				
Wilmington NC				
Winston-Salem NC				
Minimum				
Maximum				
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. <i>See supra</i> note 210. Figures have been rounded.				

Table 4 • Frame Relay • Large Business (Syndicated)		MSA Data)		
MSA Name	Pre-Merger BellSouth Market Share	Post-Merger BellSouth And AT&T Market Share	Post-Merger HHI	Delta
Atlanta-Sndy Spr GA				
Birmingham-Hoover AL				
Charlotte-Gstn NC-SC				
Greenville SC				
Jackson MS				
Jacksonville FL				
Louisville KY-IN				
Memphis TN-MS-AR				
Miami-Ft Lauderdale FL				
Nashville-Davidson TN				
New Orleans-Metairie LA				
Orlando FL				
Minimum				
<b>Maximum</b>				
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. See <i>supra</i> note 210. Figures have been rounded.				

[REDACTED]

<b>Table 4D - T1 - Large Business (Syndicated MSA Data)</b>				
<b>MSA Name</b>	<b>Pre-Merger BellSouth Market Share</b>	<b>Post-Merger BellSouth And AT&amp;T Market Share</b>	<b>Post- Merger HHI</b>	<b>Delta</b>
<b>Asheville NC</b>				
<b>Atlanta-Sndy Spr GA</b>				
<b>Augusta-Rchmnd GA-SC</b>				
<b>Baton Rouge LA</b>				
<b>Birmingham-Hoover AL</b>				
<b>Charleston SC</b>				
<b>Charlotte-Gstn NC-SC</b>				
<b>Chattanooga TN-GA</b>				
<b>Cincinnati OH-KY-IN</b>				
<b>Columbia SC</b>				
<b>Columbus GA-AL</b>				
<b>Deltona-Daytona FL</b>				
<b>Durham NC</b>				
<b>Evansville IN-KY</b>				
<b>Greensboro-HighPt NC</b>				
<b>Greenville SC</b>				
<b>Hickory-Lenoir NC</b>				
<b>Huntsville AL</b>				
<b>Jackson MS</b>				
<b>Jacksonville FL</b>				
<b>Knoxville TN</b>				
<b>Lexington-Fayette KY</b>				
<b>Louisville KY-IN</b>				
<b>Memphis TN-MS-AR</b>				
<b>Miami-Ft Lauderdale FL</b>				
<b>Mobile AL</b>				
<b>Montgomery AL</b>				
<b>Nashville-Davidson TN</b>				
<b>New Orleans-Metairie LA</b>				
<b>Orlando FL</b>				
<b>Raleigh-Cary NC</b>				
<b>Shreveport-Bossier LA</b>				

[REDACTED]

MSA Name	Pre-Merger BellSouth Market Share	Post-Merger BellSouth And AT&T Market Share	Post- Merger HHI	Delta
Spartanburg SC	[REDACTED]			
Tallahassee FL				
Tampa-StPetersbrg FL				
Winston-Salem NC				
Minimum				
Maximum				
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. See <i>supra</i> note 210. Figures have been rounded.				



Table 5B – Long Distance Voice - Medium Enterprise Customers (S			ndicated MSA Data)	
MSA Name	Pre-Merger BellSouth Market Share	Post-Merger BellSouth And AT&T Market Share	Post-Merger HHI	Delta
Asheville NC				
Atlanta-Sndy Spr GA				
Augusta-Rchmnd GA-SC				
Baton Rouge LA				
Birmingham-Hoover AL				
Charlotte-Gstn NC-SC				
Chattanooga TN-GA				
Cincinnati OH-KY-IN				
Columbia SC				
Deltona-Daytona FL				
Durham NC				
Evansville IN-KY				
Greensboro-HighPt NC				
Greenville SC				
Hickory-Lenoir NC				
Huntsville AL				
Jackson MS				
Jacksonville FL				
Knoxville TN				
Lexington-Fayette KY				
Louisville KY-IN				
Memphis TN-MS-AR				
Miami-Ft Lauderdale FL				
Mobile AL				
Montgomery AL				
Nashville-Davidson TN				
New Orleans-Metairie LA				
Orlando FL				
Palm Bay-Melbourne FL				
Raleigh-Cary NC				
Tallahassee FL				
Tampa-St Petersburg FL				
Winston-Salem NC				
Minimum				
Maximum				
Source: AT&T/BellSouth August 18, 2006 <i>Ex Parte</i> Letter, Attach. See <i>supra</i> note 210. Figures have been rounded.				

[REDACTED]

MSA Name	Pre-Merger BellSouth Market Share	Post-Merger BellSouth And AT&T Market Share	Post- Merger <b>HHI</b>	Delta
Atlanta-Sndv Spr GA	[REDACTED]			
<b>Baton Rouge LA</b>				
<b>Birmingham-Hoover AL</b>				
<b>Charlotte-Gstn NC-SC</b>				
<b>Chattanooga TN-GA</b>				
<b>Cincinnati OH-KY-IN</b>				
<b>Columbia SC</b>				
<b>Durham NC</b>				
<b>Greensboro-HighPt NC</b>				
<b>Greenville SC</b>				
<b>Jackson MS</b>				
<b>Jacksonville FL</b>				
<b>Knoxville TN</b>				
Lexington-Fayette <b>KY</b>				
Louisville <b>KY-IN</b>				
Memphis TN-MS-AR				
Miami-Ft Lauderdale FL				
Nashville-Davidson TN				
New Orleans-Metairie LA				
<b>Orlando FL</b>				
<b>Raleigh-Cary NC</b>				
<b>Tampa-StPetersburg FL</b>				
Minimum				
Maximum				
Source: AT&T/BellSouth August 18, 2006 <b>Ex Parte</b> Letter, Attach. See <i>supra</i> note 210. Figures have been rounded.				

<b>Table 6 – Retail Business Long Distance Voice National Revenue</b>	
	[REDACTED] Customers   [REDACTED] Customers
[REDACTED]	[REDACTED]
[REDACTED]	
<b>Post-merger AT&amp;T And BellSouth Share</b>	
<b>Pre-Merger HHI</b>	
<b>Post-Merger HHI</b>	
<b>Delta</b>	
Source: AT&T Info. Req., <b>Exh. 5.13</b> Excerpt [REDACTED] at <b>24</b> ; <i>id.</i> at <b>28</b> . Figures <b>have</b> been rounded.	

APPENDIX D

Mass Market Data (%share)

	Local Services		Long Distance Services		Local and Long Distance Bundle							
	BellSouth Pre-Merger	AT&T/BellSouth Post-Merger	BellSouth Pre-Merger	AT&T/BellSouth Post-Merger	BellSouth Pre-Merger	AT&T/ BellSouth Post-Merger						
AL	[REDACTED]											
FL												
GA												
KY												
LA												
MS												
NC												
SC												
TN												
Minimum												
Maximum												
Median												
Source: AT&T Info. Req., Exhs. 37.a, 38; BellSouth Info. Req., Exhs. 36.a.1, 36.a.i.001, 36.a.iii.001, 36.b.2, 36.c.2, 36.f, 38; Numbering Resource Utilization / Forecast (NRUF) database. See <i>supra</i> para. 58 and accompanying footnotes for the underlying assumptions. Data as of May 2006.												

APPENDIX E

Internet Backbone Data

Tier 1 Provider	Pre-merger 2003 Revenue (\$M)	% Share (pre-merger)	Post-merger 2003 Revenue (\$M)	% Share (post-merger)
<b>Cogent</b>				
	<b>Pre-merger HHI</b>	<b>Post-merger HHI</b>	<b>Change</b>	
	[REDACTED]	[REDACTED]	[REDACTED]	

and BellSouth and revenue estimates for Internet backbone providers tracked by IDC. We do not adjust the data for a post-acquisition change in transfer payments from BellSouth to Tier 1 providers because legacy SBC pays for transit. AT&T Info. Req. at 67, AT&T Info. Req., Exh. 29.c.1. These results may overstate or understate carriers' relative standings depending upon the extent to which the carriers' actual revenues differ from IDC's revenue estimates.

Tier 1 Provider			
AT&T			
Verizon			
Sprint			
Level 3			
Qwest			
SAVVIS			
Global Crossing			
Cogent			
	<b>Pre-merger HHI</b>	<b>Post-merger HHI</b>	<b>Change</b>
	[REDACTED]	[REDACTED]	[REDACTED]

Source: AT&T/BellSouth Reply Schwartz Decl. at paras. 19-25, Table 2. This analysis is based on 2003 calendar year revenue data for Tier 1 Internet backbone providers tracked by IDC. We do not adjust this data for a post-acquisition change in transfer payments from BellSouth to Tier 1 providers because legacy SBC pays for transit. AT&T Info. Req. at 67. AT&T Info. Req., Exh. 29.c.1. These results may overstate or understate carriers' relative standings depending upon the extent to which the carriers' actual revenues differ from IDC's revenue estimates.



## APPENDIX F

### Conditions

The Applicants have offered certain voluntary commitments, enumerated below. Because we find these commitments will serve the public interest, we accept them. Unless otherwise specified herein, the commitments described herein shall become effective on the Merger Closing Date. The commitments described herein shall be null and void if AT&T and BellSouth do not merge and there is no Merger Closing Date.

It is not the intent of these commitments to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these commitments, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these commitments,

### MERGER COMMITMENTS

For the avoidance of doubt, unless otherwise expressly stated to the contrary, all conditions and commitments proposed in this letter are enforceable by the FCC and would apply in the AT&T/BellSouth in-region territory, as defined herein, for a period of forty-two months from the Merger Closing Date and would automatically sunset thereafter.

#### Repatriation of Jobs to the U.S.

AT&T/BellSouth<sup>1</sup> is committed to providing high quality employment opportunities in the U.S. In order to further this commitment, AT&T/BellSouth will repatriate 3,000 jobs that are currently outsourced by BellSouth outside of the U.S. This repatriation will be completed by December 31, 2008. At least 200 of the repatriated jobs will be physically located within the New Orleans, Louisiana MSA.

#### Promoting Accessibility of Broadband Service

1. By December 31, 2007, AT&T/BellSouth will offer broadband Internet access service (*i.e.*, Internet access service at speeds in excess of 200 kbps in at least one direction) to 100 percent of the residential living units in the AT&T/BellSouth in-region territory.<sup>2</sup> To meet this commitment, AT&T/BellSouth will offer broadband Internet access services to at least 85 percent of such living units using wireline technologies (the "Wireline Buildout Area"). AT&T/BellSouth will make available broadband Internet access service to the remaining living units using alternative

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<sup>1</sup> AT&T/BellSouth refers to AT&T Inc., BellSouth Corporation, and their affiliates that provide domestic wireline or Wi-Max fixed wireless services.

<sup>2</sup> As used herein, the "AT&T/BellSouth in-region territory" means the areas in which an AT&T or BellSouth operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i). "AT&T in-region territory" means the area in which an AT&T operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i), and "BellSouth in-region territory" means the area in which a BellSouth operating company is the incumbent local exchange carrier, as defined in 47 U.S.C. § 251(h)(1)(A) and (B)(i).

technologies and operating arrangements, including but not limited to satellite and Wi-Max fixed wireless technologies. AT&T/BellSouth further commits that at least 30 percent of the incremental deployment after the Merger Closing Date necessary to achieve the Wireline Buildout Area commitment will be to rural areas or low income living units.<sup>3</sup>

2. AT&T/BellSouth will provide an ADSL modem without charge (except for shipping and handling) to residential subscribers within the Wireline Buildout Area who, between July 1, 2007, and June 30, 2008, replace their AT&T/BellSouth dial-up Internet access service with AT&T/BellSouth's ADSL service and elect a term plan for their ADSL service of twelve months or greater.

3. Within six months of the Merger Closing Date, and continuing for at least 30 months from the inception of the offer, AT&T/BellSouth will offer to retail consumers in the Wireline Buildout Area, who have not previously subscribed to AT&T's or BellSouth's ADSL service, a broadband Internet access service at a speed of up to 768 Kbps at a monthly rate (exclusive of any applicable taxes and regulatory fees) of \$10 per month.

### **Statement of Video Roll-Out Intentions**

AT&T is committed to providing, and has expended substantial resources to provide, a broad array of advanced video programming services in the AT&T in-region territory. These advanced video services include Uverse, on an integrated IP platform, and HomeZone, which integrates advanced broadband and satellite services. Subject to obtaining all necessary authorizations to do so, AT&T/BellSouth intends to bring such services to the BellSouth in-region territory in a manner reasonably consistent with AT&T's roll-out of such services within the AT&T in-region territory. In order to facilitate the provision of such advanced video services in the BellSouth in-region territory, AT&T/BellSouth will continue to deploy fiber-based facilities and intends to have the capability to reach at least 1.5 million homes in the BellSouth in-region territory by the end of 2007.

AT&T/BellSouth agrees to provide a written report to the Commission by December 31, 2007, describing progress made in obtaining necessary authorizations to roll-out, and the actual roll-out of, such advanced video services in the BellSouth in-region territory.

### **Public Safety, Disaster Recovery**

1. By June 1, 2007, AT&T will complete the steps necessary to allow it to make its disaster recovery capabilities available to facilitate restoration of service in BellSouth's in-region territory in the event of an extended service outage caused by a hurricane or other disaster.

2. In order to further promote public safety, within thirty days of the Merger Closing Date, AT&T/BellSouth will donate \$1 million to a section 501(c)(3) foundation or public entities for the purpose of promoting public safety.

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<sup>3</sup> For purposes of this commitment, a low income living unit shall mean a living unit in AT&T/BellSouth's in-region territory with an average annual income of less than \$35,000, determined consistent with Census Bureau data, see California Public Utilities Code section 5890(j)(2) (as added by AB 2987) (defining low income households as those with annual incomes below \$35,000), and a rural area shall consist of the zones in AT&T/BellSouth's in-region territory with the highest deaveraged UNE loop rates as established by the state commission consistent with the procedures set forth in section 51.507 of the Commission's rules. 47 C.F.R. § 51.507.

### Service to Customers with Disabilities

AT&T/BellSouth has a long and distinguished history of serving customers with disabilities. AT&T/BellSouth commits to provide the Commission, within 12 months of the Merger Closing Date, a report describing its efforts to provide high quality service to customers with disabilities.

### UNEs

1. The AT&T and BellSouth ILECs 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. For purposes of this commitment, an increase includes an increased existing surcharge or a new surcharge unless such new or increased surcharge is authorized by (i) the applicable interconnection agreement or tariff, as applicable, and (ii) by the relevant state commission. This commitment shall not limit the ability of the AT&T and BellSouth ILECs 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 cease all ongoing or threatened audits of compliance with the Commission's EELs eligibility criteria (as set forth in the *Supplemental Order Clarification's* significant local use requirement and related safe harbors, and the *Triennial Review Order's* high capacity EEL eligibility criteria), and shall not initiate any new EELs audits.

### Reducing Transaction Costs Associated with Interconnection Agreements

1. The AT&T/BellSouth ILECs shall make available to any requesting telecommunications carrier any entire effective interconnection agreement, whether negotiated or arbitrated, that an AT&T/BellSouth ILEC entered into in any state in the AT&T/BellSouth 22-state ILEC operating territory, subject to state-specific pricing and performance plans and technical feasibility, and provided, further, that an AT&T/BellSouth ILEC shall not be obligated to provide pursuant to this commitment any interconnection arrangement or UNE unless it is feasible to provide, given the technical, network, and OSS attributes and limitations in, and is consistent with the laws and regulatory requirements of, the state for which the request is made.
2. The AT&T/BellSouth ILECs shall not refuse a request by a telecommunications carrier to opt into an agreement on the ground that the agreement has not been amended to reflect changes of law, provided the requesting telecommunications carrier agrees to negotiate in good faith an amendment regarding such change of law immediately after it has opted into the agreement.
3. The AT&T/BellSouth ILECs shall allow a requesting telecommunications carrier to use its pre-existing interconnection agreement as the starting point for negotiating a new agreement.

4. The AT&T/BellSouth ILECs shall permit a requesting telecommunications carrier to extend its current interconnection agreement, regardless of whether its initial term has expired, for a period of up to three years, subject to amendment to reflect prior and future changes of law. During this period, the interconnection agreement may be terminated only via the carrier's request unless terminated pursuant to the agreement's "default" provisions.

### Special Access

Each of the following special access commitments shall remain in effect until 48 months from the Merger Closing Date.

1. AT&T/BellSouth affiliates that meet the definition of a Bell operating company in section 3(4)(A) of the Act ("AT&T/BellSouth BOCs")<sup>4</sup> will implement, in the AT&T and BellSouth Service Areas, the Service Quality Measurement Plan for Interstate Special Access Services ("the Plan"), similar to that set forth in the SBC/AT&T Merger Conditions, as described herein and in Attachment A to this Appendix F. The AT&T/BellSouth BOCs shall provide the Commission with performance measurement results on a quarterly basis, which shall consist of data collected according to the performance measurements listed therein. Such reports shall be provided in an Excel spreadsheet format and shall be designed to demonstrate the AT&T/BellSouth BOCs' monthly performance in delivering interstate special access services within each of the states in the AT&T and BellSouth Service Areas. These data shall be reported on an aggregated basis for interstate special access services delivered to (i) AT&T and BellSouth section 272(a) affiliates, (ii) their BOC and other affiliates, and (iii) non-affiliates.<sup>6</sup> The AT&T/BellSouth BOCs shall provide performance measurement results (broken down on a monthly basis) for each quarter to the Commission by the 45th day after the end of the quarter. The AT&T/BellSouth BOCs shall implement the Plan for the first full quarter following the Merger Closing Date. This commitment shall terminate on the earlier of (i) 48 months and 45 days after the beginning of the first full quarter following the Merger Closing Date (that is, when AT&T/BellSouth files its 16th quarterly report); or (ii) the effective date of a Commission order adopting performance measurement requirements for interstate special access services.

2. AT&T/BellSouth shall not increase the rates paid by existing customers (as of the Merger Closing Date) of DSI 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

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<sup>4</sup> For purposes of clarity, the special access commitments set forth herein do not apply to AT&T Advanced Solutions, Inc. and the Ameritech Advanced Data Services Companies, doing business collectively as "ASI."

<sup>5</sup> For purposes of this commitment, "AT&T and BellSouth Service Areas" means the areas within AT&T/BellSouth's in-region territory in which the AT&T and BellSouth ILECs are Bell operating companies as defined in 47 U.S.C. § 153(4)(A).

<sup>6</sup> BOC data shall not include retail data

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.<sup>7</sup>

5. No AT&T/BellSouth ILEC may increase the rates in its interstate tariffs, including contract tariffs, for special access services that it provides in the AT&T/BellSouth in-region territory, as set forth in tariffs on file at the Commission on the Merger Closing Date, and as set forth in tariffs amended subsequently in order to comply with the provisions of these commitments.

6. In areas within the AT&T/BellSouth in-region territory where an AT&T/BellSouth ILEC has obtained Phase II pricing flexibility for price cap services ("Phase II areas"), such ILEC will offer DS1 and DS3 channel termination services, DS1 and DS3 mileage services, and Ethernet services,<sup>8</sup> that currently are offered pursuant to the Phase II Pricing Flexibility Provisions of its special access tariffs,<sup>9</sup> at rates that are no higher than, and on the same terms and conditions as, its tariffed rates, terms, and conditions as of the Merger Closing Date for such services in areas within its in-region territory where it has not obtained Phase II pricing flexibility. In Phase II areas, AT&T/BellSouth also will reduce by 15% the rates in its interstate tariffs as of the Merger Closing Date for Ethernet services that are not at that time subject to price cap regulation. The foregoing commitments shall not apply to DS1, DS3, or Ethernet services provided by an AT&T/BellSouth ILEC to any other price cap ILEC, including any affiliate of such other price cap ILEC,<sup>10</sup> unless such other price cap ILEC offers DS1 and DS3 channel termination and mileage services, and price cap Ethernet services in all areas in which it has obtained Phase II pricing flexibility relief for such services (hereinafter "Reciprocal Price Cap Services") at rates, and on the terms and conditions, applicable to such services in areas in which it has not obtained Phase II pricing flexibility for such services, nor shall AT&T/BellSouth provide the aforementioned 15% discount to such price cap ILEC or affiliate thereof unless such ILEC makes generally available a reciprocal discount for any Ethernet service it offers outside of price cap regulation (hereinafter "Reciprocal Non-Price Cap Services"). Within 14 days of the Merger Closing Date, AT&T/BellSouth will provide notice of this commitment to each price cap ILEC that purchases, or that has an affiliate that purchases, services subject to this commitment from an AT&T/BellSouth ILEC. If within 30 days thereafter, such price cap ILEC does not: (i) affirmatively inform AT&T/BellSouth and the Commission of its intent to sell Reciprocal

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<sup>7</sup> Neither this merger commitment nor any other merger commitment herein shall be construed to require AT&T/BellSouth to provide any service through a separate affiliate if AT&T/BellSouth is not otherwise required by law to establish or maintain such separate affiliate.

<sup>8</sup> The Ethernet services subject to this commitment are AT&T's interstate OPT-E-MAN, GigaMAN and DecaMAN services and BellSouth's interstate Metro Ethernet Service.

<sup>9</sup> The Phase II Pricing Flexibility Provisions for DS1 and DS3 services are those set forth in Ameritech Tariff-FCC No. 2, Section 21; Pacific Bell Tariff FCC No. 1, Section 31; Nevada Bell Tariff FCC No. 1, Section 22; Southwestern Bell Telephone Company Tariff FCC No. 73, Section 39; Southern New England Telephone Tariff FCC No. 39, Section 24; and BellSouth Telecommunications Tariff FCC No. 1, Section 23.

<sup>10</sup> For purposes of this commitment, the term "price cap ILEC" refers to an incumbent local exchange carrier that is subject to price cap regulation and all of its affiliates that are subject to price cap regulation. The term "affiliate" means an affiliate as defined in 47 U.S.C. § 153(1) and is not limited to affiliates that are subject to price cap regulation.

Price Cap Services in areas where it has received Phase II pricing flexibility for such services at the rates, terms, and conditions that apply in areas where it has not received such flexibility, and to provide a 15% discount on Reciprocal Non-Price Cap Services; and (ii) file tariff revisions that would implement such changes within 90 days of the Merger Closing Date (a “Non-Reciprocating Carrier”), the AT&T/BellSouth ILECs shall be deemed by the FCC to have substantial cause to make any necessary revisions to the tariffs under which they provide the services subject to this commitment to such Non-Reciprocating Carrier, including any affiliates, to prevent or offset any change in the effective rate charged such entities for such services. The AT&T/BellSouth ILECs will file all tariff revisions necessary to effectuate this commitment, including any provisions addressing Non-Reciprocating Carriers and their affiliates, within 90 days from the Merger Closing Date.

7. AT&T/BellSouth will not oppose any request by a purchaser of interstate special access services for mediation by Commission staff of disputes relating to AT&T/BellSouth’s compliance with the rates, terms, and conditions set forth in its interstate special access tariffs and pricing flexibility contracts or to the lawfulness of the rates, terms, and conditions in such tariffs and contracts, nor shall AT&T/BellSouth oppose any request that such disputes be accepted by the Commission onto the Accelerated Docket.

8. The AT&T/BellSouth ILECs will not include in any pricing flexibility contract or tariff filed with the Commission after the Merger Closing Date access service ratio terms which limit the extent to which customers may obtain transmission services as UNEs, rather than special access services.

9. Within 60 days after the Merger Closing Date, the AT&T/BellSouth ILECs will file one or more interstate tariffs that make available to customers of DSI, DS3, and Ethernet service reasonable volume and term discounts without minimum annual revenue commitments (MARC) or growth discounts. To the extent an AT&T/BellSouth ILEC files an interstate tariff for DS1, DS3, or Ethernet services with a varying MARC, it will at the same time file an interstate tariff for such services with a fixed MARC. For purposes of these commitments, a MARC is a requirement that the customer maintain a minimum specified level of spending for specified services per year.

10. If, during the course of any negotiation for an interstate pricing flexibility contract, AT&T/BellSouth offers a proposal that includes a MARC, AT&T/BellSouth will offer an alternative proposal that gives the customer the option of obtaining a volume and/or term discount(s) without a MARC. If, during the course of any negotiation for an interstate pricing flexibility contract, AT&T/BellSouth offers a proposal that includes a MARC that varies over the life of the contract, AT&T/BellSouth will offer an alternative proposal that includes a fixed MARC.

11. Within 14 days of the Merger Closing Date, the AT&T/BellSouth ILECs will give notice to customers of AT&T/BellSouth with interstate pricing flexibility contracts that provide for a MARC that varies over the life of the contract that, within 45 days of such notice, customers may elect to freeze, for the remaining term of such pricing flexibility contract, the MARC in effect as of the Merger Closing Date, provided that the customer also freezes, for the remaining term of such pricing flexibility contract, the contract discount rate (or specified rate if the contract sets forth specific rates rather than discounts off of referenced tariffed rates) in effect as of the Merger Closing Date.

### Transit Service

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

### ADSL Service”

1. Within twelve months of the Merger Closing Date, AT&T/BellSouth will deploy and offer within the BellSouth in-region territory ADSL service to ADSL-capable customers without requiring such customers to also purchase circuit switched voice grade telephone service. AT&T/BellSouth will continue to offer this service in each state for thirty months after the “Implementation Date” in that state. For purposes of this commitment, the “Implementation Date” for a state shall be the date on which AT&T/BellSouth can offer this service to eighty percent of the ADSL-capable premises in BellSouth’s in-region territory in that state.” Within twenty days after meeting the Implementation Date in a state, AT&T/BellSouth will file a letter with the Commission certifying to that effect. In all events, this commitment will terminate no later than forty-two months after the Merger Closing Date.
2. AT&T/BellSouth will extend until thirty months after the Merger Closing Date the availability within AT&T’s in-region territory of ADSL service, as described in the ADSL Service Merger Condition, set forth in Appendix F of the *SBC/AT&T Merger Order* (FCC 05-183).
3. Within twelve months of the Merger Closing Date, AT&T/BellSouth will make available in its in-region territory an ADSL service capable of speeds up to 768 Kbps to ADSL-capable customers without requiring such customers to also purchase circuit switched voice grade telephone service (“Stand Alone 768 Kbps service”). AT&T/BellSouth will continue to offer the 768 Kbps service in a state for thirty months after the “Stand Alone 768 Kbps Implementation Date” for that state. For purposes of this commitment, the “Stand Alone 768 Kbps Implementation Date” for a state shall be the date on which AT&T/BellSouth can offer the Stand Alone 768 Kbps service to eighty percent of the ADSL-capable premises in AT&T/BellSouth’s in-region territory in that state. The Stand Alone 768 Kbps service will be offered at a rate of not more than \$19.95 per month (exclusive of regulatory fees and taxes). AT&T/BellSouth may make available such services at other speeds at prices that are competitive with the broadband market taken as a whole.

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<sup>11</sup> Tandem transit service means tandem-switched transport service provided to an originating carrier in order to indirectly send intraLATA traffic subject to § 251(b)(5) of the Communications Act of 1934, as amended, to a terminating carrier, and includes tandem switching functionality and tandem switched transport functionality between an AT&T/BellSouth tandem switch location and the terminating carrier.

<sup>12</sup> The commitments set forth under the heading “ADSL Service” are, by their terms, available to retail customers only. Wholesale commitments are addressed separately under the heading “ADSL Transmission Service.”

<sup>13</sup> After meeting the implementation date in each state, AT&T/BellSouth will continue deployment *so* that it can offer the service to all ADSL-capable premises in its in-region territory within twelve months of the Merger Closing Date.

### ADSL Transmission Service

AT&T/BellSouth will offer to Internet service providers, for their provision of broadband Internet access service to ADSL-capable retail customer premises, ADSL transmission service in the combined AT&T/BellSouth territory that is functionally the same as the service AT&T offered within the AT&T in-region territory as of the Merger Closing Date.” Such wholesale offering will be at a price not greater than the retail price in a state for ADSL service that is separately purchased by customers who also subscribe to AT&T/BellSouth local telephone service.

### Net Neutrality

1. Effective on the Merger Closing Date, and continuing for **30** months thereafter, AT&T/BellSouth will conduct business in a manner that comports with the principles set forth in the Commission’s Policy Statement, issued September **23,2005** (FCC 05-151).

2. AT&T/BellSouth also commits that it will maintain a neutral network and neutral routing in its wireline broadband Internet access service.” This commitment shall be satisfied by AT&T/BellSouth’s agreement not to provide or to sell to Internet content, application, or service providers, including those affiliated with AT&T/BellSouth, any service that privileges, degrades or prioritizes any packet transmitted over AT&T/BellSouth’s wireline broadband Internet access service based on its source, ownership or destination.

This commitment shall apply to AT&T/BellSouth’s wireline broadband Internet access service from the network side of the customer premise equipment up to and including the Internet Exchange Point closest to the customer’s premise, defined as the point of interconnection that is logically, temporally or physically closest to the customer’s premise where public or private Internet backbone networks freely exchange Internet packets.

This commitment does not apply to AT&T/BellSouth’s enterprise managed IP services, defined as services available only to enterprise customers” that are separate services from, and can be purchased without, AT&T/BellSouth’s wireline broadband Internet access service, including, but not limited to, virtual private network (VPN) services provided to enterprise customers. This commitment also does not apply to AT&T/BellSouth’s Internet Protocol television (IPTV) service.

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<sup>14</sup> An ADSL transmission service shall be considered “functionally the same” as the service AT&T offered within the AT&T in-region territory as of the Merger Closing Date if the ADSL transmission service relies on ATM transport from the DSLAM (or equivalent device) to the interface with the Internet service provider, and provides a maximum asymmetrical downstream speed of 1.5Mbps or 3.0Mbps, or a maximum symmetrical upstream/downstream speed of 384Kbps or 416Kbps, where each respective speed is available (the “Broadband ADSL Transmission Service”). Nothing in this commitment shall require AT&T/BellSouth to serve any geographic areas it currently does **not** serve with Broadband ADSL Transmission Service or to provide Internet service providers with broadband Internet access transmission technology that was not offered by AT&T to such providers in its in-region territory as of the Merger Closing Date.

<sup>15</sup> For purposes of this commitment, AT&T/BellSouth’s wireline broadband Internet access service and its Wi-Max fixed wireless broadband Internet access service are, collectively, AT&T/BellSouth’s “wireline broadband Internet access service.”

<sup>16</sup> “Enterprise customers” refers to that class of customer identified as enterprise customers on AT&T’s website (<http://www.att.com>) as of December 28,2006.