

FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

Adopted: August 11, 2000
Released: August 14, 2000

Mr. James W. Callaway
Group President – SBC Services
175 E. Houston Street
San Antonio, TX 78205

Dear Mr. Callaway:

On August 4, 2000, SBC requested an extension of the deadline for filing an independent auditor's report as required by the *SBC/Ameritech Merger Order*.¹ Specifically, SBC requests an extension of the due date, from September 1, 2000 to December 31, 2000, for the performance data required under Condition 24, *Additional Service Quality Reporting*, of the *SBC/Ameritech Merger Order*.² As explained below, the Bureau grants the extension of time.

To ensure on-going compliance, the Commission required SBC to obtain an independent audit of its compliance with the *Merger Conditions*.³ The *Merger Conditions* require SBC to submit the audit report to the Commission by September 1, 2000.⁴ The Chief of the Common Carrier Bureau may, however, extend the deadline "upon a request and showing of good cause" by SBC.⁵

SBC and its independent auditor had sought the Bureau's interpretation of the audit requirements under Condition 24 in May, 2000. The ensuing discussions between the Bureau and SBC lasted several weeks. SBC states that an extension is necessary because the audit work required to meet Condition 24 will require significant, and unanticipated, additional work by the independent auditor including detailed systems work in Ameritech and The Southern New England Telephone Company.⁶ SBC emphasizes that its request is narrowly tailored to the performance data required under Condition 24; the deadline for the audit report for all other conditions will remain September 1, 2000.

¹ Applications of Ameritech Corp., Transferor, and SBC Communications, Inc., Transferee, For Consent to Transfer Control of Corporations Holding Commission Licenses and Lines Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 5, 22, 24, 25, 63, 90, 95, and 101 of the Commission's Rules, CC Docket 98-141, *Memorandum Opinion and Order*, 14 FCC Rcd 14,712 (1999) ("*SBC/Ameritech Merger Order*").

² Letter from B. Jeannie Fry, Executive Director – Federal Regulator, SBC Telecommunications, Inc., to Dorothy Attwood, Chief, Common Carrier Bureau, FCC (Aug. 4, 2000) ("August 4th Letter"). Condition 24 requires SBC to report quarterly service quality by state according to the NARUC Technology Policy Subgroup "Service Quality White Paper" and by operating company in accordance with Table 1 of the ARMIS Report No. 43-05. *Merger Order* at 15,032-33, && 62-63.

³ *Merger Order* at 15,034, & 66.

⁴ *Id.* at 15,035, & 66(e).

⁵ *Id.* at 15,038, & 72.

⁶ August 4th Letter at 2.

In discussions with the staff, SBC noted that a revised deadline would facilitate a head start on the audit work for calendar year 2000. The additional time will enable the independent auditor to conduct a thorough and systematic evaluation of the accuracy of SBC's performance data required under Condition 24. For the forgoing reasons, the Bureau grants SBC's request for an extension of the audit report deadline for Condition 24 from September 1, 2000 to December 31, 2000. This extension does not apply to SBC's obligation to file the audit report on all other conditions by September 1, 2000.

Please do not hesitate to contact me if I can be of further assistance. You may also contact Mark Stone in the Common Carrier Bureau directly at (202) 418-0816 for further information on this matter.

Sincerely,

Carol E. Matthey
Deputy Chief, Common Carrier Bureau