



Federal Communications Commission
Washington, D.C. 20554

October 13, 2006

The Honorable Kevin J. Martin
Chairman, Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

Dear Chairman Martin:

We write to you today to suggest next steps for moving forward with the Commission's review of the pending application for transfer of control filed by AT&T and BellSouth.

The proposed combination of AT&T and BellSouth would create the largest wireline, wireless, and broadband company and would represent one of the largest mergers in history. More than ten thousand parties - including Members of Congress, state officials, rural interests, consumer advocates, competitors, and thousands of individual citizens - have urged the Commission to conduct a thorough review of this proposed transaction. Thus far, the record raises serious questions about whether this combination as proposed would satisfy the public interest, convenience, and necessity, our standard for review under the Act. Moreover, the Commission's review of this proposed combination is set against a backdrop of rapid consolidation and high levels of market concentration in the telecommunications industry.

Although we have concerns about whether it is appropriate for the Commission to conclude its consideration of this merger while the Federal courts are still reviewing the remedies imposed to address last years' telecommunications mergers, we have worked hard to engage in a dialogue about the concerns raised with respect to this merger and to explore potential ways to mitigate these concerns. We appreciate your efforts to engage in that dialogue and believe that we have made progress to date.

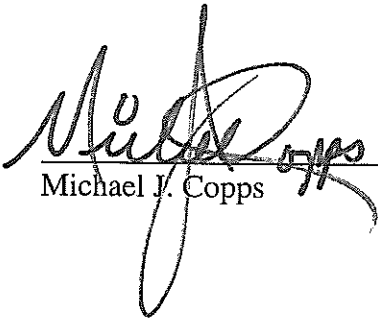
In the last 48 hours, new proposals were made for addressing the concerns raised in this proceeding. These proposals raise a number of significant questions and complex technical issues for us to consider. In light of these developments, we believe that the best way to advance the Commission's review is to open this process to public comment. Such an approach would facilitate a serious examination of the complex issues and proposals. This is particularly appropriate in light of recent concerns raised by interested parties, including the applicants, that they have been unable to engage in an open and transparent dialogue with us and Commission staff during the Sunshine period.

We specifically request that the Commission take this proceeding off of Sunshine, allow the applicants to put forth their best proposals, and solicit expeditious public comment so that we can receive a full record to inform the Commission's decision-making process. Such an approach is even more important because the Department of Justice approved this combination with little substantive analysis and only the day before we were

scheduled to vote, making our task much harder. Given the limited analysis from our leading antitrust authorities, it is all the more imperative that we now employ an open process to fully involve all affected parties, including the applicants, in order to get the public and expert review that is otherwise lacking. Such an approach has its grounding in past Commission practices. In previous large ILEC-to-ILEC mergers, the Commission has sought comment on modifications to the applicants' initial public interest filings and even conducted public fora.


Public comment could be handled on an expeditious basis, need not cause unnecessary delay, and could be completed well in advance of the time frames used by the Commission to review other recent mergers. For example, to put this in context, we are still six months ahead of the time it took us to complete the Adelphia-Comcast-Time Warner merger, a transaction less than one-fifth the size of this one.

Thank you for your consideration of these proposals.



Michael J. Copps

Sincerely,



Jonathan S. Adelstein