



AT&T/BellSouth Opponents Talk Litigation

By John Eggerton -- Broadcasting & Cable, 6/6/2006 12:34:00 AM

Opponents of the proposed merger of AT&T and BellSouth said that if the FCC does not block or put strong conditions on the deal, "some parties" will likely sue.

In a conference call with reporters discussing their filings with the FCC in opposition to the merger, several of the groups argued that, unless the FCC requires AT&T to spin-off wireless company Cingular after the merger and to divest itself of wireless spectrum they argue has been warehoused, the "best case" scenario from the merger would be an "entrenched DSL cable monopoly for Internet access. That's because they said the merged company would likely sit on spectrum that could be used for wireless Internet access in competition to DSL.

"If the FCC doesn't "do the right thing," said Jonathan Rubin of the American Antitrust Institute, "there is potential for some kind of major litigation."

Jonathan Lee of telco lobby Comptel pointed out that his group was already in litigation against the Justice Department for what it thought were insufficient conditions on the AT&T/SBC and Verizon/MCI mergers.

Andrew Schwartzman of the Media Access Project said his filing on behalf of the Center for Digital Democracy emphasized the threat to net neutrality of the merge, homing in on the issue of removing a potential competitor for wireless Internet access.

Mark Cooper emphasized the issues of 1) net neutrality--"saying that AT&T is "leading the charge to put a toll booth and a tire shredder on the Internet"--2) potential red-lining of video and broadband service (only serving the more profitable areas of a franchise), and 3) the reconstitution of the old Ma Bell that the merger, following AT&T's earlier merger with SBC, suggests. Throw in the issue of phone record privacy, Cooper said, and it will make for "an interesting conversation."

Craig Aaron of anti-consolidation group Free Press said that its Web Site had generated 15,000 comments to the FCC opposing the merger.

June 5 was the deadline in the initial round of comments on the deal, which was announced in March.

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