

DoJ Approves AT&T-BellSouth Merger, Without Conditions

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The Department of Justice (DoJ) on Wednesday approved the \$67 billion merger of AT&T Inc. and BellSouth Corp. Tomorrow, the FCC is expected to do the same. The DoJ did not impose any conditions on the combination, and it was not known whether the FCC would follow suit.

"The presence of other competitors, changing regulatory requirements and the emergence of new technologies in markets for residential local and long- distance service indicate that this transaction is not likely to harm consumer welfare," Assistant Attorney General Thomas Barnett said in a statement. "The proposed acquisition does not raise competition concerns with respect to Internet services markets or 'net neutrality.'"

The Competition Coalition, an alliance composed of various competitive carriers and pro-consumer organizations, decried the move.

"Unfortunately, by endorsing the largest telecommunications merger in history, the DoJ ignored the interests of consumers and the valid concerns raised by many experts and organizations that the reconstitution of Ma Bell will lead to higher prices, job cuts, violations of customer privacy and a widening of the digital divide," said Andrew Schwartzman of the Competition Coalition. He also serves as president and CEO of the Media Access Project. "AT&T, with the help of a complicit government, is poised to control nearly half of the nation's phone lines, and will also be the largest wireless and broadband Internet company in the country. ... If the FCC joins DoJ in shirking its responsibilities, all Americans will be beholden to this massive beast."

The coalition also contended that by issuing a press release instead of a consent decree, the DoJ has avoided a judicial review of the AT&T-BellSouth merger. The AT&T-SBC and Verizon Communications Inc.-MCI Inc. deals are under scrutiny from a federal judge, Emmet G. Sullivan. Sullivan has spent the past several months reviewing them under the Tunney Act, at the behest of associations interested in competitive fairness. He still has not decided whether the mergers negatively impacted competition and consumers.

The DoJ's decision comes just days after members of the House Judiciary Committee asked the agency not to approve the deal until the Tunney Act reviews of the AT&T-SBC and Verizon-MCI combinations have concluded.

AT&T Inc. www.att.com

BellSouth Corp. www.bellsouth.com

Competition Coalition www.mergermonster.com

Department of Justice www.usdoj.gov