



Diverse Groups Urge the FCC to Oppose the AT&T/BellSouth Merger

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WASHINGTON, June 6 /PRNewswire/ -- Today, representatives from national consumer groups, state consumer advocates, and antitrust law experts held a press conference call to discuss new activities and strategies related to their opposition to the pending merger between BellSouth and AT&T. Opposition to the merger is mounting at several state public utility commissions and at the Federal Communications Commission (FCC).

If approved, this merger will create the largest telecommunications monopoly in the country, controlling almost half of the nation's telephone lines. It will also be the nation's largest wireless company, the largest broadband company, the largest long distance company, the largest VoIP company, and will control the largest collection of wireless spectrum that had been intended for the creation of alternative networks. This is the latest in AT&T's efforts to recreate the old Bell monopoly telephone company that was dismantled by President Ronald Reagan in 1984. AT&T has already succeeded in swallowing Pacific Telesis, Ameritech, SNET, SBC and the former AT&T Wireless.

"This merger gives AT&T more leverage to play its anticompetitive dirty tricks. It will use its market power to raise consumer prices and slow the flow of innovation," said Mark Cooper, Director of Research at the Consumer Federation of America.

"As a result of a concatenation of events -- many of them Commission-initiated -- the competitive environment that was anticipated and nourished in the SBC/Ameritech and Bell Atlantic/GTE mergers has been choked almost out of existence. Then the SBC/AT&T and Verizon/MCI mergers further limited competition. Now we are left with complements like wireless and voice over Internet protocol that are supposed to represent so-called 'intermodal' alternatives, yet in which the mega-corporations have a large stake," said Charlie Acquard, Executive Director of NASUCA.

The merger will also cost jobs. AT&T and BellSouth "anticipate the loss of 10,000 jobs" after the merger and predict that "half of the \$13.9 billion" in merger savings will come from "headcount reductions." This is why the Bells' largest union, Communications Workers of America, has opposed the merger in several states.

"Now that AT&T's Ed Whitacre has made it plain that his business model is based on creating a tiered Internet, in considering this merger the FCC has more reason than ever to impose for strong and permanent protections for Network Neutrality," said Andrew Schwartzman, President and CEO of the Media Access Project.

"The proposed merger of AT&T and BellSouth would be disastrous for the communications market and would subject end-users to fewer choices and higher prices for any services that rely on high-capacity transmission as an input, including high-bandwidth business and wireless services," said Jonathan Lee, Senior Vice President of COMPTEL.

The merger will also harm national security and disaster preparedness by eliminating redundant telecommunications network capabilities. It will further threaten consumer privacy by creating a single massive database under AT&T's control containing the phone records of customers of the largest telephone and wireless monopoly in the country, creating risks of further unlawful disclosure of private information. The ACLU has opposed the AT&T/BellSouth merger on these grounds.

Speaking about its anti-merger grassroots campaign that has already

prompted over 15,000 consumer letters to the FCC and thousands more individual oppositions at the U.S. Department of Justice, Craig Aaron, Communications Director at Free Press, said: "These tens of thousands of people are simply saying that enough is enough. These companies are big enough, they already have enough power. And these citizens, with millions of more Americans across the country like them, are saying they're tired of higher prices, they're tired of lousy service, they're tired of having fewer choices, no innovation, no competition, they're saying its time to stop the merger mania. We weren't too crazy about Ma Bell's show the first time, the sequel is looking even worse."

"AT&T has a history of anticompetitive conduct. Moreover, three dominant, geographically separated, vertically integrated telecommunications conglomerates is not an optimal industrial structure for the U.S. market. To the extent that the proposed transaction does not involve the loss of a competitor in any local exchange market, the applicants will be rewarded for failing to meaningfully compete during the ten years since the enactment of the pro-competitive Telecommunications Act of 1996," concluded Jonathan Rubin, Senior Research Fellow at the American Antitrust Institute.

About the Participants

American Antitrust Institute

The American Antitrust Institute is an independent Washington-based non-profit education, research, and advocacy organization. Our mission is to increase the role of competition, assure that competition works in the interests of consumers, and challenge abuses of concentrated economic power in the American and world economy. We are, broadly, post-Chicago centrists dedicated to the vigorous use of antitrust as a vital component of national and international competition policy.

COMPTEL

COMPTEL is the leading industry association representing communications service providers and their supplier partners. Based in Washington, D.C., COMPTEL advances its members' business through policy advocacy and through education, networking and trade shows.

To view a copy of the comments filed with the FCC, please click this link: http://www.comptelascent.org/library/documents/deny-att-bellsouth_june5_2006_final.pdf

Consumer Federation of America

Since 1968, the Consumer Federation of America (CFA) has provided consumers a well-reasoned and articulate voice in decisions that affect their lives. Day in and out, CFA's professional staff gathers facts, analyzes issues, and disseminates information to the public, policymakers, and rest of the consumer movement.

To view a copy of the comments filed with the FCC, please click this link:

Part 1:

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Part 2:

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Free Press

Free Press is a national nonpartisan organization working to increase informed public participation in crucial media policy debates, and to generate policies that will produce a more competitive and public interest-oriented media system with a strong nonprofit and noncommercial sector.

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Media Access Project

Media Access Project (MAP) is a thirty year old non-profit tax exempt public interest telecommunications law firm which promotes the public's First Amendment right to hear and be heard on the electronic media of today and tomorrow.

To view a copy of the comments filed with the FCC on behalf of the Center for Digital Democracy, please click this link:

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National Association of State Utility Consumer Advocates (NASUCA)

NASUCA is an association of 44 consumer advocates in 42 states and the District of Columbia. NASUCA's members are designated by the laws of their respective jurisdictions to represent the interests of utility consumers before state and federal regulators and in the courts.

To view a copy of the comments filed with the FCC, please click this link:

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