

# ORIGINAL

State of Florida



## Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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**-M-E-M-O-R-A-N-D-U-M-**

COMMISSION  
CLERK

**DATE:** April 5, 2005

**TO:** Blanca S. Bayó, Commission Clerk and Administrative Services Director

**FROM:** Melinda H. Watts, Engineering Specialist III, Division of Competitive Markets & Enforcement *MHW*

**RE:** Docket No. 050164-TC - Acknowledgment of merger of SBC Communications Inc. and AT&T Communications of the Southern States, LLC d/b/a AT&T, holder of pay telephone Certificate No. 8019.

Please add the attached document requesting that the Florida Public Service Commission acknowledge the merger of SBC Communications Inc. and AT&T Communications of the Southern States, LLC d/b/a AT&T, holder of pay telephone Certificate No. 8019, to the subject docket file.

- CMP \_\_\_\_\_
- COM \_\_\_\_\_
- CTR \_\_\_\_\_
- ECR \_\_\_\_\_
- GCL \_\_\_\_\_
- OPC \_\_\_\_\_
- MMS \_\_\_\_\_
- RCA \_\_\_\_\_
- SCR \_\_\_\_\_
- SEC 1
- OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

03399 APR-6 2

FPSC-COMMISSION CLERK



Suite 700  
101 N. Monroe Street  
Tallahassee, FL 32301

February 28, 2005

Dr. Mary Andrews Bane  
Executive Director  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0850

Re: AT&T Communications of the Southern States, LLC ("AT&T Communications")

Dear Dr. Bane:

It was our pleasure to meet with you and your staff last Thursday. As promised, this is to notify the Commission that the recently announced merger between SBC Communications Inc. ("SBC") and AT&T Corp. ("AT&T") will have no impact on the Pay Telephone Provider ("PATS") Certificate No 8019 currently held by AT&T Communications.<sup>1</sup> As explained below, PATS Certificate No. 8019 will not be sold, assigned or transferred as a result of the merger. Indeed, after the merger, AT&T Communications will continue to own and control the certificate and any associated pay telephone operations. Although we believe that the change in control at the parent level of AT&T Communications does not require Commission action, we also recognize that it is important for the Commission to understand the transaction and its benefits.

The merger of SBC and AT&T will be seamless and transparent to AT&T Communication's pay telephone customers in Florida. Pursuant to the merger agreement, a wholly-owned subsidiary of SBC will be created specifically for the purpose of consummating the transaction. The newly formed entity will merge with and into AT&T, with AT&T being the surviving entity. Shareholders of AT&T will receive consideration comprised of 0.77942 shares of SBC common stock and a special dividend of \$1.30 per share of AT&T stock. Following the merger, AT&T will become a wholly owned subsidiary of SBC, and there will be no change in the ownership of AT&T Communications or any other entities affiliated with AT&T that are subject to the Commission's regulatory authority. Moreover, PATS Certificate No. 8019 will continue to be held by AT&T Communications

<sup>1</sup> Please note that TCG Public Communications, Inc., an AT&T affiliate, is in the process of completing an unrelated transaction involving the sale of its payphone operations that, to the extent required, will be the subject of a separate Commission filing. That sale will be completed prior to the consummation of the merger of SBC and AT&T.

DOCUMENT NUMBER DATE

03399 APR -6 05

FPSC-COMMISSION CLERK



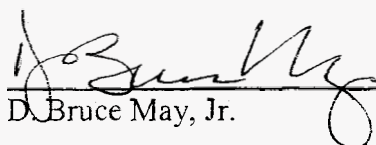
after the merger; the certificate will not be sold, assigned or transferred as a result of the merger.

We firmly believe that the combination of SBC and AT&T will advance the public interest.<sup>2</sup> The companies, through their common history, have provided telecommunications services for over 125 years and share a legacy of innovation, integrity, and reliability. SBC brings financial strength, a focus on consumers and small business, local and regional service areas, and voice, DSL, and wireline service. AT&T contributes its global systems capabilities, government and business customers, a solid portfolio of data and Internet Protocol ("IP") services, hosting, security and professional services, technology leadership through AT&T Labs, and skilled networking capabilities. Together, the combined company will boast robust, high-quality network assets, both in the United States and around the world, and complementary expertise and capabilities. It will have the resources and skills to innovate and more quickly deliver to customers the next generation of advanced, integrated IP-wireline and wireless communications services.

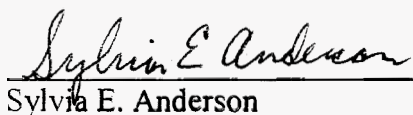
The merger of SBC and AT&T is in the public interest because it will strengthen the combined company's ability to provide advanced, innovative communications services, to the benefit of businesses and consumers in Florida, nationwide, and around the globe.

Should you have any questions regarding the transaction, please do not hesitate to contact us.

Yours truly,

  
D. Bruce May, Jr.

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Tallahassee, FL 32301  
(850) 425-5607  
*Counsel for SBC*

  
Sylvia E. Anderson

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1230 Peachtree St., NE, Suite 400  
Atlanta, GA 30309  
(404) 810-8070  
*Counsel for AT&T*

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<sup>2</sup> Although we do not believe Commission action is required, to the extent the Commission believes action is required, we would ask that any Commission action regarding PATS Certificate No. 8019 be taken via the consent agenda expeditiously so that the public can benefit from the transaction as soon as possible.

Dr. Mary Andrews Bane

February 28, 2005

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cc: The Hon. Braulio L. Baez  
The Hon. J. Terry Deason  
The Hon. Rudolph Bradley  
The Hon. Charles M. Davidson  
The Hon. Lisa Polak Edgar  
Mr. Charles Hill  
Mr. Richard Melson  
Ms. Beth Salak  
Mr. Dale Mailhot  
Ms. Beth Keating

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