



STATE OF FLORIDA

CHARLIE CRIST
ATTORNEY GENERAL

June 19, 2006

Ms. Lisa Polak Edgar, Chairwoman
Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0850

RE: Bell South/AT&T Merger – Docket #060308-TL

Dear Chairwoman Edgar:

I write to comment on the pending BellSouth/AT&T merger, in the interest of preserving competition and protecting Florida's seniors, small businesses and residential consumers. A merger can, of course, be very good for consumers. An efficient, multi-dimensional company can provide service levels and options customers both want and need. As such, my comments herein do not reflect any opposition to a merger in the telecommunications industry or otherwise. However, when evaluating the impact of any such merger, due regard must be given to the maintenance of competitive markets and the protection of all consumers.

The BellSouth/AT&T merger combines the territory, market share, and control of "last-mile" facilities of the largest incumbent local exchange company in Florida with the nation's largest provider of local voice, long distance, and broadband DSL. This will result in the creation of one of the nation's largest telecom services providers and the nation's largest wireless carrier. The combined entity will no doubt dominate the telecommunications markets in which it competes, particularly the wireline markets. Therefore, unless proper conditions are attached, the merger could indeed have a detrimental impact on competition.

Consistent with my position in the rate rebalancing debate, my concern here is that the merged company might squeeze out real competition to the detriment of consumers, particularly seniors and residential and small business customers. These customers seek reasonably priced dial tone and simple, affordable calling plans, not bundled service packages with unlimited wireless, cable and high-tech options. Unfortunately, these customers are rarely a priority for any corporate "Goliath," so other competitors must remain in the market to offer them real, cost-effective options.

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By statute, this Commission is charged with ensuring the availability of service at reasonable prices, and encouraging competition in the wireline market so that consumers will have the widest possible range of choices among services and providers. While I recognize your authority in this matter is limited, you do have the ability to file comments with the FCC providing direction on the issues presented by the merger. Although the PSC Staff has submitted proposed comments, they do not, in my opinion, go far enough.

In the past, the FCC has attached a variety of conditions to telecommunications mergers of national significance, such as the AT&T/SBC merger, and the Verizon/MCI merger. Consistent with that approach, this Commission should advocate for the inclusion of similar conditions in the BellSouth/AT&T merger that will (1) ensure reasonable access to "last-mile" facilities by competitors, and (2) prevent anticompetitive conduct and pricing at both the wholesale and retail levels.

In closing, I urge this Commission to seek forcefully the adoption of appropriate merger conditions and thereby fulfill its statutory mandate to ensure the availability of service at reasonable prices and encourage competition in the wireline market. In this way, and only in this way, can Floridians, particularly seniors, small businesses and residential consumers, have confidence their interests, and the interests of the competitive marketplace, will be protected fully in the BellSouth/AT&T merger.

Sincerely,

A handwritten signature in black ink that reads "Charlie Crist". The signature is stylized and cursive.

Charlie Crist

CC/kdm

cc: Commissioner J. Terry Deason
Commissioner Isilio Arriaga
Commissioner Matthew M. Carter, II
Commissioner Katrina J. Tew