

GALLAGHER & KENNEDY
P.A.
ATTORNEYS AT LAW

ORIGINAL



0000125235

MICHAEL M. GRANT
DIRECT DIAL: (602) 530-8291
E-MAIL: MMG@GKNET.COM

RECEIVED

2011 MAY 12 P 4: 13

2575 EAST CAMELBACK ROAD
PHOENIX, ARIZONA 85016-9225
PHONE: (602) 530-8000
FAX: (602) 530-8500
WWW.GKNET.COM

ARIZONA CORPORATION COMMISSION
DOCKET CONTROL

May 12, 2011

Arizona Corporation Commission
DOCKETED

MAY 12 2011

VIA HAND-DELIVERY

Docket Control
Arizona Corporation Commission
1200 W. Washington
Phoenix, Az. 85007

DOCKETED BY 

Re: AT&T Inc. ("AT&T") Responses to Staff's First Set of Data Requests;
Docket Nos. T-02428A-11-0170; T-03346A-11-0170; and T-03016A-
11-0170 11-0170

Dear Sir/Madam:

Enclosed for filing are the original and 17 copies of AT&T's responses to Staff's First Set of Data Requests in relation to this matter. Your assistance in relation to this matter is appreciated.

Very truly yours,

GALLAGHER & KENNEDY, P.A.

By: 
Michael M. Grant

MMG:kjp
Enclosures
2756402 / 17840-21
cc: Pamela Genung, Utilities Division (via e-mail)

AT&T INC.
RESPONSES TO FIRST SET OF DATA REQUESTS OF
ARIZONA CORPORATION COMMISSION STAFF
Docket Nos. T-02428A-11-0170, T-03346A-11-0170, and T-03016A-11-0170
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STF 1.1 Please explain why Company Nos. T-03287A, Bellsouth Long Distance, Inc. and T-03116A, SNET America, Inc. should not be added to this Application.

Respondent: Sharon Mullin

Response: The Public Utility Holding Companies and Affiliated Interests Rules--specifically R14-2-802--are applicable to all Class A investor-owned utilities. AT&T is the holding company parent of BellSouth Long distance, Inc. and SNET America, Inc., but neither of those companies are Class A utilities in Arizona. That is why the Waiver/Notice of Intent has not been filed in those docket numbers and why they should not be added to the Application.¹

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¹ Although SBC Long Distance is listed in the Verified Waiver Application/Notice of Intent, it no longer has any data customers in Arizona and, as of the last quarter of 2010, its annual revenue stream dropped below the level sufficient to maintain Class A status. An application to discontinue all competitive local exchange services under that SBC LD CC&N will be filed shortly.

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STF 1.2 Please name any states in which T-Mobile is not currently providing or is not licensed to provide wireless services.

Respondent: T-Mobile

Response: T-Mobile holds CMRS licenses covering all states plus Puerto Rico. Areas where T-Mobile service is currently available are shown at <http://www.t-mobile.com/coverage/pcc.aspx> .

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STF 1.3 Please identify and explain whether AT&T has any outstanding or unresolved consumer complaints, relevant proceedings, or issues in any of the other states in which it is providing service.

Respondent: Yvonne Harrison, Area Manager, Customer Service, AT&T Services, Inc.
Chris Timmermans, Associate Director, Customer Appeals, AT&T Services, Inc.
Mike Devaan, Manager Customer Appeals, AT&T Mobility Services LLC
Charles Villarreal, Project Manager, AT&T Mobility Services LLC

Response: After discussion with Staff, this question has been clarified to request only outstanding or unresolved consumer complaints, relevant proceedings, or issues in any of AT&T's other states, specifically related to AT&T's acquisition of T-Mobile. Given this clarification, AT&T responds as follows:

There are no outstanding or unresolved consumer complaints in any of AT&T's other states specifically related to AT&T's acquisition of T-Mobile. There are proceedings related to Commission examination of the transaction in two other states – Hawaii and West Virginia (see also response to STF 1.19 below). We are aware of no other issues in any state specifically related to AT&T's acquisition of T-Mobile.

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STF 1.4 Please identify and explain whether AT&T or any of its Arizona subsidiaries has any outstanding or unresolved consumer complaints, relevant proceedings, or issues before the Arizona Commission.

Respondent: Yvonne Harrison, Area Manager, Customer Service, AT&T Services, Inc.
Chris Timmermans, Associate Director, Customer Appeals, AT&T Services, Inc.
Mike Devaan, Manager Customer Appeals, AT&T Mobility Services LLC
Charles Villarreal, Project Manager, AT&T Mobility Services LLC

Response: AT&T and its Arizona subsidiaries do not have any outstanding or unresolved consumer complaints before the Arizona Commission.

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STF 1.5 Is AT&T is in compliance with Decision No. 68269 and Decision No. 68865?
If no, please explain.

Respondent: Sharon Mullin

Response: Yes. However, we did discover on May 12, 2011, an inadvertently unreported layoff which occurred earlier this year. We immediately corrected that omission, upon discovery, with a filing with Docket Control to Mr. Olea on May 12, 2011.

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STF 1.6 Please identify the company name that will be used in marketing or providing service to the customers of T-Mobile should this filing be approved by the Commission.

Respondent: Sharon Mullin

Response: Service will likely be marketed under the same branding being used by AT&T Mobility today.

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STF 1.7 Please identify which ILECs currently serve the areas where T-Mobile customers are located.

Respondent: T-Mobile

Response: The following ILECs serve the areas where T-Mobile customers are located:

Accipiter Communications Inc
Arizona Telephone Co.
Citizens Telecom Co Of Wht Mtns Inc.
Citizens Utilities Rural dba Frontier Ut Rural
Fort Mojave Telecom, Inc.
Gila River Telecomm, Inc.
Hopi Telecommunications Incorporated - AZ
Midvale Telephone Exchange, Inc.
Navajo Comm Co Inc - AZ dba Frontier Navajo Com
Qwest Corporation
Rio Virgin Telephone Co., Inc.
San Carlos Apache Telecommunications Utility, Inc.
South Central Utah Telephone Association, Inc.
Southwestern Telephone Co.
Table Top Telephone Co., Inc.
Tohono O'odham Utility Authority
Valley Telephone Cooperative, Inc.
Verizon California Inc.-AZ

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STF 1.8 Please explain what impact the acquisition will have on the competitive situation in Arizona.

Respondent: Sharon Mullin

Response: The U.S. wireless marketplace is extremely competitive. Indeed, as indicated by various market characteristics—falling prices, accelerating output, technological dynamism, surging investment, ubiquitous advertising wars, and multidimensional competition—the U.S. wireless marketplace ranks among the most competitive in the U.S. economy. It will remain so after this merger. In fact, by freeing the applicants from their output-suppressing capacity constraints, this transaction will leave the marketplace more dynamic and competitive than before, and the beneficiaries will be American consumers.

There are several reasons the transaction will maintain and enhance competition. Among those reasons are the following. First, at least four wireless competitors will operate in Arizona after the transaction: Verizon-Alltel, AT&T, Sprint-Nextel, and Leap/Cricket. Second, T-Mobile USA's absence from the market will not have a significant competitive impact because other providers already fill—or could easily move to fill—the competitive role T-Mobile USA occupies today. T-Mobile USA is—in the words of DT Senior Vice President Thorsten Langheim—“struggling to remain a strong competitor in the wireless marketplace. Despite marketing efforts to improve its standing, T-Mobile USA has steadily lost market share . . . over the past two years.” Third, the expanded network capacity resulting from this transaction will benefit consumers by creating incentives for greater innovation, greater output, and lower prices than would occur in the absence of the transaction. Fourth, it allows AT&T to bring to market a broader range of products and services in a more timely, efficient, and competitive manner.

Please see AT&T's Verified Waiver Application/Notice of Intent filed with the ACC on April 21, 2011 and Public Interest Statement filed with the FCC on the same date in WT Docket No. 11-65 for more detailed information.

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STF 1.9 Please identify and explain the potential benefits, if any, that the proposed merger will have on AT&T's wireline customers. If none are currently available, please provide the date when such information will be available.

Respondent: Sharon Mullin

Response: The transaction will have benefits for both wireline and wireless customers. Wireline customers will benefit indirectly from LTE deployment initiatives that will spur additional broadband investment, jobs, and economic growth.

Another substantial benefit for wireline customers specifically is that the transaction will enable AT&T to deploy next-generation LTE services to more than 95 percent of Arizonans. As a result, many more wireline customers will have a robust alternative to wireline broadband services.

For more details on the many benefits to customers that will result from this transaction, please see AT&T's Verified Waiver Application/Notice of Intent filed with the ACC on April 21, 2011 and Public Interest Statement filed with the FCC on the same date in WT Docket No. 11-65.

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STF 1.10 Please identify where the call center(s) or service center(s) are located for T-Mobile customers.

Respondent: T-Mobile

Response: T- Mobile does not have call centers or service centers in Arizona.

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STF 1.11 If a T-Mobile call center or service center is located in Arizona, please provide the number of employees at that center.

Respondent: T-Mobile

Response: Not applicable. Please see response to STF1.10 above.

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STF 1.12 Please identify any Arizona workforce layoffs of T-Mobile, AT&T, or any of AT&T's subsidiaries should this Application be approved by the Commission. If such information is not currently available, please provide the date when such information will be available.

Respondent: Sharon Mullin

Response: After the transaction closes, AT&T will evaluate the combined company's staffing, store locations and network distribution facilities in order to enhance its sales operations and achieve the optimum network deployment. AT&T's goal is to create a workforce best positioned to compete in today's global and competitive technology environment.

Based on publicly available data as stated in our response to STF 1.10 above, we know that T-Mobile does not have any call centers or service centers in Arizona, so there will be no personnel layoffs or facilities closures for those two types of facilities. Additionally and on a national basis, we expect that any required workforce reductions will be mostly achieved through natural attrition. Both the Communications Workers of America and AFL-CIO have stated support for the transaction.

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STF 1.13 Please identify any Arizona plant or facility closings of T-Mobile, AT&T, or any of AT&T's subsidiaries should this Application be approved by the Commission. If such information is not currently available, please provide the date when such information will be available.

Response: See response to 1.12

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STF 1.14 Please identify any AT&T wireless broadband investment in Arizona should this Application be approved by the Commission. If such information is not currently available, please provide the date when such information will be available.

Respondent: Jesper Larsson

Response: AT&T's current (pre-merger) plans call for deployment of LTE to approximately 80 percent of the U.S. population. As a result of the spectrum, efficiencies and other resources from this transaction, AT&T can commit to deploying 4G LTE to more than 97% of the U.S. population, an increase of approximately 55 million people. In Arizona, we estimate the number of residents covered by 4G LTE will increase by roughly the same percentage; the square miles covered will increase by more than 300%.

Unless and until the transaction closes, AT&T and T-Mobile remain independent, competing companies. As a result, at this juncture, AT&T's ability to receive certain information from T-Mobile for integration planning is limited. Where information is available, we have not conducted the required analysis to develop this information for Arizona.

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STF 1.15 Please identify any AT&T wireline broadband investment in Arizona should this Application be approved by the Commission. If such information is not currently available, please provide the date when such information will be available.

Respondent: Heath Simpson, Director – Corporate Development, AT&T Management Services, L.P.

Response: Given the wireless nature of this transaction, AT&T would not foresee an increase in wireline broadband investment in Arizona resulting from the transaction.

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STF 1.16 Please indicate the impact on AT&T's overall investment in Arizona resulting from the proposed acquisition. If such information is not currently available, please provide the date when such information will be available.

Response: See 1.14 and 1.15

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STF 1.17 Will AT&T be providing a customer notification to the customers of T-Mobile? If so, please provide a copy of the customer notification and indicate the date that it was sent or will be sent to those customers.

Respondent: Sharon Mullin

Response: AT&T in its prior mergers has provided notification of the acquisition to customers of the acquired company. In the Alltel transaction, for example, that notice was sent within 90 days after the transaction closed. At this time we cannot engage in the operational planning that would be required to determine the final content of such a notice. Once the transaction closes, we expect the notice provided to be similar to the notices provided to Arizona customers in connection with AT&T's acquisition of the Dobson and Alltel properties, with relevant and appropriate factual changes. A very generic sample of that type of notice is attached. The sample is not intended to reflect any operational or other decisions made regarding the customer notice, and our generic sample will be modified to reflect the unique facts of this transaction.

Mr. Sample A. Sample
123 Any Street
Anytown, NA 12345-4567

Dear Sample A. Sample,

Now that AT&T has acquired T-Mobile USA, Inc., you'll soon be able to enjoy the benefits of being an AT&T customer.

You will not have to make any changes to your T-Mobile USA services or devices at this time.

This change in ownership will not affect your current service. You'll also continue to receive the absolute best in customer care.

Plus, AT&T offers a variety of affordable service plans and the widest choice of state-of-the-art handsets and devices in the industry. So with AT&T, you'll get everything you want in a wireless service provider and more. We're here for you.

We're excited to have you as a new customer and look forward to serving your wireless needs. If you have any questions, please call AT&T Customer Service at 1-800-XXX-XXXX, visit www.ATTWelcomesYou.com, or stop by an AT&T store near you.

Sincerely,
Name Name
Position Position
AT&T

You'll love being part of AT&T.

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STF 1.18 Will AT&T be publishing a legal notice in all counties affected by this Application? If so, please provide a copy of the legal notice and indicate the media name and date the notice was published.

Respondent: Sharon Mullin

Response: Yes. AT&T will publish a legal notice in all counties affected by the Application. The notice will be in the form attached. The notice will be published in the Arizona Republic – the newspaper of general circulation statewide. In addition, it will be published in the Tucson Daily Star in southern Arizona and the Arizona Daily Sun in Flagstaff.

NOTICE OF APPLICATION/NOTICE OF INTENT BY AT&T INC. IN
RELATION TO ITS ACQUISITION OF T-MOBILE USA, INC.
DOCKET NOS. T-02428A-11-0170, et al.

On April 21, 2011, AT&T Inc. ("AT&T") filed its Verified Waiver Application/Notice of Intent with the Arizona Corporation Commission ("Commission") in relation to its acquisition of T-Mobile USA, Inc., which provides wireless communications services in Arizona. The Application is available for inspection during regular business hours at the office of the Commission in Phoenix at 1200 West Washington Street, Phoenix, Arizona or on the Commission's website, azcc.gov, by using the eDocket link.

You may have the right to intervene in the proceedings and participate as a party. Intervention will be in accordance with A.A.C. R14-3-105. Persons desiring to intervene must file a written motion with the Commission and send such motion to the Applicant or its counsel. The motion must, at a minimum, contain the name, address and telephone number of the proposed intervenor, a short statement of how the proposed intervenor is directly and substantially affected by the proceeding, and a statement certifying that a copy of the motion to intervene has been mailed to the Applicant or its counsel and to all parties of record in the case.

Comments may also be made by writing to the Commission in care of Docket Control, 1200 W. Washington Street, Phoenix, Arizona 85007. All correspondence should contain the Docket No. T-02428A-11-0170. If you want further information on intervention or have questions on how to file comments, you may contact the Consumer Service Section of the Commission at 1200 West Washington Street, Phoenix, Arizona 85007 or call 1-800-222-7000.

The Commission does not discriminate on the basis of disability in admission to its public meetings. Persons with a disability may request a reasonable accommodation such as sign language interpreter, as well as request this document in an alternative format, by contacting the ADA Coordinator, voice phone number 602.542-3931. Requests should be made as early as possible to allow time to arrange the accommodation.

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- STF 1.19** Please identify in which states the proposed acquisition has been filed.
- a. Please identify which states have approved the proposed acquisition.
 - b. Please identify which states have denied the proposed acquisition.

Respondent: Sharon Mullin

- Response:** Notification of the transaction or applications for approval of the transaction were filed in California, Hawaii, Louisiana and West Virginia.
- a) By letter notice dated April 7, 2011 the Louisiana Public Service Commission affirmed that the proposed transaction does not require Commission action.
 - b) No state has denied the proposed transaction.