

**STATE OF NEW YORK  
PUBLIC SERVICE COMMISSION**

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Joint Petition of

SBC COMMUNICATIONS INC. and

AT&T CORP., TOGETHER WITH ITS CERTIFICATED  
NEW YORK SUBSIDIARIES,

Case 05-C-\_\_\_\_\_

for Approval of Merger

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**JOINT PETITION OF SBC COMMUNICATIONS INC., AT&T CORP. AND ITS  
CERTIFICATED NEW YORK SUBSIDIARIES FOR APPROVAL OF MERGER**

**FOR SBC COMMUNICATIONS INC.**

Andrew Gansberg  
Nixon Peabody LLP  
30 South Pearl Street  
Albany, NY 12207  
(518) 427-2657 (Telephone)  
(518) 427-2666 (Facsimile)  
agansberg@nixonpeabody.com

Wayne Watts  
Paul K. Mancini  
Martin E. Grambow  
Randall Johnson  
SBC Communications Inc.  
175 East Houston  
San Antonio, Texas 78205-2233  
(214) 464-3620 (Telephone)  
(214) 464-5477 (Facsimile)  
dj4905@sbccom.com

Geoffrey M. Klineberg  
Kellogg, Huber, Hansen, Todd,  
Evans & Figel, PLLC  
1615 M Street, N.W., Suite 400  
Washington, D.C. 20036  
(202) 326-7928 (Telephone)  
(202) 326-7999 (Facsimile)  
gklineberg@khhte.com

**FOR AT&T CORP.**

Mary E. Burgess  
Senior Attorney  
AT&T Corp.  
111 Washington Ave., Suite 706  
Albany, NY 12210  
(518) 463-3148 (Telephone)  
(518) 463-5943 (Facsimile)  
meburgess@att.com

Benjamin R. Nagin  
Sidley, Austin, Brown & Wood LLP  
787 Seventh Avenue  
New York, NY 10019  
(212) 839-5911 (Telephone)  
(212) 839-5599 (Facsimile)  
bnagin@sidley.com

Dated: February 28, 2005

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**OF SBC COMMUNICATIONS INC., AT&T CORP. AND ITS CERTIFICATED**  
**NEW YORK SUBSIDIARIES FOR APPROVAL OF MERGER**

1. SBC Communications Inc. (“SBC”), AT&T Corp. (“AT&T”), and the AT&T subsidiaries certificated to provide telecommunications services in the State of New York, the Joint Petitioners in this proceeding, hereby request approval of the New York Public Service Commission (“Commission”), pursuant to Sections 99 and 100 of the New York Public Service Law, of the merger of SBC and AT&T, in accordance with the Agreement and Plan of Merger (“Merger Agreement”) jointly executed by SBC and AT&T on January 30, 2005.\* A copy of the Merger Agreement is attached hereto as Exhibit B.

2. Following the merger, AT&T will become a wholly-owned, first-tier subsidiary of SBC. The merger will be transparent and seamless for the customers of the operating subsidiaries of SBC and AT&T in New York. Upon consummation of the merger, the Commission will retain the same regulatory authority over those AT&T subsidiaries that it

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\* Please see the investor disclosure statement attached as Exhibit A to this Joint Petition.

possesses today. Those AT&T subsidiaries will be owned by the same entity, AT&T, that owns those subsidiaries today. No transfer of assets or certificates of service authority will occur as part of this transaction.

3. The merger of SBC and AT&T is in the public interest. The merger will enhance the abilities of the operating subsidiaries to offer a broad array of existing and emerging telecommunications and information services by bringing together two telecommunications companies with complementary strengths and by capitalizing on the synergies related to the companies' shared values of customer service, innovation, and reliability.

4. The Joint Petitioners respectfully submit that the public interest will be served by prompt approval of the proposed merger. The Joint Petitioners offer the following information in support of this Petition:

## **I. THE PARTIES**

### **A. SBC Communications Inc. ("SBC")**

5. SBC is a Delaware corporation with headquarters at 175 East Houston Street, San Antonio, Texas 78205-2233. SBC is a holding company and does not directly provide any services in New York or elsewhere. SBC's subsidiaries provide voice, data, and Internet services for residential, business, and government customers, mostly in a 13-state region. SBC serves 52.4 million access lines and has 5.1 million DSL lines in service. SBC holds a 60 percent economic and 50 percent voting interest in Cingular Wireless, which serves 49.1 million wireless customers. Through alliances with GSM-based providers, Cingular offers coverage in more than 170 countries worldwide. SBC is also making a \$4 billion investment to bring next-generation Internet Protocol-based ("IP-based") services to 18 million households within 3 years. More comprehensive information concerning SBC's financial status, operations, management,

and services is set forth in SBC's most recent annual report. See <http://www.sbc.com/gen/investor-relations?pid=5465>.<sup>1</sup>

**B. AT&T Corp. ("AT&T")**

6. AT&T is a New York holding corporation with headquarters at One AT&T Way Bedminster, New Jersey 07921. AT&T, through its subsidiaries, is authorized to provide domestic and international telecommunications services throughout the United States. AT&T operates the world's largest communications network and offers a global presence in more than 50 countries, national and global IP-based networks, an unmatched portfolio of data and IP services, hosting, security and professional services, technology leadership through its AT&T Labs, skilled networking capabilities, and a highly significant base of government and large

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<sup>1</sup> SBC also wholly owns four subsidiaries that are certificated to provide competitive interexchange and local exchange telecommunications services in New York. The first, SBC Long Distance, Inc. f/k/a Southwestern Bell Communications Services, Inc. ("SBC Long Distance"), is a Delaware corporation headquartered at 5850 W. Las Positas Boulevard, Pleasanton, CA 94588. SBC Long Distance is authorized to operate as a facilities-based provider and reseller of telephone service, with authority to provide local exchange service, pursuant to a Certificate of Public Convenience and Necessity granted by this Commission on August 18, 2004, in Case 04-C-0874. (SBC Long Distance previously was certified to provide resold telephone services in New York in Case 96-C-0944 (Dec. 18, 1996), and to provide resold and facilities-based telephone services, in Case 04-C-0157 (Apr. 30, 2004)).

The second, SBC Telecom, Inc. ("SBC Telecom"), is a Delaware corporation headquartered at 1010 N. St. Mary's Street, Room 13-K, San Antonio, TX 78215. SBC Telecom is authorized as a facilities-based common carrier and reseller of telephone service, including local exchange services, pursuant to a Certificate of Public Convenience and Necessity granted by this Commission on August 4, 2000, in Case 00-C-0986.

This Commission has pending before it a joint application of SBC Telecom and SBC Long Distance for the consolidation of the New York operating authority of both entities into SBC Long Distance, LLC in Case 04-C-1717. By letter dated January 19, 2005, this Commission has advised that the joint application of SBC Telecom and SBC Long Distance will be approved by operation of law on February 28, 2005. The merger of SBC and AT&T will not affect the authorized consolidation in any fashion.

The third SBC subsidiary certificated in New York is SNET America, Inc. d/b/a SBC Long Distance East ("SBC Long Distance East"), a Connecticut corporation headquartered at 310 Orange Street, New Haven, CT 06510. SBC Long Distance East is a wholly-owned subsidiary of Southern New England Telecommunications Corporation, which is, in turn, a wholly-owned subsidiary of SBC. SBC Long Distance East is authorized as a reseller of telecommunications services pursuant to a Certificate of Public Convenience and Necessity granted by this Commission on August 12, 1994, in Case 94-C-0311.

The fourth SBC subsidiary certificated in New York is SNET Diversified Group, Inc. ("SNET DG"). SNET DG is a wholly-owned subsidiary of Southern New England Telecommunications Corporation, which is, in turn, a wholly-owned subsidiary of SBC. SNET DG received a Certificate of Public Convenience and Necessity to operate as a facilities-based common carrier and reseller of telephone services on May 9, 2001, in Case 01-C-0571.

business customers. More comprehensive information concerning AT&T's financial status, operations, management, and services is set forth in AT&T's most recent annual report. See <http://www.att.com/ir/sec/>.

**C. AT&T Subsidiaries**

7. AT&T Communications of New York, Inc. ("AT&T-NY") is a New York corporation headquartered at One AT&T Way, Bedminster, NJ 07921. AT&T-NY is a wholly-owned subsidiary of AT&T and is authorized to provide full, statewide services on an intraLATA, intracity basis, pursuant to a Certificate of Public Convenience and Necessity granted by this Commission on June 26, 1991, in Case 90-C-0262.

8. Teleport Communications Group Inc. ("TCG") is a Delaware corporation headquartered at One AT&T Way, Bedminster, NJ 07921, and is a wholly-owned subsidiary of AT&T. TCG is a holding company which holds all the stock of TC Systems, Inc. and all of the interests of Teleport Communications New York, Inc., a New York partnership. TCG is authorized to provide intracity switched services in its shared tenant service offerings pursuant to a Certificate of Public Convenience and Necessity granted by this Commission in Case 91-C-0590 on October 18, 1991.

9. TC Systems, Inc. ("TC Systems") is a Delaware corporation headquartered at One AT&T Way, Bedminster, NJ 07921. TC Systems is a wholly-owned subsidiary of Teleport Communications Group Inc., which in turn is a wholly-owned subsidiary of AT&T. TC Systems is authorized to provide all forms of telephone service on an intraLATA, intracity basis, pursuant to a Certificate of Public Convenience and Necessity granted by this Commission in Case 91-C-0702 on March 17, 1992, and all forms of telephone services as a reseller via landline telephone

company or other common carrier facilities, pursuant to a Certificate of Public Convenience and Necessity issued by this Commission in Case 90-C-0220 on May 25, 1990.

10. Teleport Communications New York, Inc. (“Teleport Communications NY”) is a New York partnership headquartered at One AT&T Way, Bedminster, NJ 07921. Teleport Communications NY is a wholly-owned subsidiary of Teleport Communications Group Inc., which in turn is a wholly-owned subsidiary of AT&T. Teleport Communications NY is authorized to provide inter-tenant calling capabilities at the teleport on Staten Island, pursuant to a Certificate of Public Convenience and Necessity granted by this Commission in Case 29361 on January 14, 1987; to resell telephone services and to provide shared tenant service, pursuant to a Certificate of Public Convenience and Necessity granted by this Commission in Case 28891 on June 17, 1986; and to provide interLATA and intraLATA intracity private line services, pursuant to a Certificate of Public Convenience and Necessity granted by this Commission in Case 28891 on January 7, 1985.

11. ACC Corp. (“ACC”) is a Delaware corporation headquartered at One AT&T Way, Bedminster, NJ 07921. ACC is a wholly-owned subsidiary of AT&T and owns all of the stock of ACC Long Distance, which was authorized to provide resold interexchange telecommunications services pursuant to a Certificate of Public Convenience and Necessity granted by the Commission in Case 29450 on January 6, 1987. By Order issued January 23, 1998 in Case 97-C-2166, the Commission granted the joint petition of Teleport Communications Group and ACC Corp. seeking approval of a transaction whereby TCG would directly acquire control of ACC Corp. through the purchase of all shares of ACC stock and the transfer of acquired assets. ACC adopted the tariff of ACC National Telecom Corp. on October 22, 2004.

**D. Designated Contacts**

**SBC Contacts**

Andrew Gansberg  
Nixon Peabody LLP  
30 South Pearl Street  
Albany, NY 12207  
(518) 427-2657 (Telephone)  
(518) 427-2666 (Facsimile)  
agansberg@nixonpeabody.com

Wayne Watts  
Paul K. Mancini  
Martin E. Grambow  
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175 East Houston Street  
San Antonio, Texas 78205-2233  
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Geoffrey M. Klineberg  
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**AT&T Contacts**

Mary E. Burgess  
Senior Attorney  
AT&T Corp.  
111 Washington Ave., Suite 706  
Albany, NY 12210  
(518) 463-3148 (Telephone)  
(518) 463-5943 (Facsimile)  
meburgess@att.com

Benjamin R. Nagin  
Sidley Austin Brown & Wood LLP  
787 Seventh Avenue  
New York, NY 10019  
(212) 839-5911 (Telephone)  
(212) 839-5599 (Facsimile)  
bnagin@sidley.com

**II. REQUEST FOR APPROVAL OF SBC'S ACQUISITION OF AT&T**

**A. The Planned Merger**

12. The Merger Agreement provides that AT&T will become a first-tier subsidiary of SBC. At the time of the merger, shareholders of AT&T will exchange their stock for SBC stock. There will be no change in the ownership structure of any SBC-affiliated entity subject to the Commission's regulatory authority. Likewise, the transaction will result in no change in the ownership of any AT&T subsidiary certificated in New York.

13. In connection with the merger, AT&T shareholders will receive 0.77942 shares of SBC stock for each share of AT&T stock they own, as well as a one-time cash dividend from AT&T of \$1.30 per AT&T share. SBC shareholders will continue to own SBC stock and otherwise will not be affected by the transaction. Shareholders of AT&T will receive total consideration currently valued at \$19.71 per share, or approximately \$16 billion. Upon completion of the transaction, former AT&T shareholders will hold approximately 16% of SBC's outstanding shares.

14. The merger will not impede the Commission's ability to regulate and effectively audit the intrastate operations of SBC Long Distance, SBC Telecom, SBC Long Distance East, SNET DG, AT&T- NY, TCG, TC Systems, Teleport Communications NY, ACC, and any other entities certificated by this Commission that are under the direct or indirect control of AT&T. All of these entities will continue to operate and hold all of the state certificates that they currently hold. There will be no transfer of assets of those certificated entities in connection with the merger.

**B. Statutory Authority**

15. The Joint Petitioners request the Commission's approval pursuant to Section 100 of the New York Public Service Law, which provides that no telephone corporation may "purchase or acquire, take or hold any part of the capital stock of any telegraph corporation or telephone corporation organized or existing under the laws of this state unless authorized to do so by the commission." Section 100 also requires that any stock corporation, other than a telephone corporation, gain consent of the Commission prior to purchasing or acquiring more than ten percent of the voting capital stock issued by a telephone company organized or existing under New York law.

16. Section 99 of the New York Public Service Law requires written Commission approval before a telephone corporation can transfer or lease its works or system or any part thereof to another person or corporation, and Section 108 requires Commission approval before a certificate of merger can be delivered to the Department of State for filing.

17. The Commission has stated that Section 99(2) provides no specific standard, so it only needs a rational basis for approving a merger. *Proceeding on Motion of the Commission as to the Joint Petition of New York Telephone Company, NYNEX Corporation and Bell Atlantic Corporation*, 1997 WL 314725, at \*10 (N.Y. P.S.C. 1997) (approving merger of a subsidiary of Bell Atlantic with and into NYNEX, which survived the merger as a wholly-owned subsidiary of Bell Atlantic). Under Section 100, the standard for approval is whether the “acquisition is in the public interest,” and an important factor is the impact the acquisition will have on competition. Both of these issues are addressed below.

### **III. THE MERGER WILL SERVE THE PUBLIC INTEREST**

#### **A. General Benefits of the Proposed Merger**

18. The Joint Petitioners respectfully submit that the merger of SBC and AT&T will clearly and demonstrably serve the public interest. It responds to major technological and marketplace changes and promotes facilities-based competition in all communications services markets by bringing together two companies with complementary strengths, product sets, and customer bases. Together, SBC and AT&T will be positioned for success in a rapidly changing industry, making the transition from legacy technologies to advanced, next generation Internet Protocol networks and services. The combined business organization will be stronger, more effective, more efficient, and more innovative; it will, therefore, be better able to meet the needs

and demands of its customers – enterprise, small and medium-sized business, government and mass market.

19. As a result of the merger, AT&T's robust global network will be enhanced and U.S. ownership preserved. AT&T's facilities are an important part of the nation's communications infrastructure, and AT&T also owns the leading global network. The transaction will enable the combined organization to accelerate the capital investment in AT&T's facilities necessary to keep pace with technology and market developments. Once the merger is consummated, the combined organization will be well positioned to make capital expenditures that will upgrade and expand the existing networks, and those expenditures will be more efficiently made given the anticipated increase in capacity utilization and efficiency of traffic flows.

20. SBC expects capital spending totaling approximately \$2 billion (before synergies) over the first several years after closing, which is considerably higher than the total amount that AT&T and SBC would likely spend absent the merger. In the words of one analyst, "[t]he backing of SBC significantly strengthens AT&T's future outlook and should make customers feel more comfortable about the future investment in and quality of the network." S. Flannery, *et al.*, Morgan Stanley, *Patience Required on the Path Less Traveled* at 3 (Feb. 3, 2005).

21. The merger will strengthen national security. AT&T in particular is a significant provider of telecommunications and information services to government customers, including not only New York State, but also the White House, the Department of Homeland Security, the Department of State, the Department of Defense, and numerous other state governments and university systems. This transaction will result in a robust, U.S.-owned carrier with the financial resources and technical expertise necessary, not only to continue to provide those services, but

also to improve them through even greater investment in innovation that produces cost savings, more reliable services, and more robust capabilities to meet future needs.

22. The merger will increase innovation, which will make existing services more efficient, lead to the more rapid introduction of those services to customers who might otherwise wait years for them, and prompt the development of new services that would otherwise not exist. The combined organization will have greater incentives and ability to invest in research and development and to make available the fruits of those efforts to *all* customers. As a result, residential and small business customers ultimately should enjoy capabilities that once were available only to the largest business and government customers. And once the SBC and AT&T networks are combined as part of one organization, transport will be more efficient, reliability will increase, and the quality of service will be higher. Thus, all customers in New York will be able to benefit from these anticipated merger synergies.

**B. Impact on Competition**

23. In the wake of the merger, robust competition for business customers is assured not only by the number of competitors, but also by the diversity of those competitors, the high fixed cost and relatively low marginal cost of operating telecommunications networks and facilities, the characteristics of customers and the bid processes they employ, and the rapid pace of technological change. Indeed, the combination of the financial resources, managerial skills, and experience of SBC and AT&T will accelerate competition in local markets by creating a business combination with the capital marketing abilities, managerial expertise, and technologically advanced networks necessary to more vigorously compete in those markets. The combined SBC/AT&T organization will be a robust competitor to the numerous other providers that stand ready, willing, and able to provide services to business customers. The combined

organization will be better positioned than either SBC or AT&T standing alone to compete vigorously and effectively with existing providers of telecommunications services to medium and large businesses – IXCs, systems integrators, equipment vendors and resellers, network providers, foreign entrants, CLECs, wireless providers, cable companies, and incumbent LECs – across the full range of current and emerging products.

24. The merger's effect on competition is, by definition, limited by virtue of the fact that, as separate entities, SBC and AT&T typically sell business services to different sets of customers. SBC's strength is in the sale of services to small and medium-sized businesses with a high percentage of their facilities in SBC's 13 in-region states, while AT&T's strength is the sale of services nationwide and globally to large, multi-location businesses. When combined, these complementary product strengths will lead to more robust competition, with virtually no elimination of meaningful horizontal, head-to-head competition.

25. The merger will not diminish competition for mass market customers. AT&T made an irreversible pre-merger decision to discontinue actively marketing local and long distance service to residential and small business customers. AT&T has already dismantled infrastructure required to recruit new mass market customers by dismissing marketing personnel, terminating vendor contracts and shutting outbound telemarketing centers. At the same time, competition for mass-market customers is increasingly coming from cable operators, VoIP providers, and wireless carriers, in addition to traditional competitors such as ILECs and CLECs. “[C]able-VoIP” alone is expected to “take upwards of 20% market share of primary residential

access lines,”<sup>2</sup> and VoIP generally is anticipated to be a “major driver of access line loss” for incumbent carriers, as well as “price cuts” for consumers across-the-board.<sup>3</sup>

26. According to the FCC’s December 2004 *Local Competition Report* on wireline/wireless competition, the 30 CLECs in New York reporting information as of June 30, 2004, served almost 3.7 million end-user switched access lines in New York, or 30% of all access lines in New York. *See* FCC, *Local Telephone Competition: Status as of June 30, 2004* at Tables 7, 10, 12 (Dec. 2004) (“*FCC Local Competition Report*”). This is an increase from about 1.2 million lines in 1999. *See id.* at Table 8. According to the same FCC report, as of June 30, 2004, at least eleven wireless carriers provided service to a total of more than 9.9 million subscribers, an increase of more than 12 percent from just the year before. *See id.* at Table 13. The combined organization of SBC and AT&T will be one among many engaged in vigorous competition in New York, which will occur not only because of the *number* of competitors, but also because of the diversity of those competitors, the high fixed cost and relatively low marginal cost of operating telecommunications networks and facilities, the characteristics of customers and the bid processes they employ, and the rapid pace of technological change.

27. In the wake of the merger, broadband will likewise continue to play a key role in increasing competitive choice. According to the FCC’s December 2004 report on *High-Speed Services for Internet Access*, as of June 30, 2004, 35 companies reported providing almost 2.5 million high-speed lines to New York residents, including asymmetric digital subscriber lines (“ADSL”) and coaxial cable lines, an increase from just 187,000 lines in 1999. *See* FCC, *High-*

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<sup>2</sup> F. Governali, *et al.*, Goldman Sachs, *Neutral Views Retained for North American Telcos* at 3 (Jan. 12, 2005).

<sup>3</sup> S. Flannery, *et al.*, Morgan Stanley, *Skating on Thin Ice: Lowering Industry View to Cautious* at 4 (Jan. 19, 2005).

*Speed Services for Internet Access: Status as of June 30, 2004* at Tables 6-8 (Dec. 2004). Cable modem providers, such as Time Warner and Cablevision, currently dominate the provision of high-speed lines in New York with over 70 percent of the market. *See id.* at Table 7. Thus, in light of AT&T's current position in the mass market and the existence of a large and growing number of other market players competing in that market, the merger will not harm consumers.

**C. Quality of Service and Rates**

28. The proposed merger will not adversely affect the availability and quality of the service currently offered by AT&T and its affiliates regulated by this Commission.<sup>4</sup> All of those certificated entities will continue to exist in their current forms upon consummation of the merger. The merger will not affect the rates, terms, or conditions of service provided by any of those certificated entities to their current customers. The introduction of SBC as the ultimate corporate parent will not adversely affect the provision of services by AT&T's certificated New York subsidiaries. SBC possesses the financial wherewithal, operational experience, and management prowess to effectively manage the New York operations and services of these entities.

29. The merger also will ultimately improve the quality and variety of communications services offered to the citizens of New York. The combined organization of SBC and AT&T will be able to offer new technologies to the consumer and corporate markets more rapidly, to provide businesses with customized, sophisticated, and integrated national and global telecommunications systems, and to create network efficiencies. The combined organization will be able to draw upon the expertise, capabilities, and talents of its combined

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<sup>4</sup> To the extent there are certificated entities other than those specifically mentioned by name in this Petition, the Joint Petitioners respectfully request the Commission's approval with respect to those entities as well.  
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personnel, employing the best practices learned by each of the previously separate AT&T and SBC organizations and improving the quality and breadth of the services offered. In particular, it is anticipated that many of the technological innovations of AT&T Labs, which most recently have been implemented for the benefit of AT&T's predominately high-end, large enterprise customers, will have broader application to the small and medium business and mass market customers that will be served by the combined organization. These include (a) IP-based video services, (b) speech and text technologies for visually, hearing, and speech-impaired customers, (c) fraud reduction and security services, (d) e-commerce capabilities, and (e) service provisioning and repair systems. And the increased expenditures of the combined organization in the form of capital expenditures will accelerate the pace at which these new and improved services are deployed.

30. SBC and AT&T anticipate that the combined company will be better able to compete using VoIP than either company standing alone. Prior to its decision to cease actively marketing mass market land-line voice service, AT&T had developed a VoIP service, known as "AT&T CallVantage Service." By joining together AT&T's VoIP platform and SBC's traditional consumer focus and financial resources behind VoIP, the merger will permit the combined company to deploy VoIP to both business and mass market customers more aggressively and effectively, both in and out of SBC's region.

**D. The Financial Strength of the Resulting Organization**

31. The merger will create an organization that will enjoy enhanced financial health and vigor, which will affirmatively benefit the public. Recent years have proven difficult for the telecommunications industry, and reduced revenues and diminished market capitalizations are expected in the future. The synergies created by this merger will strengthen the combined

organization through reduced costs, increased productivity, and augmented revenues. And the positive impact on AT&T's ability to raise necessary capital and maintain a reasonable capital structure, as noted above, will benefit all of its subsidiaries, including those currently operating in New York.

**E. Employment Outlook**

32. The merger of SBC and AT&T will create a stronger job outlook for the combined organization. As a result of the recent financial downturn in the telecommunications industry, significant numbers of jobs have been lost. Neither SBC nor AT&T has been immune.

33. The merger, however, will position the combined organization for growth, which in time will produce jobs. By creating a new combination that is stronger than the sum of its parts, the merger of SBC and AT&T will allow development of new technologies and improvement of existing services. Furthermore, the workforce-related benefits of this merger extend beyond the combined organization's employment needs. A strong combined SBC and AT&T will be able to deliver the advanced networks and services required by American businesses to succeed, which in turn creates more jobs in the economy at large.

34. Both of the unions representing SBC and AT&T workers – the Communications Workers of America (“CWA”) and the International Brotherhood of Electrical Workers (“IBEW”) – have expressed their support of the merger. As Morton Bahr, the President of the CWA, stated on January 31, 2005, “[w]ith the assurance that in this merger, the companies are committed to growing the business, providing quality and universal customer services, and to creating well-paying jobs for American communities, CWA will support the proposed acquisition and urge regulators to give it their approval.” Statement of CWA President Morton Bahr, January 31, 2005, attached hereto as Exhibit C. The IBEW similarly expressed its support

for the merger: “The IBEW is encouraged by the purchase of AT&T by SBC. We have long maintained that our primary goal for the modern telecommunications industry is the promotion of growth and job opportunities that benefit workers, companies, consumers and communities alike. The joining of forces by two major players in the industry could be a major step toward this goal.” Statement of IBEW President Edwin D. Hill, January 31, 2005, attached hereto as Exhibit D.

**F. The Authority of This Commission to Regulate Rates and Service**

35. The approval of this merger will not impair, compromise, or in any material way alter the Commission’s authority to regulate the AT&T and SBC subsidiaries currently operating in New York pursuant to this Commission’s certifications. Upon completion of the merger, the Commission will retain full authority over the rates, services, and responsibilities of those certificated entities in accordance with applicable law to the same extent that it does today.

**G. Related Governmental Filings**

36. In addition to filings with this Commission, SBC and AT&T are taking steps to satisfy the requirements of other governmental entities with respect to the merger, including the Federal Communications Commission and the U.S. Department of Justice, each of which will undertake a detailed review of the merger. Moreover, not only will this merger be reviewed by a number of state commissions, but also by various international regulatory entities in countries where SBC and AT&T hold direct or indirect investments in telecommunications companies.

**IV. VERIFICATION**

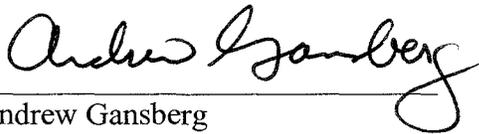
37. This Petition is signed and verified by the petitioners pursuant to 16 NYCRR 31.1.

V. CONCLUSION

38. Wherefore, SBC, AT&T, and all AT&T subsidiaries certificated to provide telecommunications services in the State of New York respectfully request that the Commission grant this Joint Petition pursuant to Sections 99 and 100 of the New York Public Service Law, approve the merger of SBC and AT&T, and provide such other relief as is deemed necessary and appropriate to effectuate the Merger Agreement.

Respectfully submitted,

FOR SBC COMMUNICATIONS INC.

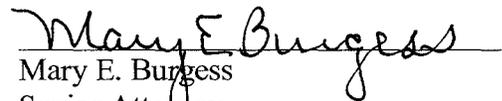


Andrew Gansberg  
Nixon Peabody LLP  
30 South Pearl Street  
Albany, NY 12207  
(518) 427-2657 (Telephone)  
(518) 427-2666 (Facsimile)  
agansberg@nixonpeabody.com

Wayne Watts  
Paul K. Mancini  
Martin E. Grambow  
Randall Johnson  
SBC Communications Inc.  
175 East Houston Street  
San Antonio, Texas 78205-2233  
(214) 464-3620 (Telephone)  
(214) 464-5477 (Facsimile)  
dj4905@sbc.com

Geoffrey M. Klineberg  
Kellogg, Huber, Hansen, Todd,  
Evans & Figel, PLLC  
1615 M Street, N.W., Suite 400  
Washington, D.C. 20036  
(202) 326-7928 (Telephone)  
(202) 326-7999 (Facsimile)  
gklineberg@khhte.com

FOR AT&T CORP.



Mary E. Burgess  
Senior Attorney  
AT&T Corp.  
111 Washington Ave., Suite 706  
Albany, NY 12210  
(518) 463-3148 (Telephone)  
(518) 463-5943 (Facsimile)  
meburgess@att.com

Benjamin R. Nagin  
Sidley Austin Brown & Wood LLP  
787 Seventh Avenue  
New York, NY 10019  
(212) 839-5911 (Telephone)  
(212) 839-5599 (Facsimile)  
bnagin@sidley.com

**BEFORE THE NEW YORK STATE  
PUBLIC SERVICE COMMISSION**

Joint Petition of )  
 )  
SBC COMMUNICATIONS INC. )  
 )  
and )  
 )  
AT&T CORP., TOGETHER )  
WITH ITS CERTIFICATED )  
NEW YORK SUBSIDIARIES, )  
 )  
for Approval of Merger )  
\_\_\_\_\_ )

Case No. \_\_\_\_\_

**VERIFICATION OF SBC COMMUNICATIONS INC.**

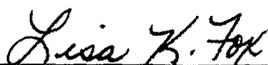
**Rick L. Moore**, being duly sworn, deposes and says:

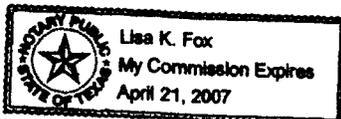
1. I am Managing Director-Corporate Development of SBC Communications Inc. and am authorized to make this Verification on behalf of SBC Communications Inc.
2. I have read the contents of the foregoing Joint Petition and hereby verify that the statements therein contained, insofar as they relate to SBC Communications Inc., are true and accurate to the best of my knowledge and belief.



\_\_\_\_\_  
**Rick L. Moore**  
Managing Director-Corporate Development  
SBC Communications Inc.

Sworn to and subscribed before me  
this 25<sup>th</sup> day of February, 2005

  
\_\_\_\_\_  
Notary Public *Lisa K. Fox*



**BEFORE THE NEW YORK STATE  
PUBLIC SERVICE COMMISSION**

Joint Petition of )  
 )  
SBC COMMUNICATIONS INC. )  
 )  
and )  
 )  
AT&T CORP., TOGETHER )  
WITH ITS CERTIFICATED )  
NEW YORK SUBSIDIARIES, )  
 )  
for Approval of Merger )  
\_\_\_\_\_ )

Case No. \_\_\_\_\_

**VERIFICATION OF AT&T CORP.**

David P. Condit, being duly sworn, deposes and says:

1. I am Vice President of AT&T Corp. and am authorized to make this Verification on behalf of AT&T Corp.
2. I have read the contents of the foregoing Joint Petition and hereby verify that the statements therein contained, insofar as they relate to AT&T Corp., are true and accurate to the best of my knowledge and belief.

  
\_\_\_\_\_  
David P. Condit  
Vice President Law and  
Government Affairs  
AT&T Corp.

Sworn to and subscribed before me  
this 23<sup>rd</sup> day of February, 2005

  
\_\_\_\_\_  
Notary Public

**DEBORAH A. STEWART**  
Notary Public District of Columbia  
My Commission Expires September 30, 2005