RECHT 5.

Dennis Wagner AT&T Tenne Director – Public Policy 333 Comme Regulatory & External Affairs Suite 2102

AT&T Tennessee
333 Commerce Street
Suite 2102
Nashville, TN 37201-1800

T: 615,214.4066 F: 615.214-8820 dennis.wagner@att.com www.att.com

May 18, 2007 R.A. DJUNET ROUM

Chairman Sara Kyle Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, Tennessee

Dear Chairman Kyle:

SUBJECT: Docket 06-00059 - Lifeline Linkup Outreach Proposal

The settlement reached in Docket 06-00059, Alleged Violations of 1.4.4 of the Service Quality Measurements and Self Effectuating Enforcement Mechanisms Administrative Plan Version 2.0 by BellSouth Telecommunications Inc., requires that BellSouth, now part of AT&T, spend \$15,000 annually for three consecutive years on a Lifeline Outreach campaign.

The December 2006 campaign created and ran Tennessee Lifeline ads in 15 rural newspapers statewide. As a result of that advertising and other outreach efforts, Tennessee saw a spike of 3,555 Lifeline customer registrations and 2000+ Linkup installation credits. This was an 11% increase over normal Lifeline/Linkup activations.

After discussion with the TRA Staff, AT&T Tennessee is proposing another round of Lifeline advertising in state newspapers for the 2007 campaign. Per the Staff recommendation, 2007 advertising will run in Tennessee's four largest urban areas; Nashville, Memphis, Knoxville and Chattanooga at an estimated cost of \$15, 232. Regularly scheduled Lifeline bill insert distribution takes place in January and July, so the proposal is that the next Lifeline Outreach newspaper campaign runs on the first Friday in August, 2007. This scheduling will provide maximum exposure within the \$15,000 budget. We will continue to coordinate with the TRA Staff throughout this process.

Please contact Kathy Sager at 615 214-4150 if you have any questions or recommendations.

Yours truly,

Attachment

cc: Ms. Shirley Frierson