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June 20, 2006

Filed Electronically in Docket Office on 06/20/06 @ 1:20pm

VIA HAND DELIVERY

Hon. Ron Jones, Chairman
Hon. Richard Collier, Hearing Officer
Tennessee Regulatory Authority
460 James Robertson Parkway
Nashville, TN 37238

Re: *Joint Filing of AT&T Inc. and BellSouth Corporation together with its
Certificated Tennessee Subsidiaries regarding Change of Control of the
Operating Authority of BellSouth Corporation's Tennessee Subsidiaries*
Docket No. 06-00093

Dear Chairman Jones and Hearing Officer Collier:

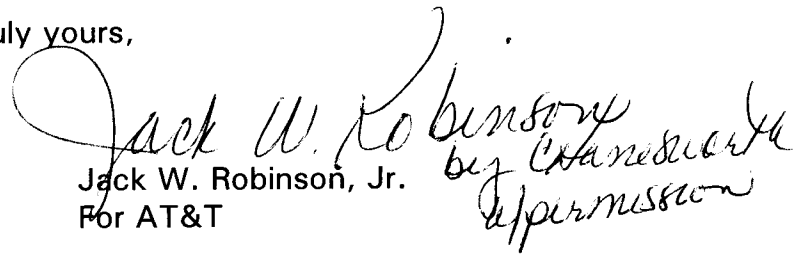
Enclosed are the original and four copies of BellSouth's and AT&T's
Opposition to Motion to Compel or Motion to Strike.

A copy is being provided via email to counsel of record. BellSouth and
AT&T are available to discuss this matter by teleconference if the hearing officer
would like to hear further argument or discussion on this discovery issue.

Very truly yours,



Guy M. Hicks
BellSouth



Jack W. Robinson, Jr.
For AT&T

by [illegible] permission

**BEFORE THE TENNESSEE REGULATORY AUTHORITY
NASHVILLE, TENNESSEE**

Joint Filing of)	
)	
AT&T INC.)	
)	
and)	Docket No. 06-00093
)	
BELLSOUTH CORPORATION)	
TOGETHER)	
WITH ITS CERTIFICATED)	
TENNESSEE SUBSIDIARIES,)	
)	
Regarding Change of Control)	
of the Operating Authority of)	
BellSouth Corporation's Tennessee)	
Subsidiaries)	
_____)	

OPPOSITION TO MOTION TO COMPEL OR MOTION TO STRIKE

AT&T Inc. ("AT&T"), BellSouth Corporation, and the BellSouth subsidiaries certificated to provide telecommunications services in the State of Tennessee (collectively, "BellSouth") respectfully oppose the CLEC Coalition's Motion to Compel Responses to Discovery Requests or, in the Alternative, To Strike the Testimony of Debra J. Aron and Other BellSouth Witnesses Regarding Wireless Services as Irrelevant ("Motion").¹ The Motion seeks extensive, highly detailed subscribership data of Cingular Wireless, LLC ("Cingular")² by year, since 2000: (i) in Tennessee, (ii) in BellSouth's footprint in Tennessee, (iii) in BellSouth's 9-state region, (iv) in AT&T's footprint in legacy SBC's 13-state region, and (v) nationwide. The CLEC Coalition

¹ The Motion was filed by Intervenor NuVox Communications, Inc. ("NuVox"), Xspedius Management Co. Switched Services, LLC, Xspedius Management Co. of Chattanooga, LLC (collectively, "Xspedius"), and ITC^DeltaCom Communications, Inc. d/b/a ITC^DeltaCom. In their pre-filed direct and rebuttal testimony, these Intervenor have characterized themselves as the "CLEC Coalition," and they accordingly are referred to as such in this opposition.

² Cingular is not a party to this proceeding.

claims that this information is necessary for the CLEC Coalition to “make th[e] case” that the AT&T/BellSouth merger will harm competition in Tennessee. It is established law, however, that wireless services are beyond the scope of the Authority’s jurisdiction, and in any event the CLEC Coalition’s only witness expressly conceded in his rebuttal testimony that wireless services are largely *irrelevant* to his analysis. Indeed, in Kentucky, AT&T and BellSouth provided the same objection to the same data request from the same parties. And the same witness that the CLEC Coalition proffers here proceeded to file testimony and testify before the Kentucky Public Service Commission (“PSC”) without any suggestion that his analysis had been constrained in any way. AT&T and BellSouth have produced an enormous amount of discovery in this case. The CLEC Coalition has thus already obtained more than sufficient information to “make [its] case,” and it has fallen well short of carrying its burden to establish that it is entitled to the additional information it seeks here.

Background

1. On May 19, 2006, Intervenors in this case served a total of 175 data requests, many with multiple subparts, on AT&T and BellSouth. The CLEC Coalition served 79 of those requests, most of which were virtually identical to data requests that NuVox and Xspedius had previously served in connection with the Kentucky PSC’s review of the AT&T/BellSouth merger. The CLEC Coalition’s requests sought extensive information on the facilities and activities of AT&T and BellSouth, including highly detailed information regarding the merger generally and the specific wireline facilities that AT&T maintains in Tennessee. In addition, as NuVox and Xspedius had in Kentucky, the CLEC Coalition requested the extremely broad and highly detailed Cingular subscribership data noted at the outset.

2. AT&T and BellSouth responded to the CLEC Coalition's voluminous discovery requests one week later, on May 26, 2006. AT&T and BellSouth provided extensive narrative responses to many of those requests, and also provided more than 550 pages of responsive documents, including substantial amounts of confidential and highly confidential material. On that same date, AT&T and BellSouth also responded to the equally voluminous data requests served by Time Warner Telecom, US LEC, and the Communications Workers of America.

3. Although AT&T and BellSouth substantively responded to the vast majority of these data requests, they objected to the CLEC Coalition's detailed request regarding Cingular subscribership. As they had in Kentucky (without objection by NuVox and Xspedius), AT&T and BellSouth explained that this request sought information regarding services that are beyond the scope of the TRA's jurisdiction, and thus that the request was not reasonably calculated to lead to the discovery of relevant, admissible evidence.

4. On June 2, 2006, the CLEC Coalition submitted the pre-filed direct testimony of Joseph Gillan, an industry consultant. That testimony did not suggest that Mr. Gillan had been inhibited in analyzing the merger or preparing his testimony by lack of knowledge regarding Cingular's subscribership numbers in Tennessee or elsewhere.

5. Approximately a week after the filing of direct testimony, counsel for the CLEC Coalition contacted counsel for AT&T and requested reconsideration of the objection to the disclosure of Cingular's subscribership data. In response, although AT&T made clear that it would stand by its objection, it also made clear that it wished to resolve the matter amicably.³ To that end, AT&T provided the CLEC Coalition with (i) publicly available information regarding wireless subscribers in Tennessee and other states from 2000-2005, and (ii) an excerpt from

³ See Letter from Jack W. Robinson, Jr., Gullett, Sanford, Robinson & Martin, PLLC, to H. LaDon Baltimore, Farrar & Bates (June 13, 2006) ("Robinson Letter") (attached hereto as Exh. 1).

Cingular's most recent quarterly report to the Securities and Exchange Commission that revealed the total number of Cingular subscribers as well as subscribership trends from the prior quarter and prior year.⁴ AT&T also made clear that, if the information it had provided did not satisfy the CLEC Coalition, it was willing to discuss further steps, including stipulating to facts specified by the CLEC Coalition, in order to resolve the issue.⁵

6. On June 14, 2006, counsel for the CLEC Coalition contacted counsel for AT&T and stated that the information provided in AT&T's June 13 letter was insufficient to meet his clients' needs. The CLEC Coalition also rejected AT&T's offer to discuss stipulating to relevant facts to resolve the matter amicably.

7. On June 16, 2006, Mr. Gillan pre-filed rebuttal testimony on behalf of the CLEC Coalition. As with his opening testimony, Mr. Gillan's rebuttal testimony did not suggest that his analysis had been constrained by lack of knowledge regarding Cingular's subscribership numbers in Tennessee or elsewhere. On the contrary, Mr. Gillan stated that wireless services were largely irrelevant to his testimony: "the Authority need not determine . . . [whether] wireless and wireline services [are] converging or competing . . . because there is no serious claim that wireless service is playing a significant role in the business market (which is the focus of my testimony)."⁶

Discussion

8. It is established law that the CLEC Coalition, "as the party seeking an order compelling discovery under Tenn. R. Civ. P. 37.01, has the burden of establishing that it is

⁴ See *id.*, Attachs. 1-2.

⁵ See *id.* at 1-2. AT&T's letter further noted that some of the information requested by the CLEC Coalition may not be available. See *id.* at 1

⁶ Rebuttal Test. of Joseph Gillan, Docket No. 06-0093, at 7 (TRA filed June 15, 2006) ("Gillan Rebuttal Test.").

entitled to discover the documents or other materials withheld by its adversary.” *Boyd v. Comdata Network, Inc.*, 88 S.W.3d 203, 220 (Tenn. Ct. App. 2002). The CLEC Coalition fails to carry that burden here.

9. As a threshold matter, the regulation of wireless services is outside the jurisdiction of the TRA. The federal Communications Act makes clear that, with limited exceptions not applicable here, “no State or local government shall have any authority to regulate the entry of or the rates charged by any commercial mobile service or any private mobile service.”⁷ As the federal courts have held, this provision means that “the FCC has exclusive authority to issue licenses and regulate the wireless services market.”⁸ For this reason – and because there is no state statute that authorizes the TRA to exercise jurisdiction over wireless services – this Authority has properly recognized that its jurisdiction does not include regulation of the wireless services offered by Cingular.⁹ The Tennessee judiciary has reached the same

⁷ 47 U.S.C. § 332(c)(3).

⁸ *MetroPCS, Inc. v. City and County of San Francisco*, 400 F.3d 715, 735 (9th Cir. 2005); see also *Bastein v. AT&T Wireless Servs., Inc.*, 205 F.3d 983, 986-87 (7th Cir. 2000) (“There can be no doubt that Congress intended complete preemption when it said ‘no State or local government shall have any authority to regulate the entry of or the rates charged by any commercial mobile service.’”) (quoting 47 U.S.C. § 332(c)(3)).

⁹ See Order, *In re Tariff to Establish the Wireless Answers Promotion*, No. 03-0054, at 1 (TRA Apr. 28, 2004) (discussing bundled “regulated local service and *non-regulated* Cingular wireless service”) (emphasis added). The only arguable exception to this principle is the TRA’s role in reviewing and approving interconnection agreements involving CMRS carriers. That role is not at issue here.

conclusion.¹⁰ Because wireless services are beyond the jurisdiction of the Authority, it follows that the subscribership information sought by the CLEC Coalition is irrelevant here.¹¹

10. Moreover, the CLEC Coalition's only claim that it is entitled to the information at issue – the bare assertion that it is “essential for the [CLEC Coalition] to make this [sic] case that competition will be harmed,” Motion at 2 – is demonstrably false. The only testimony filed by the CLEC Coalition is that of Joseph Gillan, who, as noted above, takes the position that wireless services have nothing to do with competition “in the business market,” which is by Mr. Gillan's own admission “the focus of [his] testimony.”¹² In view of Mr. Gillan's position on this point, the CLEC Coalition's statement that Cingular's confidential subscribership numbers are “essential” to make their case that the merger will harm competition is impossible to fathom.

11. Indeed, as noted above, NuVox and Xspedius requested the same Cingular subscribership information in proceedings pending before the Kentucky PSC, and there as here AT&T and BellSouth opposed the request on the ground that the information sought was beyond the Kentucky PSC's jurisdiction and irrelevant. Neither NuVox nor Xspedius disputed this objection or otherwise sought to compel production of the information. And NuVox and Xspedius' witness – there, as here, Joseph Gillan – testified before the Kentucky PSC without any suggestion that he had been hampered in any way without Cingular's subscribership

¹⁰ See *Mobilecomm of Tennessee, Inc. v. Tennessee Pub. Serv. Com'n*, 1994 WL 69590, at *5 (Tenn. App. Mar. 4, 1994) (recognizing that § 332(c) “preempt[s] the authority of state and local governments to regulate the entry of commercial or private mobile services into their markets,” and that the Authority thus will “no longer be able to control the entry of [radio common carriers] into Tennessee's markets”).

¹¹ See, e.g., *AT&T Co. v. Cardwell*, 798 S.W.2d 761, 762 (Tenn. 1990) (reversing decision to grant discovery of tax information held by Commissioner of Revenue, because “the information sought is not relevant to the issue to be determined”).

¹² Gillan Rebuttal Test. at 7. AT&T and BellSouth do not agree with Mr. Gillan's claim that wireless services are irrelevant to competition in the business market. For present purposes, however, the point is that the CLEC Coalition's own witness has as a practical matter conceded he does not need Cingular's subscribership data to determine the effect of the merger on competition.

numbers. For this reason as well, the CLEC Coalition's contention that such information is "essential" here cannot be credited.

12. The CLEC Coalition also asserts that AT&T and BellSouth's refusal to provide Cingular's subscribership numbers is "contradictory," in view of the fact that AT&T and BellSouth rely on the many public interest benefits that will result from the unification of ownership over Cingular and the integration of the IP networks of BellSouth, AT&T, and Cingular. *See* Motion at 2. But the CLEC Coalition has argued that it needs the information at issue to "to make th[e] case that" the merger will harm competition, *id.*, not to test AT&T and BellSouth's claims regarding public interest benefits, so this argument is beside the point. In any event, AT&T and BellSouth's claims regarding the benefits to Cingular customers in no way rely upon the *precise number* of Cingular's subscribers in Tennessee today, much less in the other areas (and prior years) covered by the CLEC Coalition's exceptionally broad request.

13. In this respect, moreover, the CLEC Coalition's unwillingness to discuss stipulated facts to resolve this issue is telling. As noted above, counsel for AT&T made clear that, if the CLEC Coalition could articulate the particular fact that it contends would be demonstrated by the information at issue, then the petitioners would work with them to develop a stipulation about some aspect of wireless competition in Tennessee. If the CLEC Coalition truly wanted to test the claim that the merger will provide benefits to Tennessee citizens, the parties could have agreed upon a stipulated fact that would have permitted them to do so. The CLEC Coalition refused even to discuss such facts, however, thus confirming that this information is not necessary to assess the public interest benefits of the transaction.

14. Finally, the CLEC Coalition notes that AT&T and BellSouth have emphasized the increasing use of wireless to displace traditional landline service, and it claims that the refusal to

provide Cingular's subscribership numbers means all such references should be stricken from the direct testimony of Dr. Debra Aron. *See* Motion at 2. There is a key difference, however, between wireless services *in general* and the highly confidential subscribership numbers of a *single* provider (Cingular). As set forth in the Joint Filing and the direct testimony of Debra Aron and James Kahan, the merger between AT&T and BellSouth comes amidst an onslaught of competition from an array of providers. Wireless carriers are among these competitive providers, and the extent to which they are competing with AT&T's and BellSouth's traditional services forms an important part of the lens through which the Authority should view the merger. Indeed, it is for that reason that, as noted, AT&T and BellSouth hastened to provide the CLEC Coalition with publicly available information on the extent of wireless competition in Tennessee (and elsewhere).

15. At the same time, however, that does not mean that *Cingular's* highly proprietary subscribership numbers are relevant here. The FCC's data make clear that there are 13 wireless carriers that provide service to more than 3.8 million Tennessee customers.¹³ Cingular is but one of those 13 providers. Without subscribership data for the other twelve, the Cingular information standing alone would say nothing about wireless competition in Tennessee. Cingular's particular subscribership numbers are thus irrelevant to this proceeding, notwithstanding the fact that the extensive competition from wireless providers as a group, as highlighted in the testimony of Dr. Aron, forms part of the backdrop of this case. The CLEC Coalition's motion to strike fails to acknowledge, much less address, this critical distinction and should accordingly be rejected.

¹³ *See* Robinson Letter, Attach. 1, at 2.

Conclusion

The CLEC Coalition has not articulated a specific, relevant fact that the information it seeks could logically prove. AT&T and BellSouth, in contrast, have worked in good faith to provide the additional information noted above and to resolve this dispute through the development of stipulated facts. The CLEC Coalition has failed to carry its burden to establish that it is entitled to the additional Cingular information it seeks here. The TRA should deny the Motion.

Respectfully submitted,

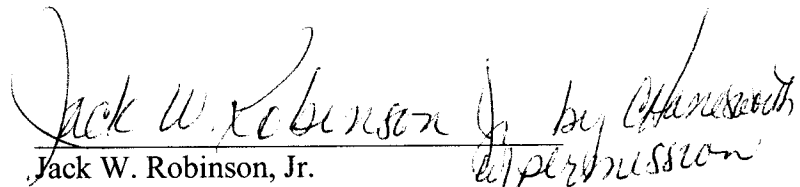
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June 13, 2006

VIA HAND DELIVERY

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RE: *Joint Filing of AT&T Inc. and BellSouth Corporation together with its Certificated Tennessee Subsidiaries regarding Change of Control of the Operating Authority of BellSouth Corporation's Tennessee Subsidiaries*

Docket No. 06-00093

Dear Don:

As we discussed, AT&T and BellSouth continue to stand by their response to Request 13 propounded by NuVox/Xspedius/DeltaCom. The request seeks information solely about wireless services. As you know, such services are not within the jurisdiction of the TRA, and the numbers requested would therefore not be relevant to the proceeding. I am sure, too, that any such numbers would be highly confidential, even if they are available (some may not be).

Without waiving the objection to Request 13, I want to try to resolve this matter, if possible. To that end, I am enclosing the following information: (a) Table 14 of the Local Telephone Competition report produced by the FCC in April 2006, which contains information regarding wireless subscribers in Tennessee and in other states for each year beginning in June 2000, and running through June 2005; and (b) Page 18 from Cingular's latest Form 10-Q, which contains information about Cingular's subscriber base, both in chart form and in a narrative prepared by Cingular. As you can see, according to the chart, Cingular had approximately 55,810,000 cellular/PCS subscribers as of the end of the first quarter of 2006.

I hope this information will resolve any problems which your clients have with respect to Request 13. However, if they still have problems, or if there is a particular fact that they are seeking to prove, based on the information they had hoped to garner as a result of Request 13,

H. LaDon Baltimore, Esq.

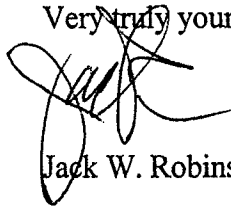
June 13, 2006

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then please let me know, as my client may be able to stipulate such a fact, if your clients can specify it.

If you have any questions, please let me know.

Very truly yours,

A handwritten signature in black ink, appearing to be "Jack W. Robinson, Jr.", written over the typed name.

Jack W. Robinson, Jr.

JWRjr:plw

Enclosures

cc: Guy Hicks, Esq.

Local Telephone Competition: Status as of June 30, 2005

Industry Analysis and Technology Division
Wireline Competition Bureau
April 2006



This report is available for reference in the FCC's Reference Information Center, Courtyard Level, 445 12th Street, SW, Washington, DC. Copies may be purchased by contacting Best Copy and Printing, Inc., 445 12th Street, SW, Room CY-B402, Washington, DC 20554, telephone (800) 378-3160, or via their website at www.bcpweb.com. The report can also be downloaded from the Wireline Competition Bureau Statistical Reports Internet site at www.fcc.gov/wcb/stats.

Table 14
Mobile Wireless Telephone Subscribers¹

State	June 2005		Subscribers						
	Carriers ¹	Percent Resold ²	2000	2001	2002	2003	2004		2005
			Jun	Jun	Jun	Jun	Jun	Dec	Jun
Alabama	13	5 %	1,253,084	1,930,631	2,027,845	2,100,557	2,301,847	2,580,810	2,812,304
Alaska	9	2	169,892	218,424	242,133	*	307,323	321,152	340,507
American Samoa	*	*	0	0	0	0	*	*	*
Arizona	11	8	1,624,668	2,018,410	2,412,998	2,643,952	3,079,657	3,299,222	3,533,385
Arkansas	9	6	715,467	891,275	1,130,302	1,351,291	1,376,564	1,458,673	1,693,662
California	15	3	12,283,369	14,184,625	16,007,376	18,892,619	21,575,797	23,457,761	24,677,278
Colorado	11	9	1,654,989	1,983,405	2,247,166	2,426,929	2,727,910	2,808,195	3,055,156
Connecticut	6	5	1,136,618	1,418,367	1,577,873	1,791,944	2,064,204	2,181,133	2,334,167
Delaware	5	7	275,219	389,284	433,059	503,353	593,452	646,064	612,406
Dist. of Columbia	5	6	333,815	382,457	415,399	520,182	555,958	657,774	710,026
Florida	9	5	4,983,478	7,536,670	8,607,715	10,252,348	11,916,615	13,169,278	12,604,692
Georgia	11	5	2,687,238	4,076,119	4,300,831	4,709,288	5,332,517	5,730,223	6,028,355
Guam	*	*	*	*	*	*	*	*	*
Hawaii	5	1	454,364	543,283	640,247	732,262	819,262	880,965	935,883
Idaho	15	6	296,066	398,781	500,693	572,406	653,779	705,948	747,273
Illinois	10	5	4,309,660	5,621,044	5,409,370	6,834,217	7,529,966	8,075,938	8,530,462
Indiana	8	9	1,717,378	1,781,247	2,032,290	2,456,509	2,844,568	3,158,002	3,228,140
Iowa	37	7	975,629	861,382	1,157,580	1,250,305	1,445,711	1,557,542	1,601,721
Kansas	10	8	724,024	901,225	1,061,171	1,195,230	1,345,160	1,454,087	1,508,866
Kentucky	13	9	999,544	1,176,756	1,505,982	1,595,290	2,000,459	2,189,345	2,374,947
Louisiana	9	5	1,294,693	1,677,292	2,187,811	2,365,224	2,547,153	2,834,716	2,985,140
Maine	5	14	283,640	399,616	457,835	524,246	610,533	662,623	492,951
Maryland	7	5	2,013,058	2,446,818	2,684,441	3,108,086	3,575,747	3,900,172	4,929,097
Massachusetts	5	5	2,228,169	2,753,685	3,289,934	3,506,039	3,919,139	4,042,592	4,313,846
Michigan	12	7	3,423,535	4,071,091	4,758,538	4,889,269	5,430,637	5,766,616	6,241,892
Minnesota	9	8	1,595,560	2,014,317	2,254,895	2,564,783	2,823,079	2,973,126	2,982,738
Mississippi	9	5	509,038	993,781	1,106,700	1,232,750	1,411,277	1,517,702	1,561,720
Missouri	12	8	1,848,775	1,937,684	2,246,430	2,515,325	2,859,953	3,109,167	3,634,995
Montana	7	4	*	*	291,429	343,160	*	*	467,795
Nebraska	11	3	600,885	712,685	838,568	900,744	984,355	1,045,810	1,079,137
Nevada	9	6	825,163	766,581	895,586	1,077,380	1,319,684	1,463,370	1,568,709
New Hampshire	6	8	309,263	445,181	529,795	598,504	686,746	727,985	883,023
New Jersey	5	4	2,750,024	3,896,778	4,531,457	5,392,240	6,326,459	7,388,722	6,732,169
New Mexico	9	6	395,111	619,582	735,107	828,869	939,091	987,813	1,025,209
New York	11	6	5,016,524	6,749,096	7,915,526	8,829,070	9,939,759	10,834,741	12,227,009
North Carolina	14	5	2,730,178	3,377,331	4,610,120	4,305,521	4,875,916	5,363,630	5,500,871
North Dakota	6	3	*	*	*	*	*	*	383,183
Northern Mariana Isl.	*	*	*	*	*	*	*	*	*
Ohio	11	7	3,278,960	4,255,934	4,887,376	5,659,459	6,188,081	6,627,910	7,041,850
Oklahoma	15	6	979,513	1,200,234	1,366,475	1,574,588	1,724,505	1,760,122	1,991,010
Oregon	10	6	1,082,425	1,268,909	1,473,883	1,682,036	1,894,285	2,029,224	2,120,551
Pennsylvania	11	7	3,850,372	4,378,216	4,987,067	5,681,653	6,420,037	7,037,296	7,620,940
Puerto Rico	6	0	1,090,005	1,374,747	1,136,619	1,401,599	1,698,702	2,076,698	2,015,341
Rhode Island	5	7	313,550	401,805	463,636	527,366	615,398	607,489	658,233
South Carolina	13	3	1,236,338	1,502,345	1,830,516	2,041,541	2,337,367	2,369,252	2,586,629
South Dakota	5	2	*	*	292,210	344,825	382,906	428,513	421,780
Tennessee	13	6	1,876,444	2,251,208	2,660,068	2,800,735	3,171,487	3,531,286	3,816,386
Texas	26	5	6,705,423	8,294,338	9,650,715	10,776,234	12,091,134	13,092,007	14,417,920
Utah	8	5	692,006	833,492	970,854	1,094,563	1,229,029	1,345,205	1,416,891
Vermont	5	20	*	*	*	*	*	*	189,105
Virgin Islands	*	*	0	*	*	*	*	*	*
Virginia	9	4	2,447,687	3,059,420	3,429,450	3,879,582	4,392,319	4,240,462	4,227,873
Washington	9	9	2,144,767	2,493,214	2,849,043	3,102,750	3,567,896	3,770,602	3,913,852
West Virginia	11	11	347,916	452,036	549,722	579,983	713,657	761,658	908,717
Wisconsin	11	6	1,342,908	2,008,679	2,523,956	2,533,215	2,831,645	2,997,029	3,191,174
Wyoming	8	5	*	173,939	168,232	276,344	277,658	302,203	330,567
Nationwide	154	6 %	90,643,058	114,028,928	130,751,459	147,623,734	167,313,001	181,105,135	191,345,746

* Data withheld to maintain firm confidentiality.

¹ Facilities-based wireless carriers with under 10,000 mobile telephony subscribers in a state were not required to report data until June 2005.

² Percentage of mobile wireless subscribers receiving their service from a mobile wireless reseller.



FORM 10-Q

CINGULAR WIRELESS LLC – N/A

Filed: May 03, 2006 (period: March 31, 2006)

Quarterly report which provides a continuing view of a company's financial position

Table of Contents

CINGULAR WIRELESS LLC

PART I — FINANCIAL INFORMATION *(Dollars in Millions)*

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

Consolidated Results of Operations

Three Months Ended March 31, 2005 Compared with the Three Months Ended March 31, 2006

Subscriber Base

	Three Months Ended March 31,		Change	
	2005	2006	Fav(Unfav)	%
	<i>(In thousands)</i>			
Beginning of Period	49,132	54,144	5,012	10.2%
Net Additions (Losses)				
Postpaid	1,063	900	(163)	-15.3%
Prepaid	(87)	147	234	NM
Reseller	391	632	241	61.6%
Total Net Additions	1,367	1,679	312	22.8%
Other Adjustments	(149)	(113)	136	-91.3%
End of Period	50,350	55,810	5,460	10.8%
Gross Additions				
Postpaid	3,539	3,132	(407)	-11.5%
Prepaid	740	953	213	28.8%
Reseller	393	652	259	65.9%
Total Gross Additions	4,672	4,737	65	1.4%

NM — Not Meaningful

We had 55.8 million cellular/ PCS subscribers at March 31, 2006. We added approximately 1.7 million subscribers, net of disconnections, to our subscriber base during the three months ended March 31, 2006, up from 1.4 million additions in the corresponding prior year period, and our gross subscriber additions for the three months ended March 31, 2006 totaled over 4.7 million. The slight increase in total gross subscriber additions was primarily driven by new prepaid offerings launched in mid 2005 and strong reseller additions.

For the three months ended March 31, 2006, our monthly cellular/ PCS churn rate was 1.9%, down from 2.2% in the prior year. Postpaid churn for the three months ended March 31, 2006 was 1.6%, down from 1.9% in the corresponding prior year period. The decline in our churn was driven by a 7.5% reduction in disconnections, which we believe is attributed to better network quality and coverage, a more positive overall customer experience, more attractive rate plans, exclusive devices and free mobile-to-mobile calling to over 55.8 million Cingular subscribers.

CINGULAR WIRELESS LLC
PART II — OTHER INFORMATION

CAUTIONARY LANGUAGE CONCERNING FORWARD-LOOKING STATEMENTS

In addition to historical information, this document contains forward-looking statements regarding events, financial trends, critical accounting policies, contractual obligations and estimates that may affect our future operating results, financial position and cash flows. These statements are based on assumptions and estimates and are subject to risks and uncertainties.

There are possible developments that could cause our actual results to differ materially from those forecasted or implied by our forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which are current only as of the date of this filing. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

While the below list of cautionary statements is not exhaustive, some factors, in addition to those contained throughout this document, that could affect future operating results, financial position and cash flows and could cause actual results to differ materially from those expressed or implied in the forward-looking statements are:

- the pervasive and intensifying competition in all markets where we operate;
- failure to quickly realize capital expense and operational synergies from the acquisition of AT&T Wireless as a result of mechanical, technical, logistical, regulatory and other factors;
- delays or inability of vendors to deliver hardware, software, handsets or network equipment, including failure to deliver such equipment free of claims, including patent claims, of other parties;
- problems associated with the transition of our network to higher speed technologies;
- slow growth of our data services due to a lack of popular applications, terminal equipment, advanced technology and other factors;
- sluggish economic and employment conditions in the markets we serve;
- the final outcome of FCC proceedings, including rulemakings and judicial review, if any, of such proceedings;
- enactment of additional state and federal laws, regulations and requirements pertaining to our operations; and
- the outcome of pending or threatened complaints and litigation.

CERTIFICATE OF SERVICE

I hereby certify that on June 20, 2006, a copy of the foregoing document was served on the following, via the method indicated:

☐ Hand
☐ Mail
☐ Facsimile
☐ Overnight
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