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July 13, 2012

VIA HAND DELIVERY

filed electronically in docket office on 07/13/12

Hon. Kenneth C. Hill, Chairman Tennessee Regulatory Authority 460 James Robertson Parkway Nashville, TN 37238

Re.

Petition for Transfer of Certificates from AT&T Communications of the South

Central States, LLC to AT&T Corp.

Docket No. 12-00076

Dear Chairman Hill:

Attached the original and four copies of the *Petition for Transfer of Certificates from AT&T Communications of the South Central States, LLC to AT&T Corp.*

Very truly yours,

Joelle Phillips

BEFORE THE TENNESSEE REGULATORY AUTHORITY Nashville, Tennessee

In Re:

Petition for Transfer of Certificates from AT&T Communications of the South Central States, LLC to AT&T Corp.

Docket No.

PETITION FOR TRANSFER OF CERTIFICATES FROM AT&T COMMUNICATIONS OF THE SOUTH CENTRAL STATES, LLC TO AT&T CORP.

In order to better serve its customers, AT&T Corp. is undertaking a multi-state initiative to improve efficiency by consolidating the activities of a number of its subsidiaries. The purpose of this petition is to transfer the certificates currently held by AT&T Communications of the South Central States, LLC to AT&T Corp., effective on or about October 31, 2012. *This consolidation will have no impact on subscribers – no change in rates, terms or conditions of service and no change in even the appearance of their bills, which will continue to feature the same AT&T name and logo.* As discussed below, in order to minimize the potential of any confusion, AT&T Corp. proposes to provide bill messages to subscribers.

AT&T Communications of the South Central States operates pursuant to market regulation, and AT&T Corp. will also elect market regulation.

DISCUSSION OF RELIEF SOUGHT

1. Pursuant to TRA Rule 1220-4-8-.05(2), AT&T Communications of the South Central States, LLC ("AT&T South Central") petitions the Tennessee Regulatory Authority (the "Authority" or "TRA") for approval of the transfer of its Certificates of Convenience and Necessity ("Certificates") to AT&T Corp., a wholly-owned subsidiary of AT&T Inc. (f/k/a SBC

Communications Inc.). The transfer is part of a multi-state initiative to consolidate in AT&T Corp. the provision of intrastate telephone services that are now provided through multiple and duplicative state-specific subsidiaries of AT&T Corp.

2. The transfer of AT&T South Central's Certificates to AT&T Corp. is in the public interest. The transfer will be transparent to end users, resulting in no changes to the rates, terms or conditions for services. The transfer will permit AT&T Corp. to continue providing existing intrastate wireline services (currently provided by AT&T Corp. through AT&T South Central) at competitive rates under market regulation (T.C.A. § 65-5-109) and will not adversely affect the competitiveness of the state's telecommunications markets. To the contrary, the transfer will enhance AT&T Corp.'s ability to provide those services through a more efficient corporate structure.

I. THE PARTIES

- 3. AT&T South Central is a Delaware limited liability company with headquarters at One ATT Way, Bedminster, New Jersey 07921. It is a wholly-owned subsidiary of AT&T Corp., which, in turn, is a wholly owned subsidiary of AT&T Inc. AT&T South Central provides local, interexchange, and other telecommunications services and products to residential, business, and government customers in Tennessee.¹ Ownership in AT&T South Central is not publicly traded.
- 4. AT&T Corp. is a New York corporation with headquarters at One AT&T Way, Bedminster, New Jersey 07921. AT&T Corp. is a subsidiary of AT&T Inc., which is one of the

¹ AT&T South Central was authorized to provide interexchange services in the state of Tennessee by Tennessee Public Service Commission ("Commission") order dated December 30, 1983 in Docket No. U-83-7266. Subsequently, AT&T South Central was authorized to provide competitive facilities-based and resold local exchange services and exchange access in the State of Tennessee by Commission order dated October 13, 1995 in Docket No. 95-02790. AT&T South Central elected market regulation on October 1, 2009 (Docket No. 09-00156).

largest providers of telecommunications services in the world. AT&T Corp., through its subsidiaries, is authorized to provide domestic and international telecommunications services throughout the United States. AT&T Corp. maintains a modern worldwide telecommunications network and, either directly or through its subsidiaries, offers wireline and Internet-based services and products serving residential, business, and government customers, as well as wholesale customers. AT&T Inc. and its subsidiaries, including AT&T Corp., have extensive operational and managerial experience and substantial financial resources. Information about AT&T Inc.'s consolidated financial status, operations, management, and services is set forth in AT&T Inc.'s most recent annual report, which is available at http://www.att.com/gen/landing-pages?pid=5718.

II. <u>DESIGNATED CONTACTS</u>

5. All communications and correspondence relating to this Petition should be sent to:

AT&T Tennessee Legal Department 333 Commerce Street, Suite 2101 Nashville, TN 37201

III. <u>DESCRIPTION OF TRANSACTION GIVING RISE TO TRANSFER OF CERTIFICATES</u>

6. Under the proposed transaction, the assets, liabilities, and operations of the two entities would be merged, with the surviving entity being AT&T Corp. With the transaction, there would be no change in the ultimate ownership and control of assets, liabilities, or operations of the merged companies. While the TRA lacks jurisdiction to review or approve this transaction pursuant to the Market Regulation Act of 2009, T.C.A. § 65-5-109(m), this transaction is described for the purpose of explaining the circumstances giving rise to the

transfer of certificates and to emphasize that this change in structure will have no substantive impact on end users.

IV. REQUEST FOR APPROVAL OF TRANSFER OF CERTIFICATES

- 7. AT&T South Central respectfully submits this Petition, pursuant to T.C.A. § 65-5-109(n)(12) and TRA Rule 1220-4-8-.05(2) to obtain authorization and approval of the transfer of AT&T South Central's Certificates to AT&T Corp., with an effective date of October 31, 2012. The transfer is expected to be implemented on or about October 31, 2012. In order to manage the timely close of the transfer, AT&T South Central requests that an order granting this relief be entered as soon as possible, with an effective date of October 31, 2012.
- 8. The effect of this transfer is entirely internal to AT&T Inc., which is and will remain the ultimate corporate parent of AT&T Corp., and therefore will retain complete indirect ownership of the assets, operations, and authorizations used to provide telecommunications services in the state of Tennessee.
- 9. The transfer will be transparent to customers. There will be no change in the rates or substantive terms and conditions under which AT&T Corp., through AT&T South Central, currently serves Tennessee customers. Once the transfer is completed, the same personnel who manage these services will continue to do so, and there will be no change in the network assets used to provide these services. AT&T Corp. will make any necessary name changes to tariffs and contracts and will adhere to all applicable Authority rules, policies and orders.
- 10. The change of name from AT&T South Central to AT&T Corp. is very minor. In fact, consistent with AT&T South Central's Tariff Filing for Retail Services filed on May 25, 2012,

AT&T South Central could provide service using its affiliate because "use of such an affiliate would not constitute slamming or cramming for purposes of federal law and terms of service, including the price of services, will not be altered as a result of the use of the affiliate to provide the service." Consistent with that tariff, AT&T South Central or AT&T Corp. will provide written notice of the transfer within 90 days of the close of the transaction by using a bill message. The form of notice will vary slightly depending on the type of subscriber.

For AT&T South Central consumer and small business local and long distance customers,
 and for large business local and long distance customers the notice will state:

AT&T intrastate, interstate, and international services are provided by AT&T Corp. To view service publications go to www.att.com/servicepublications and click on Service Guides and/or Tariffs.

 For customers who subscribe to services from AT&T South Central and are joint billed with services provided by AT&T Tennessee, the notice will state:

SERVICE INFORMATION: Your local services are provided by AT&T Tennessee (BellSouth Telecommunications, LLC.) Your AT&T long distance services, if any, are provided by one or more of the following AT&T Inc. subsidiaries: AT&T Long Distance (BellSouth Long Distance, Inc.), and AT&T Corp. You can find the name of your long distance service provider in the long distance section of your bill. To view your provider's service publications, including Guidebooks, Service Guides and/or Tariffs, go to www.att.com/servicepublications.

These customer notices will appear in the disclosures section of bills. The face of customer bills following the transfer will continue to feature the same AT&T name and logo currently in use.

Accordingly, provision of additional notices would be unnecessary and far more likely to

² See AT&T South Central Retail Services Tariff, filed May 25, 2012.

confuse than to assist consumers. For this reason, AT&T South Central requests that the TRA waive other applicable notice requirements, if any.

11. The transfer is in the public interest. As noted previously, the transfer is part of an on-going effort by AT&T Inc., the parent of AT&T Corp., to simplify the corporate structures of its subsidiary companies. This transfer will provide a more streamlined corporate structure that will enable AT&T Corp. to more efficiently achieve potential operational, administrative, and strategic objectives.

V. <u>CONCLUSION</u>

12. As demonstrated above, this Petition for approval of the transfer of Certificates is in accordance with the law, for a proper purpose, and consistent with the public interest. For these reasons, AT&T South Central respectfully requests that the Authority add this petition to the agenda for its next Authority Conference, approve the Petition as soon as possible with an effective date of October 31, 2012, and waive any notice requirements.

Respectfully submitted,

AT&T COMMUNICATIONS OF THE SOUTH CENTRAL

STATES, LLC

By:___

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