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September 20, 2011

VIA ECFS

Marlene H. Dortch
Secretary
Federal Communication Commission
445 Twelfth Street, SW
Washington, DC 20554

Re: *In the Matter of Applications of AT&T Inc. & Deutsche Telekom AG for Consent to Transfer Control of Licenses & Authorizations*, WT Dkt. No. 11-65

REDACTED - FOR PUBLIC INSPECTION

Dear Ms. Dortch:

On behalf of AT&T Inc., and pursuant to the Protective Order and the Second Protective Order adopted in the above-referenced proceeding,¹ the instructions set forth in the Information and Discovery Request dated May 27, 2011, and the Request for Further Information on AT&T's LTE Deployment Plans dated August 24, 2011 ("August 24th Letter"), enclosed please find a copy of AT&T's redacted Response to the August 24th Letter.

We are providing under separate cover the Highly Confidential version of this Response and Highly Confidential documents responsive to the August 24th Letter, along

¹ *In re Applications of AT&T Inc. & Deutsche Telekom AG Inc. for Consent to Transfer Control of the Licenses & Authorizations*, WT Dkt. No. 11-65, Protective Order, DA 11-674 (WTB rel. Apr. 14, 2011) ("Protective Order"); *In re Applications of AT&T Inc. & Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses & Authorizations*, WT Dkt. No. 11-65, Second Protective Order, DA 11-753 (WTB rel. Apr. 27, 2011), as revised June 9, 2011, June 29, 2011, and July 19, 2011 ("Second Protective Order").

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with Confidential indices of the responsive documents. AT&T will file separately at a later date a Highly Confidential disc containing in Summation format the Highly Confidential documents it is submitting today.

Copies of these Highly Confidential materials are also being hand delivered to Kathy Harris of the Wireless Telecommunications Bureau.

Please contact me if you have any questions. Thank you for your assistance.

Sincerely,



William E. Cook, Jr.
Counsel for AT&T Inc.

Enclosures

cc: Best Copy and Printing, Inc.
Kathy Harris (*by email*)
Kate Matraves (*by email*)
Jim Bird (*by email*)

September 20, 2011

VIA ECFS
Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Washington, D.C. 20554

Re: *Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses and Authorizations*, WT Docket No. 11-65
REDACTED - FOR PUBLIC INSPECTION

Dear Ms. Dortch:

On August 8, 2011, AT&T Inc. ("AT&T") filed a Notice of Ex Parte Presentation ("LTE Letter") summarizing the August 4, 2011 teleconference meeting among Bill Hogg, Senior Vice President of Network Planning and Engineering at AT&T Inc., and Federal Communications Commission ("FCC" or "Commission") staff regarding AT&T's LTE deployment plans as they relate to the above-referenced transaction.¹ Subsequently, on August 24, 2011, the Commission sent a letter to AT&T ("FCC Letter") requesting further information regarding topics discussed at the meeting and in the LTE Letter.² This letter responds to, and provides additional information requested in, the FCC Letter.

As AT&T has advised the Commission, AT&T's current plan involves LTE deployment to cover 80 percent of the U.S. population, or approximately 250 million Americans ("Plan of Record").³ [Begin Highly Confidential Information]

¹ *In re Applications of AT&T Inc. & Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses & Authorizations*, WT Dkt No. 11-65, Notice of Ex Parte Presentation of AT&T (filed Aug. 8, 2011) ("LTE Letter").

² *In re Applications of AT&T Inc. & Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses & Authorizations*, WT Dkt No. 11-65, Letter from Renata Hesse to Richard L. Rosen (rel. Aug. 24, 2011) ("FCC Letter").

³ *See, e.g., In re Applications of AT&T Inc. & Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses & Authorizations*, WT Dkt No. 11-65, Reply Declaration of William Hogg ¶ 39 (June 9, 2011) ("Hogg Reply Declaration"); [Begin Highly Confidential

Footnote continued on next page

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Footnote continued from previous page
[Begin Highly Confidential Information]
Confidential Information].

[End Highly

⁴ [Begin Highly Confidential Information]
Information]

[End Highly Confidential

⁵ [Begin Highly Confidential Information]

[End Highly

Confidential Information]

⁶ Some merger opponents have attempted to advance the theory that [Begin Confidential Information] [End Confidential Information] is not a significant expenditure compared to the \$39 billion purchase price for T-Mobile USA and that this somehow proves that AT&T would have deployed LTE everywhere even without the merger. This argument is fatuous. An expanded LTE footprint is but one of many benefits of this merger. Most importantly, as AT&T has repeatedly explained, the merger will give AT&T additional capacity that will enable it to address severe capacity constraints in major markets throughout its service area, such as [Begin Highly Confidential Information] [End Highly Confidential Information] and many others. The merger also makes possible numerous other synergies and efficiencies, while generating immediate cash flow.

⁷ [Begin Highly Confidential Information]

[End Highly Confidential Information]

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⁸ [Begin Highly Confidential Information]

Confidential Information]

[End Highly

⁹ [Begin Highly Confidential Information]

[End Highly Confidential Information]

¹⁰ [Begin Highly Confidential Information]

[End Highly Confidential Information]

¹¹ [Begin Highly Confidential Information]

[End Highly Confidential Information]

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¹² [Begin Highly Confidential Information]

[End Highly Confidential

Information]

¹³ [Begin Highly Confidential Information]
Confidential Information]

[End Highly

¹⁴ [Begin Highly Confidential Information]
Confidential Information]

[End Highly

¹⁵ [Begin Highly Confidential Information]

[End Highly Confidential Information]

¹⁶ [Begin Highly Confidential Information]

[End Highly

Confidential Information]

¹⁷ [Begin Highly Confidential Information]
Confidential Information]

[End Highly

¹⁸ [Begin Highly Confidential Information]
Confidential Information]

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¹⁹ [Begin Highly Confidential Information]

[End Highly Confidential

Information]

²⁰ [Begin Highly Confidential Information]

[End Highly Confidential Information]

²¹ [Begin Highly Confidential Information]

[End Highly Confidential Information]

²² [Begin Highly Confidential Information]

[End Highly Confidential Information]

²³ [Begin Highly Confidential Information]

[End Highly

Confidential Information]

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[End Highly Confidential Information]

²⁴ [Begin Highly Confidential Information]
Confidential Information]

[End Highly

²⁵ [Begin Highly Confidential Information]

[End Highly Confidential Information]

²⁶ [Begin Highly Confidential Information]

[End

Highly Confidential Information]

²⁷ [Begin Highly Confidential Information]
Information]

[End Highly Confidential

²⁸ [Begin Highly Confidential Information]

[End Highly Confidential Information]

II. The Transaction Improves the Business Case for Additional LTE Deployment

In the FCC Letter, the Commission also asked for additional information on how the transaction with T-Mobile USA “changed[d] the calculus” for deploying LTE beyond AT&T’s Plan of Record to the rest of AT&T’s wireless footprint.²⁹ As explained in the LTE Letter and in previous filings with the Commission, senior management concluded that the merger will reduce the cost of an expanded LTE footprint, while simultaneously increasing incremental revenues.³⁰

[Begin Highly Confidential Information]

[End Highly Confidential Information]

[Begin Highly Confidential Information]

[End Highly Confidential Information]

[End Highly Confidential Information]

Further, the transaction gives AT&T additional spectrum, including in areas where it lacks the 700 MHz or AWS spectrum needed to reach 97% of the U.S. population with its LTE product. Specifically, adding T-Mobile USA spectrum gives AT&T AWS spectrum in [Begin Highly Confidential Information] [End Highly Confidential Information] CMAs (with about [Begin Highly Confidential Information] [End Highly Confidential Information] people,³¹ including approximately [Begin Highly Confidential Information] [End Highly Confidential Information] in the incremental build area outside of the LTE Plan of Record) where it does not have any 700 MHz or AWS spectrum. This additional spectrum obviates the need for AT&T to purchase such spectrum in secondary markets, assuming it was available in the marketplace.

²⁹ FCC Letter at 2.

³⁰ LTE Letter at 4; Hogg Reply Declaration ¶¶ 41-46.

³¹ *In re Applications of AT&T Inc. & Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses & Authorizations*, WT Dkt No. 11-65, Declaration of William Hogg ¶ 60 (Apr. 20, 2011) (“Hogg Declaration”).

In addition to reducing the costs of an expanded LTE footprint, the merger increases the incremental revenues that AT&T anticipates from an expanded LTE footprint. The larger customer base of the combined companies means the combined company will have the opportunity to sell LTE products and services to additional subscribers. Simply put, more customers means more revenue opportunities for advanced LTE services, especially in areas where T-Mobile has not deployed HSPA+ services.

The merger also should further improve sales by making AT&T's LTE product faster and more robust. In addition to providing 700 MHz and AWS spectrum in the [Begin Highly Confidential Information] [End Highly Confidential Information] CMAs where AT&T lacks it, the merger will also supplement AT&T's thin 700 MHz and AWS spectrum holdings in another [Begin Highly Confidential Information] [End Highly Confidential Information] CMAs (with about [Begin Highly Confidential Information] [End Highly Confidential Information] people),³² including areas accounting for nearly [Begin Highly Confidential Information] [End Highly Confidential Information] people in the incremental build area outside of AT&T's LTE Plan of Record.³³ In those areas, AT&T will hold an average of 20 MHz of AWS spectrum post-transaction, allowing for a more robust LTE deployment offering greater speed and spectral efficiency. This more robust LTE product should improve sales over and above what they would have been without the additional spectrum made available through the merger.

Lastly, AT&T has noted in many filings in this proceeding its severe and growing capacity concerns due to the tremendous growth in wireless traffic. [Begin Highly Confidential Information]

[End Highly Confidential Information]

Taking all of these factors into account, as well as AT&T's experience in previous mergers, senior management made a business judgment that the merger benefits presented a rational basis for expanding LTE deployment to substantially all of the U.S. population.

* * *

³² *Id.* ¶ 60.

³³ [Begin Highly Confidential Information]

[End Highly Confidential Information]

DECLARATION OF WILLIAM HOGG

I, William Hogg, declare:

1. I am the Senior Vice President of Network Planning and Engineering, AT&T Services, Inc. My background and qualifications are described in my initial Declaration, filed as an attachment to the Public Interest Statement submitted by applicants on April 21, 2011.¹

2. **[Begin Highly Confidential Information]**

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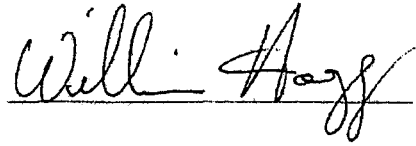
[End Highly Confidential

Information]

¹ *In re Applications of AT&T Inc. & Deutsche Telekom AG, for Consent to Assign or Transfer Control of Licenses & Authorizations*, WT Dkt No. 11-65, Declaration of William Hogg ¶¶ 1-2 (Apr. 20, 2011).

I declare under penalty of perjury that the foregoing is true and correct. Executed on
September 16, 2011.

Signed:

A handwritten signature in cursive script, appearing to read "William Hogg", is written over a horizontal line.

William Hogg
Senior Vice President of Network
Planning and Engineering
AT&T Services, Inc.

DECLARATION OF DAVID A. CARROLL

I, David A. Carroll, declare:

1. I am the Executive Director of Radio Access Network Fundamental Planning for AT&T Services Inc. I perform network cost analysis for major new technology deployments, including AT&T's UMTS/HSPA+ and LTE deployment plans. **[Begin Highly Confidential Information]**

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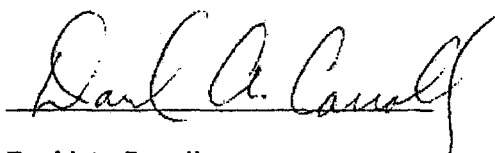
¹ [Begin Highly Confidential Information]

[End Highly Confidential Information]

[End Highly Confidential Information]

I declare under penalty of perjury that the foregoing is true and correct. Executed on
September 14, 2011.

Signed:

A handwritten signature in cursive script, appearing to read "David A. Carroll", written over a horizontal line.

David A. Carroll
Executive Director of Radio Access Network
Fundamental Planning for AT&T Inc.

REDACTED - FOR PUBLIC INSPECTION

The Highly Confidential and Confidential documents responsive to the August 24th Letter on the CD-ROM have been redacted.