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January 12, 2009

The Honorable Jay Rockefeller
Chairman
Commerce Science and Transportation Committee
United States Senate
Washington, DC 20510

The Honorable Kay Bailey Hutchison
Ranking Member
Commerce, Science and Transportation Committee
United States Senate
Washington, DC 20510

The Honorable Henry Waxman
Chairman
Energy and Commerce Committee
United States House of Representatives
Washington, DC 20515

The Honorable Joe Barton
Ranking Member
Energy and Commerce Committee
United States House of Representatives
Washington, DC 20515

Dear Chairmen Rockefeller and Waxman and Ranking Members Hutchison and Barton:

We understand that Congress is considering extending the deadline for the transition to digital television (the "DTV transition"), which is scheduled for February 17, 2009. This is no doubt a thorny and complicated issue that implicates the interests of a variety of stakeholders, including not just millions of Americans who rely solely on broadcast television signals but also the many broadband and telecommunications providers that have already invested enormous sums to acquire the spectrum at the heart of this issue to provide next generation broadband. We understand and are sympathetic to the concerns raised by others that delay of the digital conversion could cause further viewer confusion or set back broadband deployment efforts by the industry. However, from AT&T's perspective, a smooth transition from analog broadcast transmission to digital is in the public interest and will ultimately inure to the benefit of all Americans. Given that, if Congress and the Administration conclude that a short delay in implementation of the DTV transition is necessary, AT&T will support such an extension.

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We ask, however, that Congress remain cognizant of the fact that access to this 700 MHz spectrum is critically important for the deployment of next generation broadband services. In AT&T's case, having invested $6 billion for its 700 MHz licenses, getting access to this spectrum in a timely fashion is critical to our ability to deploy competitive 4G broadband services. AT&T and other licensees face potentially severe risks from a delay. Having paid for the spectrum and been assured of its timely availability, the licensees have invested heavily – beyond just the cost of the spectrum itself – and have been planning to utilize the spectrum for advanced, innovative services. These efforts are designed and implemented over the course of years, and are based fundamentally on the availability of the spectrum at a designated time. Any delay of the cutoff date beyond this limited extension would surely interfere with these carefully planned innovations, undercut the long-term financial viability of the investments behind them, and distort competition in the marketplace, all to the detriment of consumers.

For these reasons and those of elemental fairness, Congress should couple any short extension with adequate and concrete steps to protect the legitimate rights of the licensees. At a minimum, these steps should include the following:

- Congress should limit any extension to a short, defined period, preferably 3 months or less, and confirm that it will be a one-time event. In this way, the impact on consumers and the deployment of next-generation wireless broadband will be relatively manageable and predictable.

- Build-out requirements and other license terms should be modified to account for the extension. The term of any license should be extended by the full length of any extension. Likewise, if licensees are delayed in their access to the spectrum, they should receive an equal amount of additional time to meet any build-out requirements established by the applicable license.

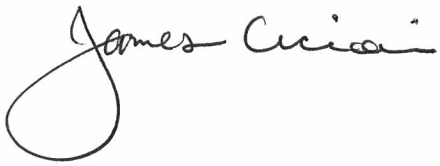
- To the extent that the spectrum purchased by licensees is going to used by others during that timeframe, licensees should be reimbursed in some manner for that use.

- Congress should ensure that, beyond the delay itself, licensees suffer no other adverse consequence or disadvantage in law or policy from the delay in access to this spectrum.

AT&T recognizes that Congress must balance a variety of potentially competing factors when evaluating a possible extension of the DTV transition. We further agree that, in this case, minimizing disruption and confusion for the television-viewing public

must be a paramount consideration. Thus, so long as the legitimate interests of licensees are addressed as outlined above, AT&T will support a one-time, limited extension of the current cutoff date.

Very truly yours,



Cc: Chairman Kevin J. Martin
Commissioner Michael J. Copps
Commissioner Jonathan S. Adelstein
Commissioner Robert M. McDowell