

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17105-3265**

In Re: Investigation of AT&T, Inc.

**Public Meeting March 16, 2006
C-0008
Docket No. I-**

MOTION OF CHAIRMAN WENDELL F. HOLLAND

Recently, the Commission approved the merger of AT&T Corporation and SBC Communications, Inc. (AT&T)¹ In its Application, AT&T stated "...the merger of SBC and AT&T will create a much stronger job outlook for the combined organization...The merger, however, will position the combined organization for growth, which in time will produce jobs."² In addition, AT&T indicated, "the merger will not affect AT&T-PA's role as the telecommunications relay service provider in Pennsylvania. The merger will be transparent to the hearing impaired users of the service in the Commonwealth."³ Citing its reasons why the proposed merger was in the public interest, AT&T summarized that:

The merger will not affect the quality of service currently being provided by AT&T in the Commonwealth, including AT&T's role as the telecommunications relay service provider in Pennsylvania.

The merger will position the combined organization for growth, which in time will produce jobs.⁴

In its Merger Application, AT&T made assurances that the Merger would not adversely affect the continuity of Pennsylvania Telecommunications Relay Service (TRS) and that it would be able to meet its regulatory obligations and commitments as TRS provider. See Joint Applicants' Statement No. 5. Yet, six months after the closing of its merger, AT&T proposes to reduce substantially the workforce of its only Pennsylvania-based TRS call center.

¹ *Joint Application of SBC Communications, Inc., and AT&T Corp* at Docket No. A-311163 et al (October 6, 2005). In November 2005, the combined companies of SBC and AT&T adopted the name of AT&T as the name of the merged entity.

² Joint Application at p. 14.

³ Joint Application at p. 12

⁴ Joint Application at p. 16

In February 2006, it was reported that AT&T intended to reduce its workforce by more than 200 hundred employees in western Pennsylvania. It was also reported that AT&T would eliminate approximately 50 out of 200 positions at another call center in the New Castle, Pennsylvania call center, which handles telecommunication relay services (TRS) in Pennsylvania. This reduction of workforce in Pennsylvania is of particular concern because AT&T is the sole provider of TRS in Pennsylvania. As the sole provider of TRS in Pennsylvania, AT&T provides services to thousands of hard of hearing and deaf Pennsylvania citizens. It is estimated that AT&T handles more than a million PA TRS calls annually.

A public utility is obligated to provide safe and reliable service. 66 Pa. C.S. § 1501. Moreover, the Commission has the statutory authority to examine whether public utilities provide reliable and safe public utility service in Pennsylvania. 66 Pa. C.S. §§ 331; 1501. As such, I believe it is in the public interest that the matter of AT&T's recent workforce reductions in Pennsylvania, particularly as they relate to TRS⁵, be referred to appropriate Commission staff to initiate an investigation pursuant to 52 Pa. Code § 3.113, to determine whether the facts warrant further action.

THEREFORE, I MOVE THAT:

1. The Law Bureau prepare the appropriate Order in this matter.
2. Copies of the Order be served on the Office of Trial Staff, the Office of Consumer Advocate, and the Office of Small Business Advocate.

DATE

WENDELL F. HOLLAND, CHAIRMAN

⁵ The Commission has a demonstrated commitment to TRS in Pennsylvania. In 2003, the Commission partnered with AT&T, the PA Relay Advisory Board and the Consumer Advisory Council to launch a \$1.3 million PA Relay campaign to educate the public about TRS and 711. The Commission also initiated a trial for new captioned telephone voice-carry-over relay service in 2003. Interim service is being provided until permanent service is in place in Pennsylvania.