

August 11, 2011

**VIA ECFS**

Marlene H. Dortch  
Secretary  
Office of the 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:

AT&T and Deutsche Telekom AG (the “Applicants”) jointly filed on July 25, 2011 a quantitative Engineering Analysis performed by AT&T that analyzes the marginal cost of additional output for each of AT&T and T-Mobile USA as standalone entities and as a combined firm. The Engineering Analysis provides more detailed support for the very significant cost savings and other efficiencies that would result from the proposed transaction. As indicated at that time, the Applicants continued to review and refine that Analysis.

In response to questions from the Commission Staff, the Applicants now provide an updated Engineering Analysis which, *inter alia*, **[Begin Highly Confidential Information]**

**[End Highly Confidential Information]**

The output from the Engineering Analysis continues to reflect that the transaction will produce tremendous network efficiencies and result in significant reductions in marginal cost for the combined firm.

**[Begin Highly Confidential Information]**

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**[End Highly Confidential**

**Information]**

Each of the changes to the Engineering Analysis makes it more robust, and with the changes the Analysis continues to show that the marginal cost reductions achieved through the transaction are substantial and well-founded. The following is a summary of the principal changes to the Engineering Analysis:

- **[Begin Highly Confidential Information]**

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<sup>1</sup> **[Begin Highly Confidential Information]**

(continued...)

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(continued...)

**[End Highly Confidential Information]**

<sup>2</sup> See Declaration of William Hogg, Senior Vice President of Network Planning and Engineering, AT&T Services, Inc. (Apr. 20, 2011); Reply Declaration of William Hogg (June 10, 2011); Joint Declaration of Jeffrey H. Reed, Director of Wireless @ Virginia Tech and Willig G. Worchester Professor of Electrical and Computer Engineering at Virginia Tech, and Nishith D. Tripathi, Award Solutions, Principal Consultant (June 10, 2011). AT&T/T-Mobile: Further Analysis of Capacity, Spectrum Efficiency and Service Quality Gains from Network integration Jeffrey H. Reed and Nishith D. Tripathi (July 26, 2011).

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**[End Highly Confidential Information]**

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Pursuant to the Protective Order and Second Protective Order in this proceeding,<sup>3</sup> we are submitting the revised Engineering Analysis to you on the attached CD-ROM. In addition, we are submitting a redacted version of this letter in ECFS (there is no redacted version of the analysis). Finally, we are submitting two copies of the unredacted version of this letter and the CD-ROM with the models to Kathy Harris of the Wireless Telecommunications Bureau staff or her designee.

We will be happy to provide the Commission staff with additional information concerning the enclosed analyses and assistance in interpreting it. If you have any questions or require further information, please contact Richard Rosen at 202-942-5499 or

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<sup>3</sup> *In re Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses and Authorizations*, WT Dkt No. 11-65, Protective Order, DA 11-674 (WTB rel. Apr. 14, 2011) (“First Protective Order”); *In re Applications of AT&T Inc. and Deutsche Telekom AG for Consent to Assign or Transfer Control of Licenses and Authorizations*, WT Dkt No. 11-65, Second Protective Order (Revised), DA 11-1100 (WTB rel. June 22, 2011), *modified*, DA 11-1214 (WTB rel. July 19, 2011) (“Second Protective Order”).

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Richard.Rosen@aporter.com, or Nancy Victory at 201-719-7344 or nvictory@wileyrein.com.  
Thank you for your assistance.

Sincerely,

/s/

Richard L. Rosen  
Counsel for AT&T Inc.

/s/

Nancy Victory  
Counsel for Deutsche Telekom AG

Enclosure

cc (via email): Best Copy and Printing, Inc.  
Kathy Harris, Esq.  
Mr. Jonathan Baker  
Ms. Kate Matraves  
Jim Bird, Esq.

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**The CD-ROM containing the Engineering Analysis  
has been redacted.**