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March 23, 2011

VIA OVERNIGHT MAIL

Mr. Jeff Derouen
Executive Director
Public Service Commission
211 Sower Boulevard
P.O. Box 615
Frankfort, KY 40602-0615

RECEIVED

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PUBLIC SERVICE
COMMISSION

Re: Notice of Change in Parent of BellSouth Long Distance, Inc.

Dear Mr. Derouen:

This letter is to notify the Kentucky Public Service Commission of a change in the parent of BellSouth Long Distance, Inc., from BellSouth Corporation to BellSouth Mobile Data, Inc. Additionally, BellSouth Mobile Data Inc.'s parent will change from BellSouth Corporation to AT&T, Inc. The transactions described herein are expected to be implemented on or about July 1, 2011. In accordance with KRS 278.020(7)(b)¹ and the Commission's January 8, 1998, Order entered in Administrative Case No. 370², no Commission approval is necessary for this change.

The internal corporate transactions that will occur to effectuate this change are: (1) BellSouth Corporation, the current direct parent of BellSouth Long Distance, Inc., ("BSLD"), will transfer ownership and control of BSLD to another BellSouth Corporation subsidiary, BellSouth Mobile Data, Inc., and (2) BellSouth Corporation will subsequently transfer ownership and control of BellSouth Mobile Data, Inc., to AT&T, Inc. ("AT&T"), the ultimate corporate parent of BSLD, BellSouth Corporation, and BellSouth Mobile Data, Inc. BSLD is currently an indirect wholly-owned subsidiary of AT&T and will continue to be an indirect wholly-owned subsidiary of AT&T after these internal transactions.³

¹ "Subsection (6) of this section shall not apply to any acquisition of control of any: ... (b) Utility by an acquirer who directly, or indirectly through one(1) or more intermediaries, controls, or is controlled by , or is under common control with, the utility, including any entity created at the direction of such utility for purposes of corporate reorganization." BellSouth Mobile Data, Inc., to which BSLD's stock is being transferred, is directly controlled by AT&T Inc. and is under common control of AT&T, Inc. with BSLD.

² Competitive local exchange carriers "are exempted from filing applications for prior approval of transfers pursuant to KRS 278.020...." Order at 4.

³ See the organizational charts attached hereto as **Attachment 1** that depict each step of the transactions.

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This change is the result of internal corporate reorganizations that are being undertaken for the purpose of rationalizing and simplifying AT&T, Inc.'s corporate structure. This simplification will enable AT&T, Inc. to manage its business operations more efficiently, thereby enabling it to compete more effectively in Kentucky, which in turn will benefit Kentucky consumers and serve the public interest.

BSLD is an interexchange and competitive local exchange carrier that provides long distance and local services in Kentucky.⁴ The transactions described herein will be transparent to customers and will not affect in any respect the services that BSLD provides to customers today. BSLD will continue to operate under the "doing business as" (d/b/a) designation of AT&T Long Distance Service. There will be no change in the rates and other terms and conditions of the services available to BSLD's Kentucky customers as a result of these transactions. Services will continue to be provided to BSLD's Kentucky customers pursuant to its tariffs, guidebooks, and contracts offered by BSLD at the same terms and conditions. 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 as a result of these transactions.

The address of BellSouth Long Distance, Inc. d/b/a AT&T Long Distance Service and the company contact information on file with the Commission remain the same.

Thank you for your attention to this matter. Should the Commission or the Commission Staff have any questions please feel free to contact me.

Sincerely,



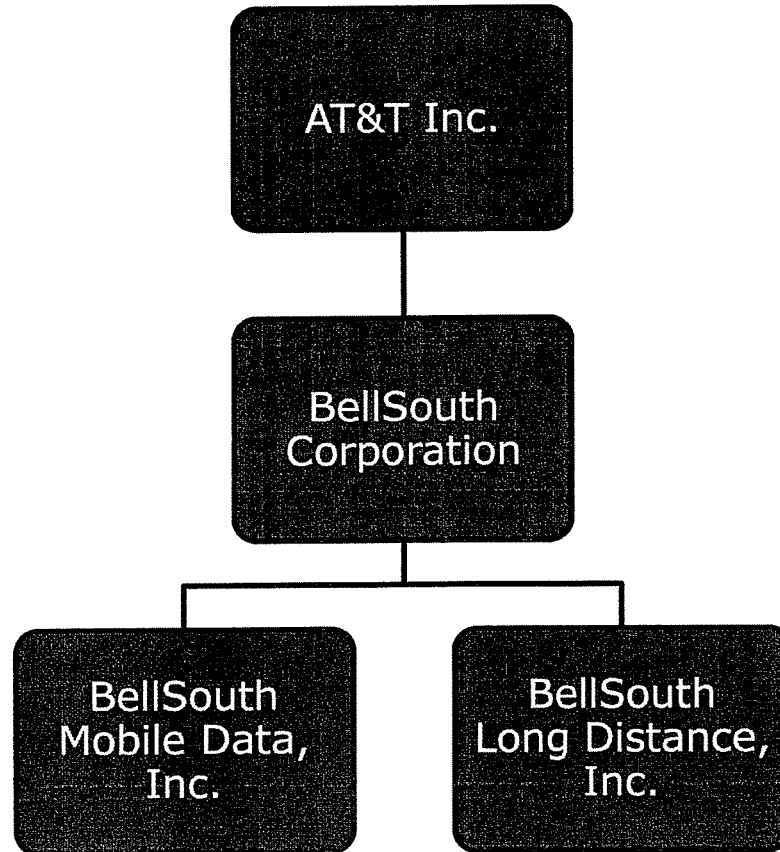
Mary K. Keyer

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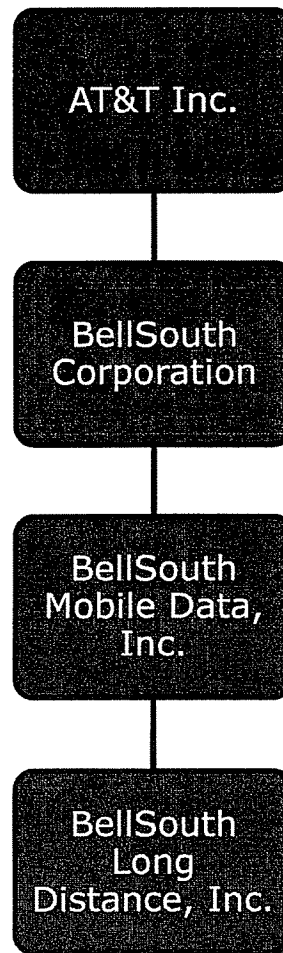
⁴ BSLD has been doing business in Kentucky as "AT&T Long Distance Service" since the merger between BellSouth Corporation and AT&T, Inc. See Letter dated December 29, 2006, to Beth O'Donnell, Executive Director, Kentucky Public Service Commission, from the undersigned notifying the Commission of this designation.

Attachment 1

Currently, BellSouth Long Distance, Inc., and BellSouth Mobile Data, Inc., are wholly owned subsidiaries of BellSouth Corporation.



First Transaction: BellSouth Corporation will transfer 100% of its stock in BellSouth Long Distance, Inc., to BellSouth Mobile Data, Inc. BellSouth Long Distance, Inc., will then be a wholly owned subsidiary of BellSouth Mobile Data, Inc.



Second Transaction: BellSouth Corporation will transfer 100% of its stock in BellSouth Mobile Data, Inc., to AT&T Inc.

