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November 3, 2006

Ms. Marlene H. Dortch, Secretary
Federal Communications Commission
445 12th Street, SW
12th Street Lobby – TW-A325
Washington, D.C. 20554

**Re: Notification Under Section 64.2009(f)
CC Docket No. 96-115**

Dear Ms. Dortch:

AT&T Inc. (“AT&T”) on behalf of AT&T Corp. (hereinafter referred to as “legacy AT&T”), hereby files this notice in the above reference proceeding, pursuant to Section 64.2009(f) of the Commission’s rules. The information provided in this notice is based upon facts known as of the date of this letter. AT&T will advise the Commission of any material changes to the facts disclosed herein or any additional facts that warrant disclosure.

As required, a copy of this notice has been sent to the Chief of the Competition Policy Division of the Wireline Competition Bureau and the Chief of the Consumer Policy Division of the Consumer & Governmental Affairs Bureau.

Should you have any question about the contents of this notice, please contact the undersigned or Celia Nogales on 202-457-3014.

Respectfully Submitted,

/s/ Davida M. Grant
Davida M. Grant
Senior Counsel – AT&T Inc.

cc: Renee Crittendon, Chief, Competition Policy Division - WCB
Erica McMahon, Chief, Consumer Policy Division – CGB

AT&T Notification Pursuant to 47 CFR § 64.2009(f)

SUMMARY

Early this year, legacy AT&T implemented a process to send residential customers (local exchange, local toll and/or interstate toll customers) a biennial CPNI notice beginning in March. Almost half of the CPNI notices were to be included in April paper bills. On October 27, 2006, AT&T determined that biennial CPNI opt-out notices were not included with all bills mailed during one six-day period (which included four bill cycles) and another five-day period (which included three bill cycles) during April. Because of this error, the CPNI notice was not sent to approximately 1.2M residential customers who should have received it. Legacy AT&T did not realize that these customers did not receive the notice, and legacy AT&T updated its CPNI records in June 2006, to signify opt-out consent based on the list of customers that were scheduled to receive the notice rather than those actually sent the notice.

Legacy AT&T has not engaged in any outbound marketing campaigns (direct mail or outbound telemarketing) to residential customers which would have required the use of CPNI since late 2004. Nevertheless, it is possible that legacy AT&T engaged in out-of-category marketing to affected customers on inbound calls. AT&T is in the process of attempting to identify those customers that did not receive the CPNI billing insert. As a result, AT&T has yet to locate all records of the customers to whom legacy AT&T may have engaged in out-of-category marketing on inbound calls, AT&T cannot determine whether legacy AT&T marketed services without the proper consent. However, based on the limited number of marketing programs, AT&T believes that the potential number of customers that may have been affected is small.

To ensure that, going forward, legacy AT&T does not use any affected customer's CPNI without proper CPNI consent, legacy AT&T has restricted the use of all potentially affected customers' CPNI. Legacy AT&T will not engage in any out-of-category marketing to such customers unless and until it first obtains proper CPNI consent.

This problem occurred in a legacy AT&T bill print center that is no longer used to print and mail legacy AT&T bills. In July 2006, legacy AT&T began using legacy SBC bill print centers to print and mail its bills. The legacy SBC centers have processes in place that would have prevented the problem experienced in the legacy AT&T bill print center. Nevertheless, AT&T is reviewing the legacy SBC centers' processes to determine if any additional processes may be appropriate to further ensure that this type of problem will not recur.

SPECIFIC RESPONSE

Section 64.2009(f) of the Commission's rules states:

Carriers must provide written notice within five business days to the Commission of any instance where the opt-out mechanisms do not work properly, to such a degree that consumers' inability to opt-out is more than an anomaly.

- (1) The notice shall be in the form of a letter, and shall include the carrier's name, a description of the opt-out mechanism(s) used, the problem(s) experienced, the remedy proposed and when it will be/was implemented, whether the relevant state commission(s) has been notified and whether it has taken any action, a copy of the notice provided to customers, and contact information.

AT&T provides the requisite information below.

1. Carrier's name and contact information

The entity affected is AT&T Corp. You may contact Davida Grant at (202) 457-3045 or Celia Nogales at 202-457-3014 for inquiries regarding this notice.

2. Description of the opt-out mechanism(s) used and problems experienced

As required by Commission rules, legacy AT&T has implemented policies and procedures to re-notify existing opt-out customers of their CPNI rights every two years. Legacy AT&T's internal procedures require it to send existing opt-out customers a CPNI notice prior to the expiration of their two-year opt-out approval period, to wait a minimum of 33-days after the date such notices are sent for a response, and to treat all customers that do not opt-out within the 33-day period as "CPNI Yes" customers. For CPNI Yes customers, legacy AT&T may proactively market new categories of communications-related services offered by the AT&T family of companies.

In early 2006, legacy AT&T's Marketing Organization determined that, beginning in April, legacy AT&T should send approximately 9.4M of its residential customers a biennial CPNI notice in their paper bill. Of that number, approximately 5.76M of the customers were to receive the biennial notice through an insert in their April paper bill. This data was sent to legacy AT&T's Bill Print Center ("BPC") in Charlotte, NC, which was responsible for printing legacy AT&T's bills and including all required inserts, including CPNI inserts. The Marketing Organization provided BPC the CPNI inserts, which were virtually the same for all states, except California.¹

In April 2006, BPC began sending bills, which included the CPNI insert, to the 5.76M identified customers. On April 19th, BPC determined that it did not have sufficient CPNI inserts to complete that day's billing cycle for non-California customers (there were sufficient California-specific CPNI inserts). BPC notified the Marketing Organization by email on April 19th that it was out of CPNI inserts for non-California customers. Between April 19th and April 24th, however, BPC continued to print and send bills to non-California opt-out customers without the CPNI insert. The Marketing Organization sent additional CPNI inserts, which BPC received on Friday, April 21st. BPC resumed including the CPNI inserts in non-California customer bills on April 25th. BPC did not maintain a list of customers that were not sent a CPNI insert during this timeframe. AT&T estimates that during the six-day period (which included four bill cycles), approximately 1.17M non-California customers who should have received a CPNI insert did not receive such insert.

¹ See Attachment A, which includes the non-California and California CPNI notices.

For California customers, BPC ran out of CPNI inserts on April 27th. BPC did not notify the Marketing Organization that it had insufficient CPNI notices. BPC continued to print and send bills without the CPNI insert to California customers between April 27th and May 1st, the last day of the scheduled mailings for the April bills. AT&T estimates that approximately 125K California customers who should have received a CPNI insert did not receive such insert.

Based on a data file containing the customers that were supposed to be sent the CPNI insert, rather than the customers that were actually sent the insert, legacy AT&T, on June 2, 2006, updated the CPNI status of approximately 5.67M residential customers.

It was not until October, 2006, while investigating a discrepancy regarding the number of customers that should have been sent a CPNI insert in their September bill (the discrepancy was ultimately explained), that the Marketing Organization discovered an inconsistency in the reported numbers for April. After discovering the discrepancy, AT&T launched an investigation to determine if all relevant customers were sent the biennial CPNI notice.

Due to insufficient internal processes, legacy AT&T did not realize that some customers did not receive CPNI notices and updated its CPNI records in June 2006 with incorrect information. Specifically, the Marketing Organization assumed that when BPC ran out of CPNI inserts that BPC would stop mailing further bills until it received additional CPNI inserts, or, at a minimum would maintain a list of customers that were not sent a CPNI insert and include the insert in their next bill.

AT&T has not yet determined whether legacy AT&T used any CPNI of the affected customers between June 2, 2006 and October 25, 2006. Legacy AT&T ceased proactive outbound marketing in late 2004 and thereafter did not conduct outbound telemarketing or direct mail marketing campaigns using CPNI. To the extent affected customers called into legacy AT&T's call center, however, legacy AT&T may have used CPNI to market new categories of service to those customers. AT&T is aware that in a limited number of situations (approximately 40 inbound sales per month), legacy AT&T used CPNI to qualify customers for AT&T Call Vantage VoIP services. AT&T is unable to determine at this time whether any of the impacted customers (1) called into the call center, and (2) if they called in, whether or not legacy AT&T service representatives used the impacted customers' CPNI for out-of-category marketing purposes.

3. The remedy proposed and when it will be/was implemented

To ensure that, going forward, legacy AT&T does not use any affected customer's CPNI without proper CPNI consent, legacy AT&T has restricted the use of *all* potentially affected customers' CPNI. Legacy AT&T will not engage in any out-of-category marketing to such customers unless and until it obtains proper CPNI consent.

AT&T is still determining whether it will be able to identify the customers that did not receive a CPNI insert in their April bill. While AT&T currently can identify the base of customers that were to receive a CPNI insert during April, AT&T to date has not been able to determine on a customer-specific basis whether a customer was sent the CPNI insert in his/her April bill. If AT&T is able to make this determination, legacy AT&T will not re-notify customers that were sent the notice and will change their CPNI status to opt-out consent or denial

where appropriate. For the remaining customers, legacy AT&T intends to send them an opt-out notice in the near term. If AT&T is unable to determine on a customer-specific basis whether legacy AT&T included the CPNI insert in the April bill, legacy AT&T will re-notify all customers that were to receive a CPNI notice in their April bill, excluding disconnects or customers that have, since May, restricted the use of their CPNI. After sending the opt-out notice, legacy AT&T will wait the minimum period before treating the customers as CPNI Yes.

AT&T has taken steps that will ensure that this problem will not recur. First, in mid-to-late July 2006, legacy AT&T began using legacy SBC bill print centers to print and mail its bills. AT&T has confirmed that these centers' processes require personnel to include all mandatory notices, including CPNI, in the relevant customer bills. Second, AT&T has confirmed that in instances where these centers anticipate a mandatory insert shortage, they will contact the Marketing Organization, prior to running out of the insert, regarding next steps. The Marketing Organization will then determine if it will order additional bill inserts, or request that the center(s) include the mandatory insert in the following bill. Third, AT&T has confirmed that the legacy SBC centers utilize an inventory tracking system that tracks inserts by insert description, receipt date, volume of inserts received, and when the inserts are delivered to the manufacturing floor. Additionally, the system maintains detailed information about each individual mailing, including what inserts were included therein, for 3 years. The centers regularly monitor mandatory insert usage and periodically conduct physical inventories of inserts. Taken together, these processes would have prevented the problem identified here. Nevertheless, to ensure that this problem does not occur in the future, AT&T is reviewing the legacy SBC centers' processes and procedures to determine if any additional measures may be appropriate.

4. Have the relevant state commissions been notified and if so have they taken any action.

AT&T will make all required notifications to the relevant state public utility commissions. No state commissions have taken any action.

5. A copy of the notice provided to customers

A copy of the opt-out notice that should have been sent to the affected customers is provided as Attachment A.

ATTACHMENT A

CPNI OPT-OUT NOTICES

UN MENSAJE IMPORTANTE ACERCA DE LA PRIVACIDAD DE SU INFORMACIÓN (INFORMACIÓN DE LA RED PROPIETARIO DEL CLIENTE O "CPNI")

Las empresas de telecomunicaciones de AT&T, incluyendo Cingular Wireless®, desean compartir su información de la red propietario del cliente (CPNI) con otros miembros de la familia de compañías de AT&T (AT&T) para propósitos de mercadeo, incluyendo el uso de dicha información con el fin de ofrecerle productos y servicios adicionales. Su CPNI incluye información acerca de los tipos de servicios de telecomunicación que usted utiliza actualmente, cómo los utiliza, y toda la información de facturación relacionada con los mismos servicios. El CPNI no incluye su número telefónico, su nombre y dirección. Usted tiene el derecho y nosotros el deber de proteger la confidencialidad de su CPNI, bajo las leyes federales. Como cliente de AT&T, usted puede restringir el uso de su CPNI aun dentro de la familia de compañías de AT&T.

No se requiere respuesta de su parte para permitirnos utilizar su CPNI. No utilizaremos su CPNI para ofrecerle otros productos y servicios hasta por lo menos 30 días después de haberle enviado esta notificación. Si en cualquier momento usted prefiere que AT&T no utilice su CPNI para estos propósitos, sólo tiene que llamar a AT&T al 1 800 645-6309 o llenar y enviar el formulario de respuesta adjunto con envío prepagado. Si usted recibe cuentas telefónicas separadas por números adicionales, usted tendrá que llamar nuevamente o llenar y enviar el formulario de respuesta adjunto por cada número telefónico si usted desea que AT&T no utilice su CPNI para ese número telefónico en particular.

Su decisión de permitir o restringir el uso de su CPNI se mantendrá en efecto hasta que usted cambie de parecer, lo cual puede hacer en cualquier momento y sin cargo alguno. Restringir el uso de su CPNI no afectará los términos de servicio de cualquier producto o servicio de AT&T a los cuales se suscribe actualmente, y tampoco eliminará otros tipos de comunicaciones relacionadas con nuestros esfuerzos de mercadeo. AT&T y nuestros agentes autorizados no venderán, canjearán, o compartirán su CPNI con otras entidades fuera de la familia de compañías de AT&T, u otras entidades autorizadas para representarnos con el fin de ofrecer nuestros productos o servicios, excepto cuando lo requiera la ley.

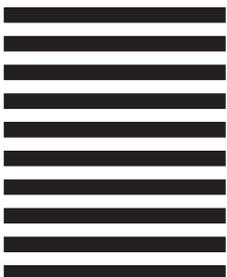
Gracias por elegir los productos y servicios de AT&T. Le agradecemos por ser cliente de AT&T.



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POSTAGE WILL BE PAID BY ADDRESSEE

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NECESSARY
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UNITED STATES



**AN IMPORTANT MESSAGE ABOUT THE PRIVACY OF
YOUR CUSTOMER INFORMATION (CUSTOMER
PROPRIETARY NETWORK INFORMATION OR CPNI)**

AT&T telecommunications carriers, including Cingular Wireless®, would like to share your customer proprietary network information within the AT&T family of companies (AT&T) for our own marketing purposes, including using that information to offer you additional products and services. Your CPNI includes the types of telecommunications services you currently purchase, how you use them and the related billing for those services. CPNI does not include your telephone number, name, and address. Protecting the confidentiality of your CPNI is your right and our duty under federal law. As an AT&T customer, you can restrict the use of your CPNI even within the AT&T family of companies.

No action is required on your part to allow AT&T to use your CPNI. We will not use your CPNI to offer you other products and services until at least 30 days after this notice was mailed to you. If at any time you prefer that AT&T not use your CPNI for these purposes, you only need to call AT&T at 1 800 645-6309. If you receive separate bills for additional telephone numbers, you will need to call for each such billed telephone number should you prefer that AT&T not use your CPNI for that telephone number.

Your decision to permit or restrict our use of CPNI will remain in effect until you change it, which you can do at any time, at no charge. Restricting our use of your CPNI will not affect the provision of any AT&T products or services to which you currently subscribe, nor will it eliminate other types of marketing contacts. AT&T and our authorized agents will not sell, trade, or share your CPNI with anyone outside of the AT&T family of companies, or others authorized to represent us to offer our products or services, except as may be required by law.

Thank you for choosing AT&T products and services. We appreciate your business.

