



Sharon Mullin  
Director  
External Affairs

2003 Point Bluff  
Austin, TX 78746

T: 512-330-1698  
F: 832-213-0203  
[Sharon.Mullin@att.com](mailto:Sharon.Mullin@att.com)

December 19, 2012

Washington Utilities and Transportation Commission  
Attn: Records Center  
1300 S. Evergreen Park Dr. SW  
P.O. Box 47250  
Olympia, WA 98504-7250

**RE: Petition for exemption from thirty day requirement**

Please accept the attached Petition for filing made by Teleport Communications America, LLC.

If you have any questions regarding this Petition or the underlying transaction, please feel free to contact me at (512) 330-1698.

Very truly yours,

A handwritten signature in cursive script that reads "Sharon Mullin".

Sharon Mullin  
Director  
AT&T Services, Inc.

cc: Bill Weinman

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

Teleport Communications America, LLC Petition for Exemption of WAC 480-121-061(1)	) ) ) )	Docket No. UT-121964  Petition
--	------------------	--------------------------------------

Teleport Communications America, LLC (“TCA”) respectfully requests an exemption from thirty day requirement in WAC 480-121-061(1) for competitive classification to facilitate the expedited registration of TCA allowing the merger of TCG Oregon and TCG Seattle to occur on or around December 31, 2012.

**Background**

1. On October 16, 2012, the TCG Oregon, TCG Seattle and TCA (collectively, “the Companies”) notified the Washington Utilities and Transportation Commission (“WUTC”) that on December 31, 2012, TCG Oregon and TCG Seattle would merge into Teleport Communications America, LLC (“TCA”) with TCA being the surviving entity. The notification also included TCA’s registration with the Washington Secretary of State. See **Exhibit 1**.
2. The proposed merger is part of a multi-state initiative to consolidate in TCA the provision of services that are currently provided through multiple state-specific subsidiaries of Teleport Communications Group, Inc. The transaction will be entirely pro forma in that it will involve only affiliates of TCA and no non-affiliated entity. All of these companies are subsidiaries of AT&T Inc.

3. TCG Oregon and TCG Seattle are both classified as competitive telecommunications companies that provide intraexchange and interexchange services in Washington. Customers' services and the prices, terms and conditions for those services will not be affected by this action.
4. On December 14, 2012, TCA electronically filed a Registration and Competitive Classification of Telecommunication Companies with the Commission. See **Exhibit 2**.
5. On December 17, 2012, Teleport Communications of America, LLC received notice that its registration would not become effective until January 13, 2013. See **Exhibit 3**.

### **Exemption Request**

6. WAC §480-121-061(1) requires that a telecommunications company requesting competitive classification file a request with the Commission with an effective date at least thirty days after the filing date.
7. WAC §480-121-015 allows the Commission to grant an exemption from WAC §480-121-061(1), if consistent with the public interest, with the purposes underlying regulation and with applicable statutes.
8. TCA is requesting an exemption from the thirty day requirement in WAC §480-121-061(1) so that TCA can become a registered competitive telecommunications company prior to December 31, 2012, thereby allowing TCG Oregon and TCG Seattle to merger into TCA on or around December 31, 2012.
9. It is consistent with the public interest to grant TCA's request. TCA is stepping into the shoes of TCG Oregon and TCG Seattle which are both designated as competitive telecommunications companies in Washington. TCA will be offering the same services

to consumers at the same locations and pursuant to the same terms and conditions as TCG Oregon and TCG Seattle. The transaction will be transparent to consumers. TCA, TCG Oregon and TCG Seattle are also all subsidiaries of AT&T Inc.

10. Granting TCA's request will allow the merger of TCG Oregon and TCG Seattle to occur by the end of this year. The proposed merger is part of a multi-state initiative to consolidate in TCA the provision of services that are currently provided through multiple state-specific subsidiaries, such as TCG Oregon and TCG Seattle.

### **Conclusion**

TCA greatly appreciates the Commission's consideration of its request. Granting this request is consistent with the public interest, with the purpose of the underlying regulations and with applicable statutes.

Respectfully submitted this 19<sup>th</sup> day of December 2012,

By Cindy J. Manheim *by Doc with permission*

Cindy J. Manheim, Esq.  
WSBA# 26524  
General Attorney  
AT&T  
PO Box 97061  
Redmond, WA 98073-9761  
[cindy.manheim@att.com](mailto:cindy.manheim@att.com)

Attorney for Teleport Communications America, LLC,  
TCG Oregon and TCG Seattle

**EXHIBIT 1**  
**Notification from October 16, 2012**



Sharon Mullin  
Director  
External Affairs

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Austin, TX 78746

T: 512-330-1698  
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[Sharon.Mullin@att.com](mailto:Sharon.Mullin@att.com)

October 16, 2012

Washington Utilities and Transportation Commission  
Attn: Records Center  
1300 S. Evergreen Park Dr. SW  
P.O. Box 47250  
Olympia, WA 98504-7250

**RE: Notification of Merger of TCG Oregon, TCG Seattle into Teleport Communications America, LLC**

This letter is to advise you that TCG Oregon and TCG Seattle will merge into Teleport Communications America, LLC ("TCA") (collectively, "the Companies") on or around December 31, 2012, with TCA being the surviving entity. As such, the Companies request that the Washington Utilities and Transportation Commission ("Commission") recognize Teleport Communications America, LLC in lieu of TCG Oregon and TCG Seattle upon consummation of the transaction.

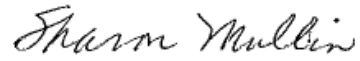
The proposed merger is part of a multi-state initiative to consolidate in TCA the provision of services that are currently provided through multiple state-specific subsidiaries of Teleport Communications Group, Inc. The transaction will be entirely pro forma in that it will involve only affiliates of TCA and no non-affiliated entity. TCG Oregon and TCG Seattle will merge into TCA, with the surviving entity being TCA. Exhibits 1 (TCG Oregon) and 2 (TCG Seattle) are the current and revised organization charts for the Companies. This transaction involves entities in multiple states with an expected implementation date on or around December 31, 2012.

TCG Oregon and TCG Seattle are both classified as competitive local exchange carriers that provide intraexchange and interexchange services in Washington. Customers' services and the prices, terms and conditions for those services will not be affected by this action.

Although the transaction will be transparent to customers, customers started receiving notice of this change via a bill message in September 2012. The bill message will continue through December 2012 and is attached hereto as Exhibit 3. Additionally, the Companies involved will revise service guides to reflect the change in provider name from TCG Oregon and TCG Seattle to Teleport Communications America, LLC. TCA's registration with the Washington Secretary of State is attached as Exhibit 4.

If you have any questions regarding this notice or the underlying transaction, please feel free to contact me at (512) 330-1698.

Very truly yours,

A handwritten signature in cursive script that reads "Sharon Mullin".

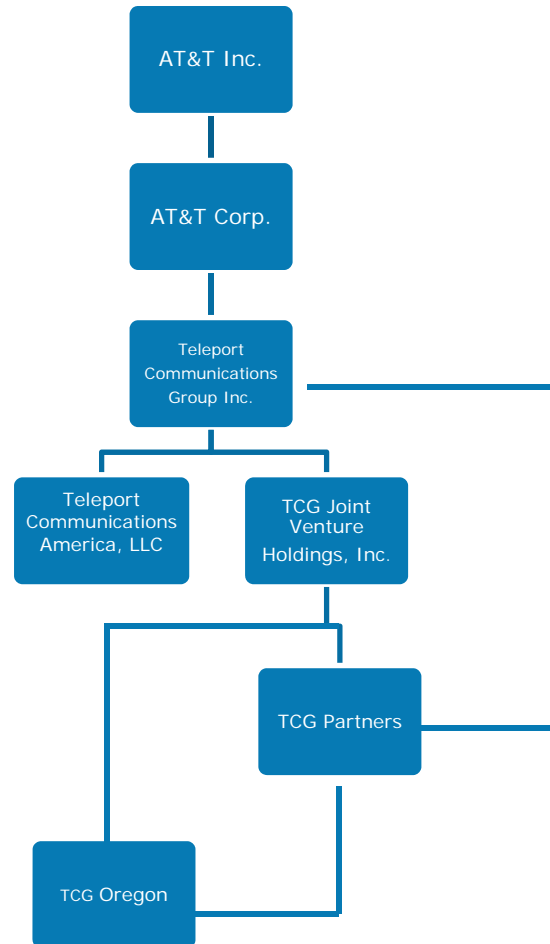
Sharon Mullin  
Director  
AT&T Services, Inc.

cc: Kristen Russell

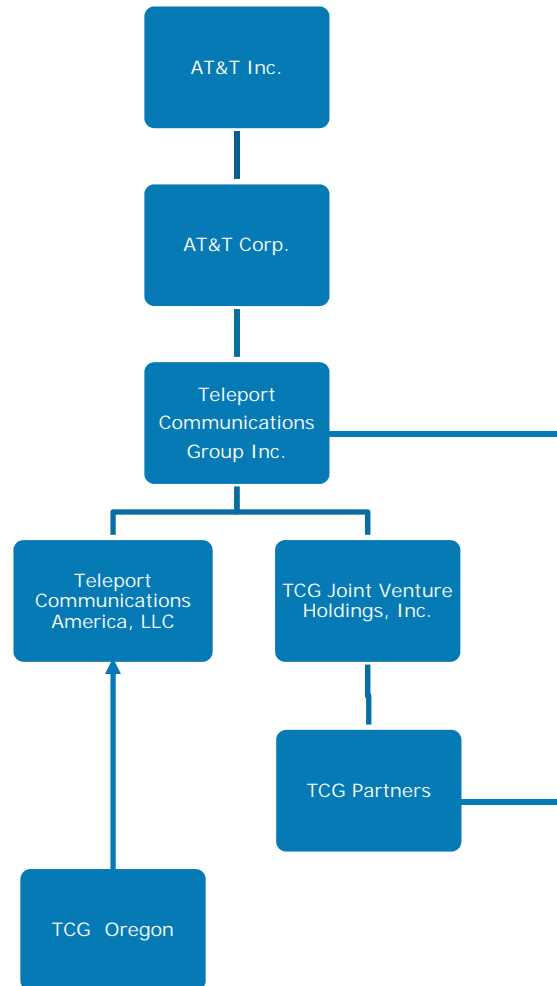
# Exhibit 1



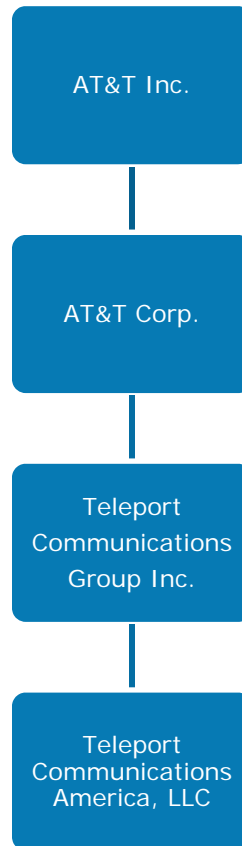
Currently, Teleport Communications America, LLC is directly owned by Teleport Communications Group Inc. (100%). TCG Oregon is directly owned by TCG Joint Venture Holdings, Inc. (1%) and TCG Partners (99%).



**TCG Oregon will be merged into Teleport Communications America, LLC. All other affiliate ownership interests in TCG Oregon will cease to exist.**

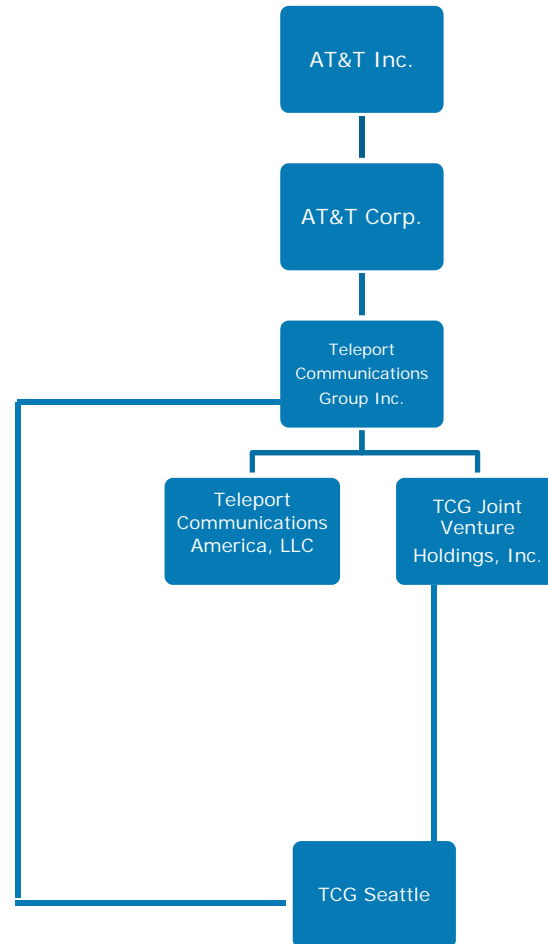


**Teleport Communications America, LLC will be the surviving entity and will remain a wholly owned subsidiary of Teleport Communications Group Inc.**

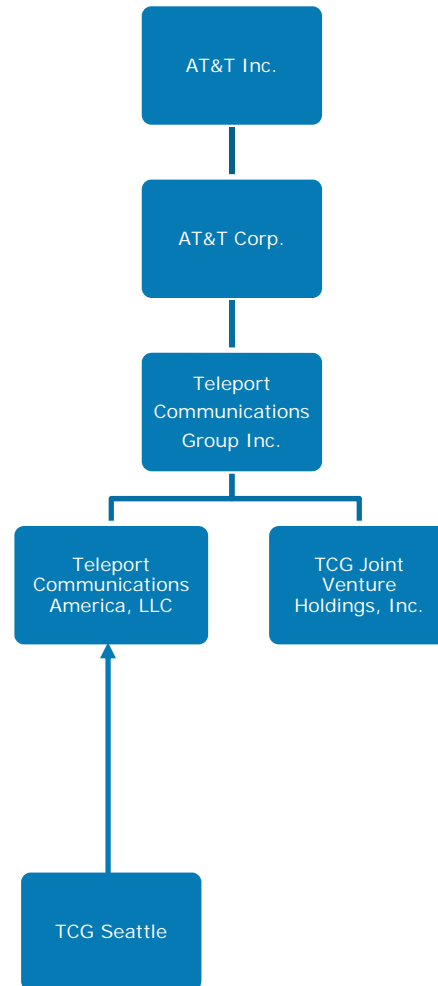


## Exhibit 2

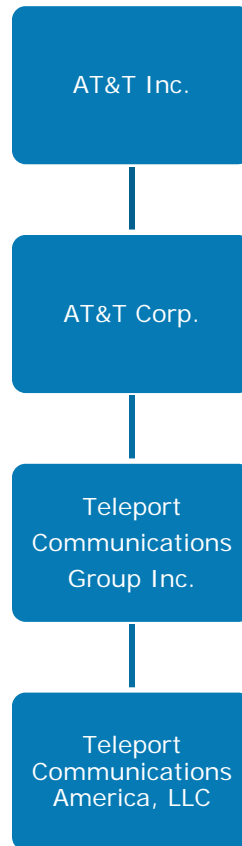
Currently, Teleport Communications America, LLC is directly owned by Teleport Communications Group Inc. (100%). TCG Seattle is directly owned by Teleport Communications Group Inc. (22.2%) and TCG Joint Venture Holdings, Inc. (77.8%)



**TCG Seattle will be merged into Teleport Communications America, LLC. All other affiliate ownership interests in TCG Seattle will cease to exist.**



**Teleport Communications America, LLC will be the surviving entity and will remain a wholly owned subsidiary of Teleport Communications Group Inc.**



## Exhibit 3



**Exhibit 3**  
**Customer Notice**

ATTENTION CUSTOMERS WITH LOCAL BUSINESS SERVICES PROVIDED BY CERTAIN TCG, TC SYSTEMS, OR TELEPORT COMPANIES\*:

Subject to state regulatory approvals, if any, beginning on or about December 31, 2012, Teleport Communications America, LLC, will provide the intrastate services previously provided by various TCG, TC Systems or Teleport companies. This administrative change will not impact the rates, terms, or conditions applicable to these services. To view service publications go to [www.att.com/servicepublications](http://www.att.com/servicepublications) and click on Service Guides and/or Tariffs. If you have any questions, please contact the toll free number on your invoice.

\*This change does not impact customers of TCG South Florida and Teleport Communications Atlanta, Inc., Teleport Communications New York (certificated in New Jersey, New York), and TC Systems in the following states - ID, LA, ME, MS, MT, ND, NM, OK, SC, SD, VT, WY

## Exhibit 4

UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, **SAM REED**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

**CERTIFICATE OF REGISTRATION**

to

**TELEPORT COMMUNICATIONS AMERICA, LLC**

a/an DE Limited Liability Company. Charter documents are effective on the date indicated below.

Date: 6/6/2012

UBI Number: 603-213-141



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

A handwritten signature in cursive script that reads "Sam Reed".

Sam Reed, Secretary of State

**EXHIBIT 2**  
**Registration Filing on December 14, 2012**

## COLLIER, DAVID A

---

**From:** COLLIER, DAVID A  
**Sent:** Thursday, December 13, 2012 6:05 PM  
**To:** records@utc.wa.gov  
**Cc:** 'MULLIN, SHARON L (ATTSI) (sm3162@att.com)'; MANHEIM, CYNTHIA J (Legal)  
**Subject:** Registration of Teleport Communications America, LLC

Please accept the attached documents for filing. The original documents are being sent in overnight mail.



Attachment: [Redacted]  
Attachment: [Redacted]  
Attachment: [Redacted]

David A. Collier

AT&T Services, Inc.

Area Manager – Regulatory Relations

Voice: (775) 333-3986 | Fax: (775) 333-2364

e-mail: [david.collier@att.com](mailto:david.collier@att.com)



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December 13, 2012

Washington Utilities and Transportation Commission  
Attn: Records Center  
1300 S. Evergreen Park Dr. SW  
P.O. Box 47250  
Olympia, WA 98504-7250

**RE: Registration of Teleport Communications America, LLC**

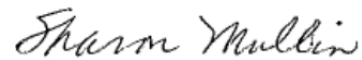
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Although the Companies do not necessarily agree that it must register TCA, the Registration form (Exhibit 2A) is being filed in an abundance of caution.

The Companies request that the Commission recognize Teleport Communications America, LLC in lieu of TCG Oregon and TCG Seattle upon consummation of the transaction, and, if a registration is required, to expedite approval of the registration of TCA and ensure approval before December 31, 2012 as to not delay the merger described above.

If you have any questions regarding this notice or the underlying transaction, please feel free to contact me at (512) 330-1698.

Very truly yours,

  
Sharon Mullin  
Director  
AT&T Services, Inc.

cc: Kristen Russell

# Exhibit 1A



Sharon Mullin  
Director  
External Affairs

2003 Point Bluff  
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[Sharon.Mullin@att.com](mailto:Sharon.Mullin@att.com)

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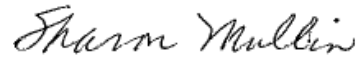
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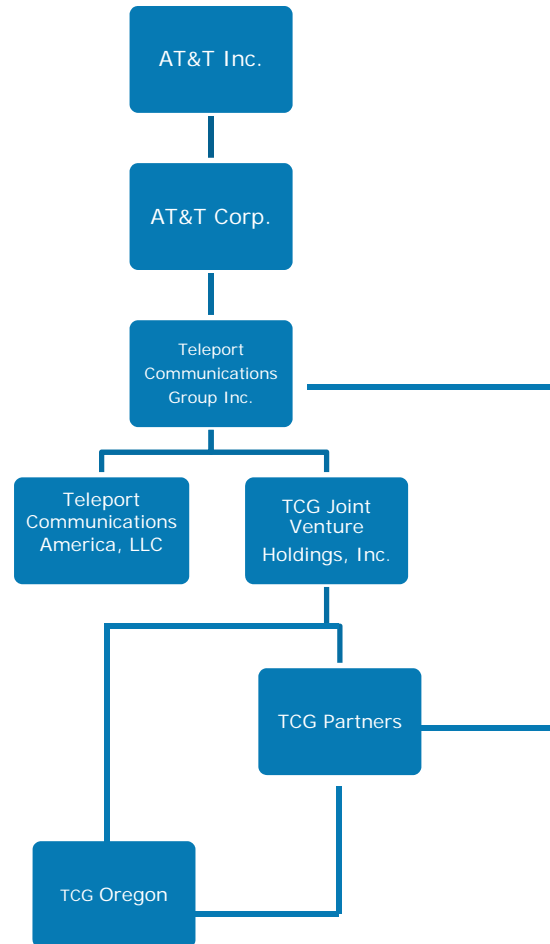
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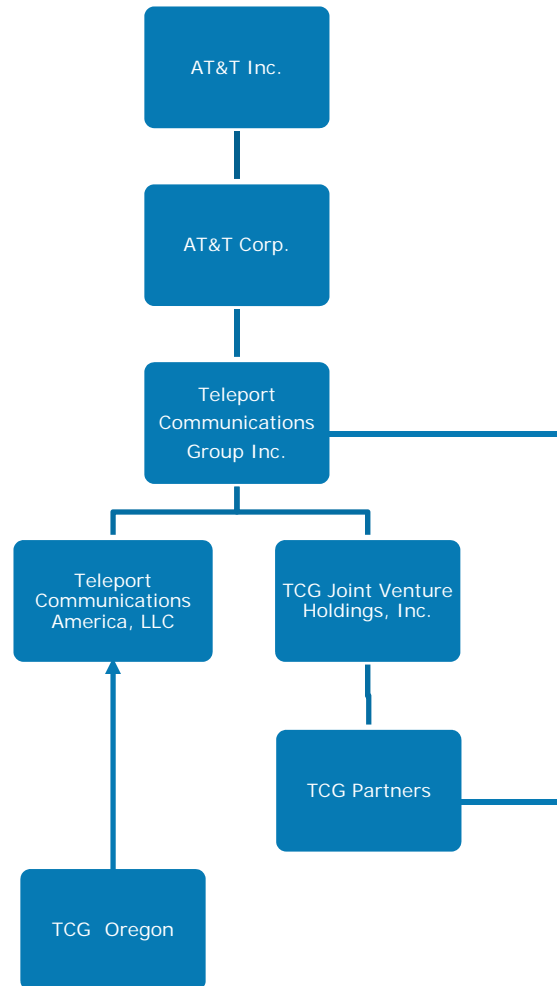
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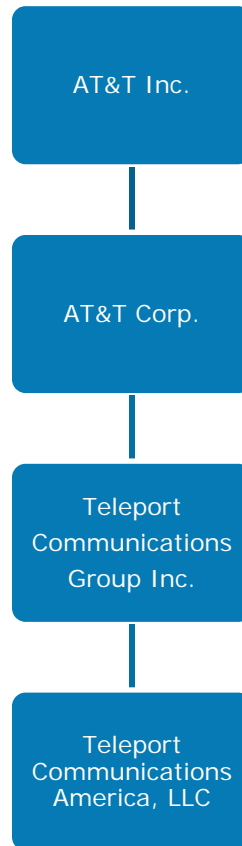
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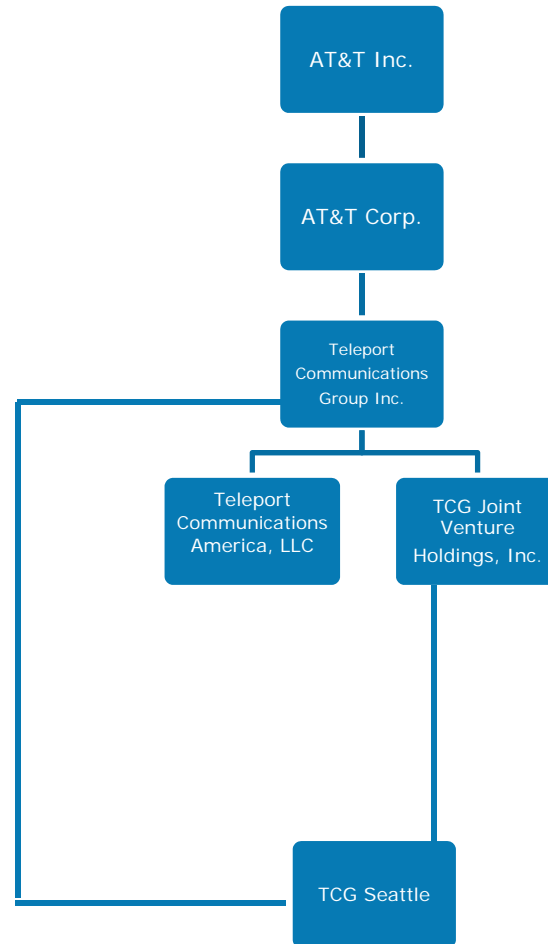


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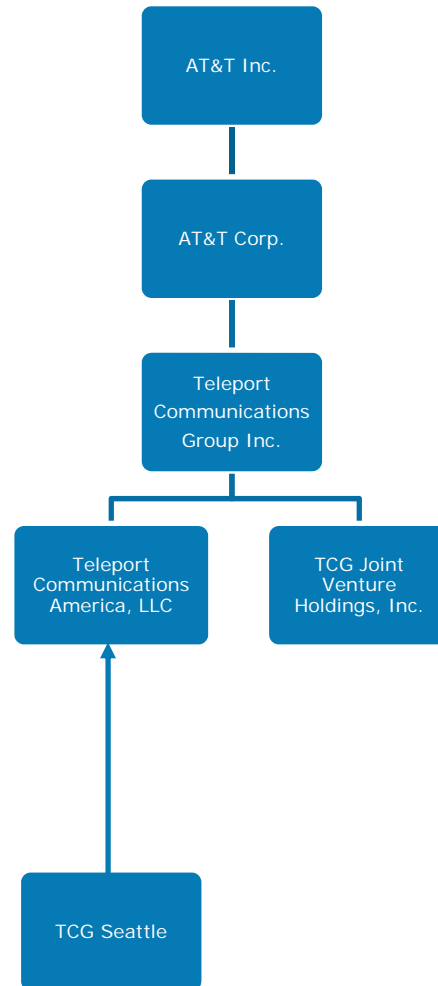


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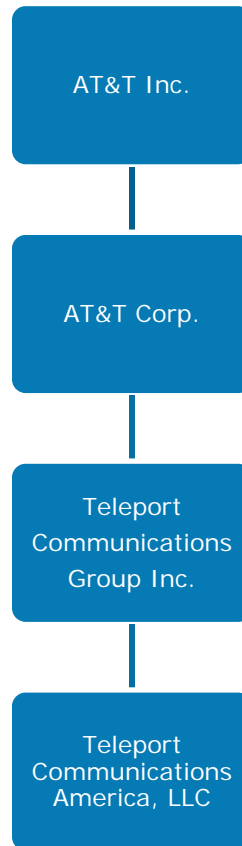


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# Exhibit 4

UNITED STATES OF AMERICA

The State of



Washington

Secretary of State

I, **SAM REED**, Secretary of State of the State of Washington and custodian of its seal, hereby issue this

**CERTIFICATE OF REGISTRATION**

to

**TELEPORT COMMUNICATIONS AMERICA, LLC**

a/an DE Limited Liability Company. Charter documents are effective on the date indicated below.

Date: 6/6/2012

UBI Number: 603-213-141



Given under my hand and the Seal of the State of Washington at Olympia, the State Capital

A handwritten signature in cursive script that reads "Sam Reed".

Sam Reed, Secretary of State

## Exhibit 2A



UTILITIES AND TRANSPORTATION COMMISSION

REGISTRATION AND COMPETITIVE CLASSIFICATION OF TELECOMMUNICATION COMPANIES

All telecommunications companies must register with the Utilities and Transportation Commission (UTC) prior to beginning operations in the state of Washington. Refer to RCW 80.36, WAC 480-121, 480-80, and 480-120.

1300 South Evergreen Park Drive SW
PO Box 47250
Olympia, WA 98504-7250

Telephone 360-664-1160 / Fax 360-586-1150
TTY 360-586-8203 or 1-800-416-5289
Website: www.utc.wa.gov

The UTC has a policy of providing equal access to its services. To request this document in alternate formats, please call 360-664-1133.

- Complete the application form.
Submit these forms via the Records Center Web portal or e-mail to records@utc.wa.gov as an electronic attachment. UTC encourages electronic submission of filings.
UTC will issue a registration certificate with an effective date 30 days from the date the completed application is received and approved.

Include the following:

- Current Balance Sheet
Latest Annual Report, if any

Competitive Classification

Applicant is subject to effective competition and requests waiver of regulatory requirements outlined in WAC 480-121-063 (1).

Telecommunications Company Information

Company Name: Teleport Communications America, LLC d/b/a:
Company Mailing Address: One AT&T Way
City/State/Zip: Bedminster, NJ 07921
Web Site Address: www.att.com

Unified Business Identification Number (UBI): 603-213-141
(If you do not know your UBI number or need to request one contact the Business Licensing Services at 360-664-1400 or 1-800-451-7985)

Questions regarding this application should be directed to:

Name: Sharon Mullin
Phone Number: 512-330-1698 Fax Number: 832-213-0203 E-mail: sm3162@att.com
Mailing Address: 2003 Point Bluff
City/State/Zip: Austin, TX 78746

**Registered Agent** (A Washington Agent is required if the company is located outside Washington State):

Name: CT Corporation System  
Mailing Address: 505 Union Ave. SE, Ste. 120  
City/State/Zip: Olympia, WA 98501  
Phone Number: 360-357-6794

**Name, address and title of each officer or director (attach additional pages if needed)**

<u>Name</u>	<u>Address</u>	<u>Title</u>
Anthony Fea	200 S Laurel Ave – Bldg. D, Rm D3-3D05, Middletown, NJ 07748	President
Leonard Weitz	340 Mt. Kemble Ave., Rm 3A121, Morristown, NJ 07960	Vice President
James F. Dionne	1 AT&T Way, Rm 2B119, Bedminster, NJ 07921	Chief Financial Officer

**Regulatory Contact:**

Name: Sharon Mullin  
Mailing Address: 2003 Point Bluff, Austin, TX 78746  
Phone Number: 512-330-1698 Fax Number: 832-213-0203  
E-mail: sm3162@att.com

**Consumer Questions and/or Complaint Contact:**

Name: Chris Timmermans  
Title: Associate Director – Customer Appeals  
Phone Number: 816-251-3255 Fax Number: 281-664-5365  
E-mail: ct4873@att.com

**Emergency Contact:**

Name: Sharon Mullin  
Title: Director, External Affairs  
Phone Number: 512-330-1698 Fax Number: 832-213-0203  
E-mail: sm3162@att.com

**Telecommunication services that will be provided (check all that apply):**

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Local Exchange Service (Resale) | <input checked="" type="checkbox"/> Data Services        |
| <input type="checkbox"/> Calling Cards                              | <input type="checkbox"/> Prepaid Calling Cards           |
| <input type="checkbox"/> Alternate Operator Services                | <input checked="" type="checkbox"/> Directory Assistance |
| <input checked="" type="checkbox"/> Long Distance Interlata         | <input type="checkbox"/> WATS (800/888)                  |
| <input checked="" type="checkbox"/> Long Distance Intralata         |  |
| <input type="checkbox"/> Other, please specify _____                |  |





# getting to the future **first**

AT&T Inc. 2011 Annual Report



## Consolidated Statements of Income

Dollars in millions except per share amounts

	2011	2010	2009
<b>Operating Revenues</b>			
Wireless service	\$ 56,726	\$ 53,510	\$ 48,563
Data	29,606	27,555	25,644
Voice	25,131	28,332	32,345
Directory	3,293	3,935	4,724
Other	11,967	10,948	11,237
Total operating revenues	<b>126,723</b>	124,280	122,513
<b>Operating Expenses</b>			
Cost of services and sales (exclusive of depreciation and amortization shown separately below)	57,374	52,379	50,639
Selling, general and administrative	38,844	32,864	31,359
Impairment of intangible assets	2,910	85	—
Depreciation and amortization	18,377	19,379	19,515
Total operating expenses	<b>117,505</b>	104,707	101,513
<b>Operating Income</b>	<b>9,218</b>	19,573	21,000
<b>Other Income (Expense)</b>			
Interest expense	(3,535)	(2,994)	(3,368)
Equity in net income of affiliates	784	762	734
Other income (expense) – net	249	897	152
Total other income (expense)	<b>(2,502)</b>	(1,335)	(2,482)
<b>Income from Continuing Operations Before Income Taxes</b>	<b>6,716</b>	18,238	18,518
Income tax (benefit) expense	2,532	(1,162)	6,091
<b>Income from Continuing Operations</b>	<b>4,184</b>	19,400	12,427
<b>Income from Discontinued Operations, net of tax</b>	<b>—</b>	779	20
<b>Net Income</b>	<b>4,184</b>	20,179	12,447
<b>Less: Net Income Attributable to Noncontrolling Interest</b>	<b>(240)</b>	(315)	(309)
<b>Net Income Attributable to AT&amp;T</b>	<b>\$ 3,944</b>	\$ 19,864	\$ 12,138
<b>Basic Earnings Per Share from Continuing Operations</b>			
Attributable to AT&T	\$ 0.66	\$ 3.23	\$ 2.06
<b>Basic Earnings Per Share from Discontinued Operations</b>			
Attributable to AT&T	—	0.13	—
<b>Basic Earnings Per Share Attributable to AT&amp;T</b>	<b>\$ 0.66</b>	\$ 3.36	\$ 2.06
<b>Diluted Earnings Per Share from Continuing Operations</b>			
Attributable to AT&T	\$ 0.66	\$ 3.22	\$ 2.05
<b>Diluted Earnings Per Share from Discontinued Operations</b>			
Attributable to AT&T	—	0.13	—
<b>Diluted Earnings Per Share Attributable to AT&amp;T</b>	<b>\$ 0.66</b>	\$ 3.35	\$ 2.05

The accompanying notes are an integral part of the consolidated financial statements.

## Consolidated Balance Sheets

Dollars in millions except per share amounts

	December 31,	
	2011	2010
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 3,185	\$ 1,437
Accounts receivable – net of allowances for doubtful accounts of \$878 and \$957	13,606	13,610
Prepaid expenses	1,155	1,458
Deferred income taxes	1,470	1,170
Other current assets	3,611	3,179
Total current assets	23,027	20,854
<b>Property, Plant and Equipment – Net</b>	<b>107,087</b>	<b>103,196</b>
<b>Goodwill</b>	<b>70,842</b>	<b>73,601</b>
<b>Licenses</b>	<b>51,374</b>	<b>50,372</b>
<b>Customer Lists and Relationships – Net</b>	<b>2,757</b>	<b>4,708</b>
<b>Other Intangible Assets – Net</b>	<b>5,212</b>	<b>5,440</b>
<b>Investments in Equity Affiliates</b>	<b>3,718</b>	<b>4,515</b>
<b>Other Assets</b>	<b>6,327</b>	<b>6,705</b>
<b>Total Assets</b>	<b>\$270,344</b>	<b>\$269,391</b>
<b>Liabilities and Stockholders' Equity</b>		
<b>Current Liabilities</b>		
Debt maturing within one year	\$ 3,453	\$ 7,196
Accounts payable and accrued liabilities	19,858	20,055
Advanced billing and customer deposits	3,872	4,086
Accrued taxes	1,003	975
Dividends payable	2,608	2,542
Total current liabilities	30,794	34,854
<b>Long-Term Debt</b>	<b>61,300</b>	<b>58,971</b>
<b>Deferred Credits and Other Noncurrent Liabilities</b>		
Deferred income taxes	25,748	22,070
Postemployment benefit obligation	34,011	28,803
Other noncurrent liabilities	12,694	12,743
Total deferred credits and other noncurrent liabilities	72,453	63,616
<b>Stockholders' Equity</b>		
Common stock (\$1 par value, 14,000,000,000 authorized at December 31, 2011 and 2010; issued 6,495,231,088 at December 31, 2011 and 2010)	6,495	6,495
Additional paid-in capital	91,156	91,731
Retained earnings	25,453	31,792
Treasury stock (568,719,202 at December 31, 2011 and 584,144,220 at December 31, 2010, at cost)	(20,750)	(21,083)
Accumulated other comprehensive income	3,180	2,712
Noncontrolling interest	263	303
Total stockholders' equity	105,797	111,950
<b>Total Liabilities and Stockholders' Equity</b>	<b>\$270,344</b>	<b>\$269,391</b>

The accompanying notes are an integral part of the consolidated financial statements.

## Consolidated Statements of Cash Flows

Dollars in millions

	2011	2010	2009
<b>Operating Activities</b>			
Net income	\$ 4,184	\$ 20,179	\$ 12,447
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation and amortization	18,377	19,379	19,515
Undistributed earnings from investments in equity affiliates	(623)	(603)	(419)
Provision for uncollectible accounts	1,136	1,334	1,762
Deferred income tax expense (benefit) and noncurrent unrecognized tax benefits	2,937	(3,280)	1,885
Net gain from impairment and sale of investments	(89)	(802)	—
Impairment of intangible assets	2,910	85	—
Actuarial loss on pension and postretirement benefits	6,280	2,521	215
Income from discontinued operations	—	(779)	(20)
Changes in operating assets and liabilities:			
Accounts receivable	(1,133)	(99)	(490)
Other current assets	(428)	(187)	(617)
Accounts payable and accrued liabilities	(383)	(1,508)	943
Retirement benefit funding	(1,000)	—	—
Other – net	2,480	(1,247)	(816)
Total adjustments	30,464	14,814	21,958
<b>Net Cash Provided by Operating Activities</b>	<b>34,648</b>	<b>34,993</b>	<b>34,405</b>
<b>Investing Activities</b>			
Construction and capital expenditures:			
Capital expenditures	(20,110)	(19,530)	(16,554)
Interest during construction	(162)	(772)	(740)
Acquisitions, net of cash acquired	(2,368)	(2,906)	(983)
Dispositions	1,301	1,830	287
(Purchases) and sales of securities, net	62	(100)	55
Other	27	29	52
<b>Net Cash Used in Investing Activities</b>	<b>(21,250)</b>	<b>(21,449)</b>	<b>(17,883)</b>
<b>Financing Activities</b>			
Net change in short-term borrowings with original maturities of three months or less	(1,625)	1,592	(3,910)
Issuance of long-term debt	7,936	2,235	8,161
Repayment of long-term debt	(7,574)	(9,294)	(8,652)
Issuance of treasury stock	237	50	28
Dividends paid	(10,172)	(9,916)	(9,670)
Other	(452)	(515)	(465)
<b>Net Cash Used in Financing Activities</b>	<b>(11,650)</b>	<b>(15,848)</b>	<b>(14,508)</b>
Net increase (decrease) in cash and cash equivalents	1,748	(2,304)	2,014
Cash and cash equivalents beginning of year	1,437	3,741	1,727
<b>Cash and Cash Equivalents End of Year</b>	<b>\$ 3,185</b>	<b>\$ 1,437</b>	<b>\$ 3,741</b>

The accompanying notes are an integral part of the consolidated financial statements.

The consolidated financial statements have been prepared in conformity with U.S. generally accepted accounting principles. The integrity and objectivity of the data in these financial statements, including estimates and judgments relating to matters not concluded by year end, are the responsibility of management, as is all other information included in the Annual Report, unless otherwise indicated.

The financial statements of AT&T Inc. (AT&T) have been audited by Ernst & Young LLP, Independent Registered Public Accounting Firm. Management has made available to Ernst & Young LLP all of AT&T's financial records and related data, as well as the minutes of stockholders' and directors' meetings. Furthermore, management believes that all representations made to Ernst & Young LLP during its audit were valid and appropriate.

Management maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed by AT&T is recorded, processed, summarized, accumulated and communicated to its management, including its principal executive and principal financial officers, to allow timely decisions regarding required disclosure, and reported within the time periods specified by the Securities and Exchange Commission's rules and forms.

Management also seeks to ensure the objectivity and integrity of its financial data by the careful selection of its managers, by organizational arrangements that provide an appropriate division of responsibility and by communication programs aimed at ensuring that its policies, standards and managerial authorities are understood throughout the organization.

The Audit Committee of the Board of Directors meets periodically with management, the internal auditors and the independent auditors to review the manner in which they are performing their respective responsibilities and to discuss auditing, internal accounting controls and financial reporting matters. Both the internal auditors and the independent auditors periodically meet alone with the Audit Committee and have access to the Audit Committee at any time.

### Assessment of Internal Control

The management of AT&T is responsible for establishing and maintaining adequate internal control over financial reporting, as defined in Rule 13a-15(f) or 15d-15(f) under the Securities Exchange Act of 1934. AT&T's internal control system was designed to provide reasonable assurance to the company's management and Board of Directors regarding the preparation and fair presentation of published financial statements.

AT&T management assessed the effectiveness of the company's internal control over financial reporting as of December 31, 2011. In making this assessment, it used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in *Internal Control – Integrated Framework*. Based on its assessment, AT&T management believes that, as of December 31, 2011, the Company's internal control over financial reporting is effective based on those criteria.

Ernst & Young LLP, the independent registered public accounting firm that audited the financial statements included in this Annual Report, has issued an attestation report on the company's internal control over financial reporting.



Randall Stephenson  
Chairman of the Board,  
Chief Executive Officer and President



John J. Stephens  
Senior Executive Vice President and  
Chief Financial Officer

**EXHIBIT 3**  
**Notice from the WUTC on December 17, 2012**

## COLLIER, DAVID A

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**From:** Lisa Wyse <Lisa\_Wyse/WUTC@wutc.wa.gov> on behalf of Lisa Wyse <lwyse@wutc.wa.gov>  
**Sent:** Monday, December 17, 2012 2:26 PM  
**To:** Lisa Wyse  
**Cc:** carmen.collier@wamu.net; Cathy Kern; COLLIER, DAVID A; Linda Anderson; Records Center; Virgil Santos; Tina Leipski  
**Subject:** Re: UT-121964 - Teleport Communications America, LLC - Petition for Registration and Competitive Classification

Please note: The effective date should be January 13, 2013.

Lisa Wyse, Manager  
Records Management  
Utilities & Transportation Commission  
(360)664-1259

Lisa Wyse  
Sent by: Lisa  
Wyse

To  
COLLIER, DAVID A <[dc1787@att.com](mailto:dc1787@att.com)>  
cc

12/17/2012 11:36 AM Virgil Santos@Exchange, Cathy  
Kern@Exchange, Linda  
Anderson@Exchange, Records Center  
Subject  
UT-121964 - Teleport Communications  
America, LLC - Petition for  
Registration and Competitive  
Classification

Mr. Collier:

The commission received your Petition for Registration and Competitive Classification filing on behalf of Teleport Communications America, LLC on December 14, 2012. The filing has been posted to the commission's Records Management System (RMS2). (Document link: Records Management System) This icon/link is for commission staff to access information regarding this filing."

The Docket Number for this filing is: UT-121964

The filing is currently scheduled to become effective on: January 13, 2012

The filing is currently assigned to: Leipski

PLEASE NOTE: Since this initial filing was received electronically by the Commission, ALL subsequent filings made for this company should be filed electronically.

If you have questions, please reply to this e-mail.

Thank you,

Lisa Wyse, Manager  
Records Management  
UTC  
360-664-1259

Lisa Wyse, Manager  
Records Management  
Utilities & Transportation Commission  
(360)664-1259