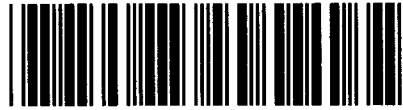


Control Number: 40521



Item Number: 46

Addendum StartPage: 0

AT&T Texas
July 19, 2012

DOCKET NO. 40521

STAFF'S PETITION TO ESTABLISH
A REASONABLE RATE FOR BASIC
LOCAL TELECOMMUNICATIONS
SERVICE PURSUANT TO P.U.C.
SUBST. R. 26.403

§
§
§
§
§

PUBLIC UTILITY COMMISSION
OF TEXAS

12 JUL 19 AM 11:07
PUBLIC UTILITY COMMISSION
FILING CLERK

AT&T TEXAS' CONDITIONAL ELECTION UNDER P.U.C. SUBST. R. 26.403(e)(6)

Southwestern Bell Telephone Company d/b/a AT&T Texas ("AT&T Texas") files its Conditional Election pursuant to P.U.C. Subst. R. 26.403(e)(6) for the purpose of notifying the Commission and parties of its intent to participate in the Total Support Reduction Plan under the conditions described herein. Pursuant to this conditional election AT&T will, if its Application for a Reasonable Rate is granted, forgo any and all high cost fund support from the Texas High Cost Universal Service Plan fund after December 31, 2016.

AT&T is compelled to make this election conditional at this time because of the material uncertainties at this very early stage of the case - a case that could not have been initiated any sooner due to the need to have a final rule in place as a condition precedent. The docket has been open for little more than a week and no party has yet filed its Application for a Reasonable Rate. AT&T commits that it will be in a position to make an unconditional election once it is more certain that the reasonable rate that will be used to calculate AT&T's THCUSP support reduction over the next four years will

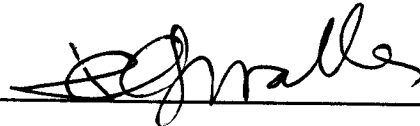
46

allow AT&T to rebalance most of its lost support, to zero, through rate adjustments in supported exchanges. Short of more certainty on the reasonable rate there is a risk that AT&T's exit from the THCUSP at the end of four years could deny the Company the opportunity to rebalance most of its lost support funding with rate adjustments in its THCUSP - supported exchanges.

WHEREFORE AT&T urges the Commission to accept this conditional election under Rule 26.403(e)(6) with the understanding that AT&T will make an election without condition or withdraw such election once the applicable reasonable rate has been established, if not sooner, based on the outcome of negotiations concerning the reasonable rate.

Respectfully submitted,

JOSEPH E. COSGROVE, JR.
General Attorney and Associate General
Counsel



Katherine C. Swaller
General Attorney
State Bar Number 77420

katherine.swaller@att.com

Thomas Ballo
General Attorney
State Bar Number 24006622

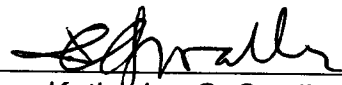
thomas.ballo@att.com

ATTORNEYS FOR AT&T TEXAS

816 Congress, Suite 1100
Austin, Texas 78701
(512) 457-2302
(512) 870-3420 (Fax)

CERTIFICATE OF SERVICE

I, Katherine Swaller, certify that a true and correct copy of this document was served on all parties of record on July 19, 2012, via electronic mail.



Katherine C. Swaller