



James W. Grudus
General Attorney
AT&T Services, Inc.

Room 3A218
One AT&T Way
Bedminster, NJ 07921
908 234-3318
FAX 832 213-0157
jg5786@att.com

February 16, 2010

Peter G. McCabe
Secretary, Committee on Rules of Practice and Procedure
of the Judicial Conference of the United States
Washington, DC 20544

Dear Mr. McCabe:

I am the chief credit and restructuring attorney for AT&T Inc. and its subsidiaries and affiliates (collectively, "AT&T"). My responsibilities include supervising the filing of proofs of claims by AT&T in bankruptcy cases throughout the United States. I write to comment on the proposed change to Federal Rule of Bankruptcy Procedure 3001(c)(1), which would require that "[w]hen a claim is based on an open-end or revolving consumer credit agreement, *the last account statement sent to the debtor* prior to the filing of the petition shall also be filed with the proof of claim." (Emphasis added).

As drafted, this rule change might be construed to capture AT&T's claims as well as those of credit card companies. AT&T's consumer accounts with respect to landline and mobile telephone services, internet access and email data services, as well as video programming, may all involve to some extent the extension of consumer credit each month.

The rule change, if applicable to AT&T, would substantially increase the burden and cost to AT&T in connection with filing claims in consumer bankruptcy cases. In that connection, AT&T is involved in a large percentage of the consumer bankruptcy cases filed in the United States. Last year, AT&T filed over One Hundred and Fifty Thousand (150,000) claims in consumer cases in courts throughout the United States and we estimate filing at least One Hundred and Eighty Thousand (180,000) claims this year. We take the claim process seriously and make sure that every claim is accurate to the best of our information. We generally include with our claims a computer generated spreadsheet that shows the amount owed in our system. This is relatively efficient to produce given modern technology and we have found it to be highly

accurate. Our administrative costs and expenses would increase substantially were we required to manually obtain, print, copy, redact sensitive personal information and attach the last physical account statement to each and every proof of claim. That last account statement would contain the same information as the spreadsheet we already use, but would add additional copy and other costs to the almost Two Hundred Thousand (200,000) claims we expect to file this year. If applicable to AT&T, we estimate that this rule change would cost AT&T approximately half a million dollars in additional costs every year.

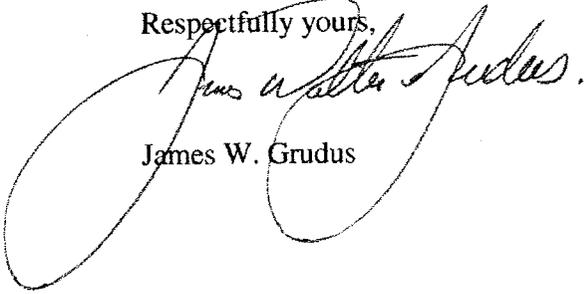
We understand the Committee's concern that claims be accurately asserted. Normally, however, there are little, if any, disputes as to the amounts of AT&T's consumer claims. When there are disputes, we believe the current rules and practice work well and would then require AT&T to justify its claims with additional documents such as invoices and bills. That process should be reserved for those claims where there is an actual dispute. It is not needed in the overwhelming number of claims that AT&T files and thus the burden and cost the rule change places on AT&T are not matched by any benefits to the system.

While we believe that the current system is working as it relates to AT&T's claims, we realize that the Committee's proposal may be necessary with respect to other types of claims, such as credit card accounts. Therefore, we would suggest that the proposed amendment be modified in one of two ways if it is to be enacted. The first alternative would be to modify the rule change so as to clarify that it applies only to "credit card or other similar agreements that provide for the extension of credit and do not involve the provision of goods or services." This would essentially exempt companies like AT&T from the requirement to attach the last account statement. Absent that, the second alternative would be to modify the proposed rule change so that the creditor can attach other types of documentation and not be compelled to attach the last account statement or expose it to possible sanctions. For example, the rule change could be modified to provide that "the last account statement sent to the debtor prior to the filing of the petition or any other document created and kept in the creditor's ordinary business practice that shows the amount owed shall also be filed with the proof of claim."

In both of these proposed alternatives, AT&T would continue to efficiently and accurately file claims as it does now with back-up that can be easily analyzed by a trustee or debtor. Where disputes arise as to a claim amount, the normal reconciliation process can proceed as it does now; that process may involve the production of additional documentation including invoices and account statements.

We appreciate the opportunity to comment on the proposed rule change and, if it would be helpful, I would be happy to meet with or discuss this matter any member of the committee.

Respectfully yours,


James W. Grudus