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December 19, 1913

The Attorney General
Washington, D.C.

Sir:

Wishing to put their affairs beyond fair criticism, and in compliance with your suggestions formulated as a result of a number of interviews between us during the last sixty days, the American Telephone and Telegraph Company, and the other companies in what is know as the Bell System, have determined upon the following course of action:

First. The American Telephone and Telegraph Company will dispose promptly of its entire holdings of stock of the Western Union Telegraph Company in such way that the control and management of the latter will be entirely independent of the former, and of any other company in the Bell System.

Second. Neither the American Telephone and Telegraph nor any other company in the Bell System will here after acquire, directly or indirectly, through purchase of its physical property or of its securities or otherwise, dominion or control over any other telephone company owning, controlling, or operating any exchange or line which is or may be operated in competition with any exchange or line included in the Bell System, or which constitutes or many constitute a link or portion of any system so operated or which may be so operated in competition with any exchange or line included in the Bell System.

Provided, however, that where control of the properties or securities of any other telephone company heretofore has been acquired and is now held by or in the interest of any company in the Bell System and no physical union or consolidation has been effected, or where binding obligations for the acquisition of the properties or securities of any other telephone company heretofore have been entered into by or in the interest of any company in the Bell System and no physical union or consolidation has been effected, the question as to the course to be pursued in such cases will be submitted to your Department and to the Interstate Commerce Commission for such advice and directions, if any, as either may think proper to give, due regard being had to public convenience and to the rulings of the local tribunals.

Third. Arrangements will be made promptly under which all other telephone companies may secure for their subscribers toll service over the lines of the companies in the Bell System in the ways and under the conditions following:

(1) Where an independent company desires connection with the toll lines of the Bell System it may secure such connection by supplying standard trunk lines between its exchanges and the toll board of the nearest exchange of the Bell operating company.

(2) When the physical connection has been made by means of standard trunk lines, the employees of the Bell System will make the toll line connections desired, but in order to render efficient service it will be necessary that the entire toll circuit involved in establishing the connection shall be operated by, and under the control of, the employees of the Bell System.

(3) Under the conditions outlined above, any subscriber of any independent company will be given connection with any subscriber of any company in the Bell System, or with any subscriber of any independent company with which the Bell System is connected, who is served by an exchange which is more than fifty miles distant from the exchange in which the call originates.

(4) The subscribers of the independent company having toll connections described above, shall pay for such connections the regular toll charge of the Bell Company, and in addition thereto, except as hereinafter provided, a connection charge of ten cents for each message which originates on its lines and is carried, in whole or in part, over the lines of the Bell System.

The charges incident to such service shall be made by the Bell Company against the independent company whose subscriber makes the call, and such charges shall be accepted by the independent company as legal and just claims.

(5) Under this arrangement the lines of the Bell System shall be used for the entire distance between the two exchanges thus connected, provided the Bell System has lines connecting the two exchanges. Where the Bell System has no such lines, arrangements can be made for connecting the lines of the Bell System with the lines of some independent company in order to make up the circuit, but such connections will not be made where the Bell System has a through circuit between the two exchanges.

(6) Any business of the kind commonly known and described as "long lines" business offered for transmission over the lines of the American Telephone and Telegraph Company shall be accepted for any distance, that is, on such "long lines" business calls shall be accepted where the point of destination is less than fifty miles from the exchange where the call originates as well as where the point of destination is greater than fifty miles therefrom.

(7) Any business of the kind commonly know and described as "long lines" business offered for transmission over the lines of the American Telephone and Telegraphy Company shall be accepted at the regular toll rate and no connecting charge shall be required. But such calls shall be handled under the same operating rules and conditions as apply to calls over the local toll lines.

Very respectfully yours,
American Telephone and Telegraphy Company,
By N.C. Kingsbury,
Vice President