

Thus, the Commission should utilize its equivalency test as an optional, inclusive component of its benchmarks approach for WTO countries in the event the WTO agreement is signed.⁵² For non-WTO countries, WorldCom urges that the Commission not authorize ISR on any such route unless both the equivalency and the benchmark tests are met. Within WorldCom's proposal, then, the equivalency test would be an optional and inclusive mechanism for WTO countries, and a mandatory and exclusive mechanism for non-WTO countries.

2. Competitive Distortion

a. The Test

The Commission asks how to determine whether there has been competitive distortion on a particular route.⁵³ WorldCom suggests a test based on the aggregate inbound/outbound ratio of settled traffic on a route. If the percentage of outbound traffic increases by more than 10% across two measurement periods, there should be a presumption that inbound traffic is being disproportionately diverted from the settlement process to ISR routing.⁵⁴ The 10% threshold should provide sufficient leeway for routine traffic shifts.

b. The Remedy

WorldCom strongly supports the Commission's suggestion that, as soon as the

⁵² Notice at para. 84. WorldCom expresses no opinion as to whether the equivalency test should be maintained as a non-optional test for the provision of ISR in the event the WTO agreement is not signed.

⁵³ Notice at para. 83.

⁵⁴ For example, if the outbound/inbound ratio during the base period was 70%/30%, an outbound/inbound ratio in excess of 77%/23% would be considered a material distortion and automatically trigger the enforcement mechanisms.

Commission finds that there has been a competitive distortion, the Commission must direct that settlement rates be reduced to the lowest end of the benchmark.⁵⁵

IV. CONCLUSION

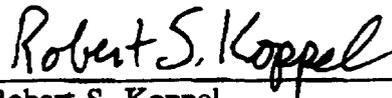
WorldCom welcomes the Commission's carefully crafted settlement rate benchmarks proposal as a means of lowering above-cost settlement rates, and as means of alleviating the incentives for carriers to engage in one-way settlement rate bypass. WorldCom believes that the proposal represents a major step towards achieving a WTO agreement on telecommunications services -- which WorldCom supports -- while protecting international carriers from substantial harm from bypass. WorldCom urges the Commission to promptly

⁵⁵ Notice at para. 83.

adopt a benchmarks approach marked by certainty, equity, and simplicity, and looks forward to assisting the Commission in the successful implementation and enforcement of a benchmark plan.

Respectfully submitted,

WORLDCOM, INC.



Robert S. Koppel
Vice President, International
Regulatory Affairs
15245 Shady Grove Road
Suite 460
Rockville, MD 20850
(301) 212-7099

Richard S. Whitt
Director, Federal Affairs
1120 Connecticut Avenue, N.W.
Suite 400
Washington, D.C. 20036
(202) 776-1550

Its Attorneys

February 7, 1997

CERTIFICATE OF SERVICE

I, Richard S. Whitt, hereby certify that I have this 7th day of February, 1997 delivered, by messenger, a copy of the foregoing "Comments of WorldCom, Inc." to the following:

Donald H. Gips
Chief, International Bureau
Federal Communications Commission
Room 800, Mail Stop 0800
2000 M Street, NW
Washington, DC 20554

Diane J. Cornell
Chief, Telecommunications Division
International Bureau
Federal Communications Commission
Room 800, Mail Stop 0800A
2000 M Street, NW
Washington, DC 20554

Peter Cowhey
Senior Counselor-Economic and Competition Policy
International Bureau
Federal Communications Commission
Room 800, Mail Stop 0800A
2000 M Street, NW
Washington, DC 20554

Troy Tanner
Chief, Policy & Facilities Branch
Telecommunications Division
International Bureau
Federal Communications Commission
Room 800, Mail Stop 0800A
2000 M Street, NW
Washington, DC 20554

Kathryn O'Brien
International Bureau
Federal Communications Commission
Room 822
2000 M Street, NW
Washington, DC 20554

Kenneth B. Stanley
Policy & Facilities Branch
Telecommunications Division
International Bureau
Federal Communications Commission
Room 800, Mail Stop 0800A
2000 M Street, NW
Washington, DC 20554

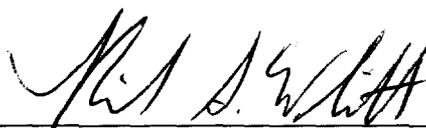
Thomas Boasberg
Sr. Legal Advisor to Chairman Hundt
Federal Communications Commission
Room 814
1919 M Street, NW
Washington, D.C. 20554

William Corbett
Director for Services & Telecommunications
Office of Services, Investment and Intellectual Property
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Laurie Sherman
Office of the United States Trade Representative
600 17th Street, N.W.
Washington, D.C. 20508

Cynthia J. Rich
Senior Advisor to the Assistant Secretary
National Telecommunications and Information Administration
U.S. Department of Commerce
14th & Constitution Avenue, NW
Washington, DC 20230

Timothy C. Finton
Counsellor for Telecommunications Trade
International Communications and Information Policy
U.S. Department of State
Washington, DC 20520

A handwritten signature in black ink, appearing to read "Richard S. Whitt", written over a horizontal line.

Richard S. Whitt