



MCI Telecommunications Corporation

1801 Pennsylvania Avenue, NW
Washington, DC 20006
202 887 2551
FAX 202 887 2676

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EX PARTE OR LATE FILED

Mary L. Brown
Senior Policy Counsel
Federal Law and Public Policy

July 23, 1997

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

James Casserly
Federal Communications Commission
1919 M St. NW, Rm. 832
Washington, D.C. 20554

RE: EX PARTE in Merger of British Telecommunications plc and MCI
Communications Corp., General Docket No. 96-245

Dear Jim:

On July 7, 1997, the Department of Justice ("Department") announced the completion of its review of the BT-MCI merger, finding that the merger should be approved subject to modification of the existing consent decree that governs MCI's and BT's activities as these affect U.S. telecommunications markets. MCI and BT have filed in the docket the complete set of documents that describe the termination of the review and the conditions that the parties have agreed to fulfill, as well as the Department's views of the conditions. Entry of the proposed modified consent decree is now pending with the federal district court, and is expected soon.

Some of the issues addressed by the proposed modified decree have also been raised before the Commission in the above-captioned merger docket. For your convenience, we are providing a brief summary of the issues resolved by the proposed decree. If you have any questions concerning the antitrust review and proposed decree, and how it relates to the Commission's proceeding, MCI and BT would be pleased to respond.

Sincerely,

Mary L. Brown

cc: Tom Boasberg
Kerry Murray

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Merger of British Telecommunications plc and MCI Communications Corp.

SUMMARY OF DOJ SETTLEMENT

CONCERT PLC

- o Concert plc will be party
- o helps ensure that all provisions can be enforced no matter how Concert is organized

STRUCTURAL CHANGES

- o advance notice of certain license transfers and reorganizations
- o extra assurance that changes within Concert will not affect compliance

REPORTING REQUIREMENTS

- o reporting requirements expanded to include additional data relating to correspondent traffic (time of day, point of termination)
- o no change in reporting of private line and other data relating to potential favoritism

CONFIDENTIALITY PROVISIONS

- o proprietary information provided to BT by other carriers may be used only for intended purpose
- o protection no matter how Concert is organized

TERM OF DECREE

- o extended for an additional five years until 2004

BACKHAUL

- o FCC has primary jurisdiction
- o 147 U.S. backhaul circuits to match 147 TAT 12/13 circuits provided to new U.K. licensees under EC settlement
- o pricing and other terms and conditions consistent with MCI's other domestic private line services

FCC AUTHORITY

- o FCC continues to be first resort if DOJ or other carriers identify a potential US telecommunications issue
- o DOJ continues to have authority to share parties' regular data and compliance reports with FCC, and competing US carriers continue to have access to these reports and ability to bring them to FCC's attention

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