Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of	)	
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Applications for Consent to the	)	
Transfer of Control of Licenses and	)	
Section 214 Authorizations from	)	CC Docket No. 98-141
	)	
AMERITECH CORPORATION,	)	
Transferor	)	
	)	
to	)	
	)	
SBC COMMUNICATIONS, INC.,	)	
Transferee	)	

COMMENTS OF WILLIAMS COMMUNICATIONS, INC.

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COMMENTS OF WILLIAMS COMMUNICATIONS, INC.

Pursuant to the invitation by the Federal Communications Commission ("Commission") to interested parties to comment on the "Proposed Conditions for FCC Order Approving SBC/Ameritech Merger" ("Proposed Conditions") submitted by SBC Communications, Inc. ("SBC") and Ameritech Corporation ("Ameritech") in this Docket on July 1, 1999, Williams Communications, Inc. ("Williams") hereby submits its comments on the Proposed Conditions.

I. Introduction

Williams is a common carrier that specializes in providing telecommunications services to the national wholesale marketplace. Williams' customer base includes facilities-based and non-facilities-based interexchange carriers, internet service providers and competitive local exchange carriers. The implementation of the Proposed Conditions

during the post-SBC/Ameritech merger will significantly expand the ability of these carriers and information service providers to reach the consumer.

The Proposed Conditions contain ambitious market opening commitments and severe penalties to ensure those commitments are met. Indeed, the commitments and penalties embodied in the Proposed Conditions are unprecedented in an FCC license transfer proceeding and promise to significantly advance the goals of the Telecommunications Act of 1996.[1] The implementation of the Proposed Conditions will meet the "broad aims of the Communications Act,"[2] and should present the Commission with a firm basis to find that the SBC/Ameritech merger is in the public interest. Williams urges the Commission to approve the transfer of control from Ameritech to SBC subject to the Proposed Conditions.

II. The Proposed Conditions Will Lead to Increased Competition in the Applicants' In-Region States.

The Proposed Conditions contain a number of significant market-opening commitments by SBC/Ameritech ("Applicants") that assure competitors a level playing field in the Applicants' in-region local markets. What is most significant from a public interest standpoint is that, not only do many of the commitments go beyond the Applicants' obligations under the Communications Act of 1934, as amended by the Telecommunications Act of 1996 ("Act"), but all of the commitments come with enforcement mechanisms that would simply be unavailing under the Act, i.e., substantial

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[1] Pub. L. No. 104-104, 110 Stat. 56 (codified in scattered sections of 47 U.S.C.).
[2] *Applications of NYNEX Corp., Transferor, and Bell Atlantic Corp. Transferee, for Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, 12 FCC Rcd 19985, 19987 (1997) (*Bell Atlantic/NYNEX Order*).

monetary penalties.[3] Moreover, the commitments set forth in the Proposed Conditions are more than mere abstract promises. The Proposed Conditions require the Applicants to meet, at a minimum, twenty performance measurements that track their compliance with the commitments against objective parity or benchmark standards. In addition, the Applicants must make the performance measurement results available to the Commission and to competitive local exchange carriers.

The Proposed Conditions will demonstrably assure that the merger of SBC and Ameritech will significantly advance the Act's goal of competitive local markets. The Applicants' concrete commitment to provide, *inter alia*, collocation and operations support systems interfaces in the manner described in the Proposed Conditions will assure competitive LECs of a level playing field, which should lower the investment risks they face in becoming facilities-based competitors.

Together, the commitments, performance measurements, and penalties in the Proposed Conditions will inevitably lead to increased competition and consumer choice in the Applicants' in-region local markets and, as compared to the level of competitive penetration in these markets during the last three plus years, at a much faster rate than would be the case without the Proposed Conditions.

III. The Proposed Conditions Will Produce a Competitive Local Exchange Carrier with the Resources to Vigorously Compete in at Least Thirty Major Out-of-Region Markets.

Nothing under the Act obligates the Applicants to enter out-of-region markets. Under the Proposed Conditions, however, the Applicants commit, and will have the

[3] In addition to the penalties in the Proposed Conditions, the Commission retains the enforcement mechanisms of the Act, including denying and revoking 271 authority. 47 U.S.C. § 271.

resources, to enter at least 30 major metropolitan markets as a facilities-based competitive local exchange carrier ("LEC"). While other competitive LECs have been able to enter markets with substantially less resources, few, if any, have been able to compete as facilities-based competitive LECs in the time frames to which the Applicants have committed in the Proposed Conditions. None, moreover, "are more likely to effectively invade" other Bell Operating Companies' ("BOC") local markets than another BOC.[4] The combined resources of the Applicants, together with their obligations under the Proposed Conditions, will give them a national presence that will greatly enhance their ability to introduce or enhance facilities-based competition outside their regions.

The Applicants' facilities-based entry into these out-of-region markets will facilitate the ability of other competitive LECs to compete in these markets, because they will be able to take advantage of the Applicants' interconnection agreements with the incumbent LECs.[5] If the merger is approved, not only will the Applicants' competitive LEC become one of Williams' competitive LEC customers for broadband, advanced intracity services, but their entry will spur other competitive LECs to make advanced services available to end users in these markets. First, because other competitive LECs will need to offer advanced services to match the Applicants' offerings, and second, because these LECs will have the ability to resell the services provided by an additional facilities-based carrier.

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[4] *In re SBC – Ameritech Public Forum*, Tr. at 23, lines 21-23 (Thomas Krattenmaker) (May 6, 1999).

[5] *See, e.g., id.* at 23-24. Under the Act's Most Favored Nations clause, the incumbent LEC must "make available any interconnection, service or network element" that it provides to the Applicants "to any other requesting telecommunications carrier under the same terms and conditions. . . ." 47 U.S.C. § 252(i).

Conclusion

Approval of the merger with the Proposed Conditions will spur competition in the Applicants' in-region and out-of-region markets. The merger of SBC and Ameritech with the Proposed Conditions substantially furthers the broad aims of the Act and demonstrably meets the Commission's public interest standard in evaluating license transfers. Williams supports the merger with the Proposed Conditions and urges the Commission to approve the application for consent to transfer control of the licenses from Ameritech to SBC under the terms of the Proposed Conditions.

Respectfully submitted,

Williams Communications, Inc.

By: Mickey S. Moon

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DATE: July 15, 1999