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FEDERAL COMMUNICATIONS COMMISSION  
**OFFICE OF THE SECRETARY**

ELIZABETH A. CAVANAGH

December 4, 2000

**BY MESSENGER**

Magalie Roman Salas  
Office of the Secretary  
Federal Communications Commission  
445 12th Street, S.W.  
Washington DC 20554

Re: *In the Matter of 2000 Biennial Regulatory Review, Policy and Rules  
Concerning the International, Interexchange Marketplace,  
IB Docket No. 00-202*

Dear Ms. Roman-Salas:

Enclosed for filing in the above referenced proceeding, please find an original and four copies of the Joint Reply Comments of WorldCom, AT&T, Concert, Qwest, and Sprint. An extra copy has also been included to be file-stamped and returned.

If you have any questions, please do not hesitate to contact me.

Sincerely,



Elizabeth A. Cavanagh

Enclosures

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DEC 4 2000

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

**FEDERAL COMMUNICATIONS COMMISSION**  
**OFFICE OF THE SECRETARY**

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In the Matter of )

2000 Biennial Regulatory Review )

Policy and Rules Concerning the )  
International, Interexchange Marketplace )

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IB Docket No. 00-202

**JOINT REPLY COMMENTS OF WORLDCOM, AT&T,  
CONCERT, QWEST, AND SPRINT**

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*[additional commenters listed on inside page]*

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

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	)	
<b>2000 Biennial Regulatory Review</b>	)	<b>IB Docket No. 00-202</b>
	)	
<b>Policy and Rules Concerning the International, Interexchange Marketplace</b>	)	
	)	

**JOINT REPLY COMMENTS OF WORLDCOM, AT&T,  
CONCERT, QWEST, AND SPRINT**

WorldCom, Inc. ("WorldCom"), on behalf of all its operating carriers; AT&T Corp. ("AT&T") and its affiliates, Concert Global Networks U.S.A. L.L.C. and Concert Global Networks Services Ltd. ("Concert"); Qwest Communications Corporation ("Qwest"); and Sprint Communications Company L.P. ("Sprint") (collectively, "the undersigned carriers") respectfully submit these joint reply comments in response to the Commission's Notice of Proposed Rulemaking (IB Docket No. 00-202), released October 18, 2000 ("Notice" or "NPRM").

**I. The Commission Should Completely Detariff International Interexchange Service Offerings by Non-Dominant Carriers.**

In their opening comments, WorldCom, AT&T, Concert, Qwest, and Sprint expressed strong support for the Commission's tentative decision to completely detariff international interexchange service offerings by non-dominant carriers. See Comments

of WorldCom *et al.*, at 4-7.<sup>1/</sup> Most other commenters also have endorsed that decision, which would subject carriers to the same regulatory regime with respect to both domestic and international interexchange services. See Comments of BT North America Inc., at 3-5 (“BTNA Comments”); Comments of Competitive Telecommunications Ass’n, at 2-3 (“CompTel Comments”); Comments of Excel Communications, Inc., at 1 (“Excel Comments”); Comments of General Services Administration, at 2-5 (“GSA Comments”); Comments of Viatel, Inc., at 1 (“Viatel Comments”). Accordingly, the Commission should promptly adopt complete detariffing of international interexchange services.<sup>2/</sup>

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1/ The undersigned carriers also supported the Commission’s tentative conclusion that *permissive* detariffing is in the public interest in two circumstances: (1) for international, interexchange direct-dial services to which end-users obtain access by dialing a carrier’s access code, and (2) during the first 45 days of service to new customers who contact their local exchange carrier (“LEC”) to choose their long-distance provider. See NPRM ¶¶ 5(a), 20; see also Comments of General Services Administration, at 5 (“GSA Comments”) (“these two exceptions for permissive detariffing are in the public interest”).

2/ In connection with its tentative decision to implement complete detariffing of international interexchange services, the Commission also proposed to adopt the same public disclosure requirements that have already been adopted in the domestic context. See NPRM ¶¶ 5(b), 49; see also 47 C.F.R. § 42.10. As a general matter, the undersigned carriers agree with commenters who have urged the Commission to adopt the same public disclosure requirements with respect to both international and domestic detariffing. See Comments of the Telecommunications Management Information Systems Coalition, at 3-4 (“TMISC Comments”); GSA Comments, at 6. It is the undersigned carriers’ position, however, that the particular disclosure requirements that the Commission has adopted with respect to domestic detariffing and has proposed to adopt with respect to international detariffing are both burdensome and unnecessary. The costs involved in maintaining tariff information on websites and in hard copy format will be significant. Such requirements are in tension with the Commission’s stated objectives of reducing costs and having non-dominant interexchange carriers operate in the same type of environment as firms in competitive, non-regulated markets. See NPRM ¶ 17 (“Complete detariffing will . . . establish[] market conditions that more

As the undersigned carriers previously explained, see Comments of WorldCom *et al.*, at 5-6, the D.C. Circuit has conclusively dispelled any doubt about the FCC's statutory authority to prohibit tariff filing. See *MCI WorldCom, Inc. v. FCC*, 209 F.3d 760 (D.C. Cir. 2000). Moreover, complete detariffing of international offerings by non-dominant interexchange carriers satisfies the statutory criteria for forbearance. In light of increased competition in the international interexchange market, tariff-filing requirements are not necessary to ensure that the charges, practices, classifications, and regulations for the international interexchange services of non-dominant carriers are just and reasonable, and are not unjustly or unreasonably discriminatory. NPRM ¶ 7; see also BTNA Comments, at 3. Nor are tariff-filing requirements necessary for the protection of consumers. NPRM ¶ 15; see also BTNA Comments, at 3-4. And commenters have agreed with the Commission's conclusion that complete detariffing of international interexchange service offerings is in the public interest, in part because detariffing prevents carriers from relying on the filed-rate doctrine. See NPRM ¶¶ 15, 20; see also BTNA Comments, at 4-5; GSA Comments, at 3.

One commenter, Allegiance Telecom, Inc. ("Allegiance"), argues that complete detariffing of international interexchange services would be improper at this time because the market for such services is not yet sufficiently competitive to warrant detariffing. See Comments of Allegiance Telecom, Inc., at 3 ("Allegiance Comments").

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closely resemble an unregulated environment."); see also Comments of WorldCom, Inc., *et al.*, at 5 n.4. The better approach with respect to both domestic and international interexchange services would permit carriers to develop appropriate and efficient ways to inform customers about rates, terms, and conditions of service.

That some carriers are dominant on specific routes by virtue of foreign affiliations, see *id.*, is no reason to continue to require tariff filing, however. Indeed, the Commission has correctly concluded that any concerns that such carriers might engage in “price squeeze” activity or other anticompetitive conduct may be better addressed in other ways, without creating two separate regulatory regimes. See NPRM ¶ 28; see *also* Comments of WorldCom *et al.*, at 8.<sup>3/</sup> Moreover, Allegiance offers no basis for rejecting the Commission’s reasonable conclusion that the existence of World Trade Organization agreements demonstrates the increased level of competition in the international telecommunications market. See Allegiance Comments, at 3-4. Indeed, in its Report on International Telecommunications Markets, the Commission noted that its international rules and policies, including implementation of the WTO Basic Telecom Agreement, “have increased liberalization, privatization and competition, which have led to significantly lower international . . . calling rates.” International Bureau, Federal Communications Commission, Report on International Telecommunications Markets,

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<sup>3/</sup> For example, the Commission may request rate information from carriers at any time on a case-by-case basis. Moreover, the Commission has proposed that carriers should be required to “maintain price and service information” for at least 30 months; “this maintenance of information requirement will address any concerns regarding potential anticompetitive pricing strategies by U.S. carriers classified as dominant due to their foreign affiliations.” NPRM ¶ 28.

1999 Update," DA 00-87, January 14, 2000, at 4.<sup>4/</sup> Nor does Allegiance present any specific evidence that that market is not, in fact, competitive as a general matter.<sup>5/</sup>

Accordingly, the Commission should extend complete detariffing to international interexchange services provided by non-dominant carriers.<sup>6/</sup>

**II. The Commission Should Adopt a Transition Period of at Least Nine Months — During Which Time a Permissive Detariffing Regime Would Be in Effect — That Would Permit Non-Dominant International Interexchange Carriers Adequate Time to Adjust to Complete Detariffing and the Opportunity to Detariff All Interexchange Services Simultaneously.**

In their opening comments, WorldCom, AT&T, Concert, Qwest, and Sprint urged the Commission to issue an international detariffing order promptly and to adopt a transition period of at least nine months to permit non-dominant international interexchange carriers to have adequate time to adjust to complete detariffing. The

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<sup>4/</sup> Indeed, the Report also notes that the average price of an international long distance call fell 25% — from 74 cents to 55 cents — between 1996 and 1998. See *id.* at 4.

<sup>5/</sup> Allegiance also argues that complete detariffing is inappropriate because it would impose enormous costs on carriers. See Allegiance Comments, at 5. In light of the fact that the Commission already has ordered complete detariffing in the domestic context, however, some of the costs of detariffing have been accrued, and the remaining costs can be minimized by allowing simultaneous detariffing of all interexchange services. See *infra* Part II.

<sup>6/</sup> If the Commission has concerns about ordering complete detariffing of international interexchange services at this time — despite commenters' overwhelming support for such a measure — the Commission may establish permissive detariffing of international services promptly, and delay adopting complete detariffing for some period of time. See Comments of Verizon, at 1 (urging the Commission to adopt only permissive detariffing of international interexchange services, and to wait at least one year after domestic detariffing is in effect to institute complete international services). This approach would allow the Commission "to evaluate the impact of its domestic detariffing policy" and "to assess its impact on the marketplace" prior to requiring non-dominant carriers to eliminate all international tariffs. *Id.* at 1, 3.

undersigned carriers asked the Commission to allow permissive detariffing during the transition period, as it has in the domestic context, so that carriers can move toward complete detariffing for all services as soon as possible. The undersigned carriers also advocated an additional extension of the final date for complete domestic detariffing, to allow for the optimal amount of simultaneity in the detariffing of services.

In its recent Transition Order in CC Docket No. 96-91 (DA 00-2586, released November 17, 2000), the Common Carrier Bureau addressed the benefits achievable by the simultaneous detariffing of domestic and international interexchange services. It thus spoke to “the inconvenience and possible confusion of going through the detariffing process twice in the event the Commission decides to detariff international interexchange services,” which is the subject of this proceeding. Transition Order ¶ 4. The Bureau then deferred the deadline for detariffing of certain domestic interexchange services until April 30, 2001, “in order to allow the Commission time to fully consider whether such an approach is appropriate.” *Id.*

The great weight of views expressed in this proceeding supports detariffing simultaneity. This is because detariffing efforts — made admittedly more complex in the context of international interexchange services — could be achieved by approaching affected customers once (rather than twice), and carriers could avoid offering a single telecommunications product through two separate transactional vehicles (for perhaps only a limited period of time). As Excel correctly states, “[s]imultaneous detariffing will promote reliable and consistent consumer notification, minimize customer confusion, and promote lower customer rates by reducing carriers’

compliance costs.” Excel Comments, at 1; see *also* BTNA Comments, at 6 (“the Commission should synchronize its rules for domestic and international detariffing and implementation of these rules so as to minimize customer confusion and ensure a smooth transition to a detariffed regime for domestic and international interexchange telecommunications services”); Viatel Comments, at 3 (“Simultaneous detariffing for both domestic interexchange and international services would eliminate the unnecessary costs to carriers of having to detariff on two separate occasions.”); CompTel Comments, at 1-2. Thus, the Commission should extend the deadline for domestic detariffing, and the undersigned carriers advocate adopting an August 31, 2001, detariffing deadline with respect to domestic services.

Carriers that are able to detariff their international exchange services at the same time that they must detariff their domestic services should be permitted to do so. See Excel Comments, at 3. This will only be possible, of course, if the Commission issues an international detariffing order promptly. Although the undersigned carriers applaud the clear direction taken here, the lack of certainty as to “whether” and “when” makes it impossible to plan successfully for a smooth and seamless transition. Accordingly, prompt action by the Commission is very important. See CompTel Comments, at 3-5 (urging the Commission to adopt an international detariffing order no later than January 2001); Excel Comments, at 1-2 (“the Commission should move quickly to produce an order that allows for the alignment of the detariffing transition periods for domestic and international services for those carrier prepared to do so”).

Even if the Commission does move quickly to issue an international detariffing order, however, carriers will be unable to completely detariff their international interexchange services immediately. Essential contracts, customer communications, and internal education programs must be developed and finalized. Thus, as explained in the undersigned carriers' opening comments, a transition period of at least nine months — the amount of time initially granted in the domestic context — is reasonable in light of the amount and complexity of the work involved in completely detariffing international services. See Comments of WorldCom *et al.*, at 13; see also CompTel Comments, at 3-5 (urging the Commission to establish a nine-month transition period, during which a permissive detariffing regime would be in effect); Excel Comments, at 1-2 (endorsing "a nine-month transition period for detariffing international services for those carriers whose resources may not permit simultaneous detariffing"). Accordingly, the Commission should reject as unreasonable and inappropriate Viatel's suggestion that the Commission should "order that international detariffing be completed by the deadlines applicable to domestic detariffing — January 31, 2001 for contract services and April 30, 2001 for mass market services." Viatel Comments, at 2.

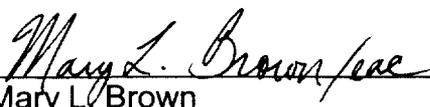
As stated above, however, the undersigned carriers support Viatel's alternative suggestion that the Commission should "extend these deadlines so that carriers may detariff international services simultaneously with domestic services." *Id.*; see also Comments of WorldCom, Inc., *et al.*, at 15. Granting an additional extension of the final date for complete domestic detariffing would allow for the optimal amount of simultaneity in the detariffing of all services, thereby minimizing customer confusion and

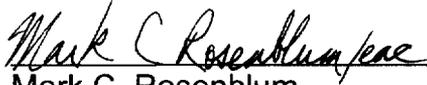
saving carriers an enormous amount of additional transition costs. The Common Carrier Bureau has already extended the transition period as to certain domestic interexchange services until April 30, 2001, "in order to allow the Commission time to fully consider whether such an [integrated] approach is appropriate." Transition Order ¶ 4. The undersigned carriers strongly agree that coordination is best for everyone, including carriers, customers, and the Commission. Therefore, they urge the Commission to grant an additional extension of the transition period for domestic services until August 31, 2001. Doing so should permit most carriers to detariff some, if not all, of their interexchange services simultaneously. Because not all carriers will be able to completely detariff their international services by that date, however, *see supra*, carriers should have a full nine-month transition period after the Commission adopts its international detariffing order to completely detariff such services.

Respectfully submitted,

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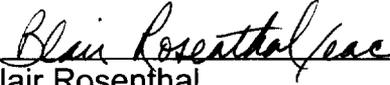
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Dated: December 4, 2000

### **CERTIFICATE OF SERVICE**

I hereby certify that on this 4th day of December, 2000, I caused true and correct copies of the foregoing "Joint Reply Comments of WorldCom, AT&T, Concert, Qwest, and Sprint" to be served by first-class United States mail, postage pre-paid, upon the following:

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