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**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20054

Re: CC Docket No. 98-141 , 98-184, Public Notice DA 01-764

Dear Ms. Salas:

Please accept this letter as AT&T Corp.'s ("AT&T's") comments on the above-identified Public Notice requesting comment on WorldNet Telecommunications, Inc.'s, February 12, 2001 letter requesting, among other things, that the Commission declare, in light of the D.C. Circuit's decision in *Association of Communications Enterprises v. FCC*, 235 F.3d 662 (2001) ("*ASCENT*") that the advanced services affiliates of Verizon are subject to all of the obligations of section 251(c) of the Telecommunications Act.

In *ASCENT*, the D.C. Circuit squarely held that an incumbent LEC could not avoid its obligations under section 251(c) simply by creating a wholly owned data affiliate:

"[T]he Commission may not permit an ILEC to avoid § 251(c) obligations as applied to advanced services by setting up a wholly owned affiliate to offer those services." *Id.* at 668.

Moreover, the Court left no doubt in the *ASCENT* decision that it was answering a question of general application:

"It is important to note that although this case arises out of a merger proceeding, the Commission's order has a broader application. Any ILEC would be entitled, according to the Commission's logic, to set up a similar

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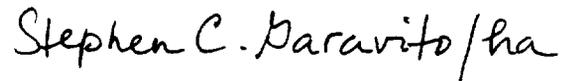
affiliate and thereby avoid § 251(c)'s resale obligations. . . . [T]o allow an ILEC to sideslip § 251(c)'s requirements by simply offering telecommunications services through a wholly owned affiliate seems to us a circumvention of the statutory scheme." *Id.* at 665, 666.

Accordingly, the *ASCENT* decision applies equally to the merged entities that comprise Verizon and to any other ILEC that may establish a wholly owned affiliate to provide advanced services.

Moreover, the express holding of *ASCENT*, as well as its underlying logic, applies equally to all of the provisions of § 251(c). A wholly-owned advanced data service affiliate is the successor or assign to the ILEC, there have been no findings necessary to support forbearance under § 10, and no such general finding would be appropriate at this time, because the requirements of §§ 251(c) and 271 have not yet been fully implemented. *Id.* at 666.

The Commission therefore should grant WorldNet Telecommunications' request in this regard.

Very truly yours,

A handwritten signature in black ink that reads "Stephen C. Garavito/ha". The signature is written in a cursive, slightly slanted style.

Stephen C. Garavito

cc: Edwin Quinones, Esq.
Janice M. Myles