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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

RUTH MILKMAN
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September 12, 2001

Magalie R. Salas
Secretary
Federal Communications Commission
445 Twelfth Street, SW
Suite TW-B204
Washington, DC 20554

Re: CC Docket No. 00-206

Dear Ms. Salas:

Transmitted herewith for filing are two copies of: 1) a Request for Special Temporary Authority; and 2) response of WorldCom, Inc. to the Common Carrier Bureau's informal data request. Copies of these documents are being provided to you for inclusion in the public record of the above-referenced proceeding. The originals were sent to Michelle Carey, Chief of the Common Carrier Bureau by hand delivery.

Please date stamp the additional copies provided herewith for that purpose and return the same to the bearer. Thank you for your assistance.

Sincerely,

Ruth Milkman (AM)

Ruth Milkman

Enclosures

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FEDERAL COMMUNICATIONS COMMISSION
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A. RICHARD METZGER, JR.
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September 12, 2001

By Hand
Michelle Carey, Chief
Policy and Program Planning Division
Common Carrier Bureau
Federal Communications Commission
445 Twelfth Street, SW
Washington, D.C., 20554

Re: CC Docket No. 00-206

Dear Ms. Carey:

This letter responds to your staff's informal request for certain information regarding the long distance and local segments of the telecommunications industries in which both Intermedia Communications, Inc. (Intermedia) and WorldCom, Inc. (WorldCom) maintain assets. This supplements information provided by WorldCom to you in this proceeding by letter dated August 31, 2001.

As Intermedia and WorldCom, Inc. (WorldCom) explained in their application in this proceeding,¹ the combination of the two companies will not impair competition in either the long distance or local telecommunications businesses. In the long distance business, competition among carriers continues to be robust. Further, barriers to entry and expansion remain low as carriers continue to add fiber capacity to their long haul networks and make it available at wholesale prices.² By contrast, incumbent local exchange carriers (LECs) continue to dominate local telecommunications markets, despite the Commission's ongoing efforts to open those markets to new competitors. As demonstrated in their application, the Intermedia and WorldCom shares of the local telecommunications business are, by any measure, *de minimis* and, consequently, their combination cannot raise any plausible competitive concerns.

¹ See Applications of Intermedia Communications, Inc. and WorldCom, Inc. for Consent to Transfer Control of Corporations Holding Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 21, 63, 90, and 101, at 7-16 (Oct. 23, 2000) (Application).

² Application at 7-14.

The quantitative information provided by WorldCom and Intermedia in their application remains substantially accurate. For example, according to the FCC's most recent report, the combined revenues of all competitive local service providers (including WorldCom and Intermedia) in 1999 accounted for less than six percent of the total local exchange market of \$109 billion.³ As noted in the application, WorldCom's revenues from local telecommunications services amounted in 1999 to approximately 1.0 percent of the FCC's industry total for 1998, while Intermedia's revenues amounted to only 0.37 percent.⁴ Based on the FCC's new figures for 1999 local revenues, WorldCom's share remained at 1.0 percent and Intermedia's revenues amounted to 0.38 percent.⁵

Intermedia and WorldCom similarly have extremely small shares of local markets measured by access lines. Based on the FCC's most recent survey of total U.S. access lines, Intermedia serves approximately 0.12 percent of access lines and WorldCom serves approximately 1.2 percent.⁶ Since local telecommunications markets continue to be dominated by incumbent LECs that possess overwhelming shares, there is no plausible basis for a concern that the combination of the WorldCom and Intermedia local telecommunications operations would have on competition in those markets.

Intermedia and WorldCom also showed in their application that there is very little overlap between the local network facilities that the two companies have deployed. Specifically, there are only six Metropolitan Service Areas (MSAs) in which both companies have deployed facilities. In five of those markets, there is less than a 15 percent overlap in the route miles covered by the companies' networks.⁷ In the sixth, the St. Louis MSA, the overlap involves less than 45 percent of WorldCom's route miles. The St. Louis MSA, of course, is dominated by the incumbent LEC operations of SBC Communications, Inc. In addition, St. Louis is served by several other competitive LECs, including AT&T Corp., McLeodUSA, Inc., Allegiance Telecom, Inc. and XO Communications, Inc. Thus, consumers continue to have a variety of competitive alternatives from which to obtain local and other telecommunications services.

Finally, in the interest of completeness, it should be noted that the January 17, 2001 Order approving the transfer of FCC licenses and authorizations held by Intermedia

³ Common Carrier Bureau, *Trends in Telephone Service*, at 9-8 (rel. Aug. 2001) (*August Trends Report*).

⁴ Intermedia reported revenues of \$414.2 million for local access and voice services in 1999. Intermedia 1999 10K at 5, F-3.

⁵ As noted in the application, Intermedia reported a sharp drop in its local access and voice revenues in the second quarter of 2000 as compared with the same quarter in 1999. Application at n. 40.

⁶ *August Trends Report*, at 9-5.

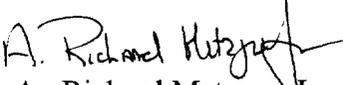
⁷ See Application at 15-16 and Declaration of David N. Porter (Attachment D).

Michele Carey, Chief
September 12, 2001
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Communications, Inc. ("Intermedia") to WorldCom, Inc. ("WorldCom")⁸ authorized the transfer of certain fixed wireless (microwave and one multipoint distribution service) licenses, a private radio license and international Section 214 authorizations. The modifications to the Hold Separate Stipulation and Order (HSO) approved by the Court and described in WorldCom's letter of August 31, 2001,⁹ have no effect on competition for wireless and international services.

Should you have any additional questions, please contact the undersigned.

Respectfully submitted,


A. Richard Metzger, Jr.
Ruth Milkman

cc: Magalie Roman Salas
James Bird
Henry Thaggert
Nandan Joshi

⁸ See *In re Applications of Intermedia Communications, Inc., Transferor, and WorldCom, Inc., Transferee, for Consent to Transfer Control of Corporations Holding Commission Licenses and Authorizations Pursuant to Sections 214 and 310(d) of the Communications Act and Parts 21, 63, 90, and 101*, Memorandum Opinion and Order (DA 01-130), CC Docket No. 00-206 (rel. Jan. 17, 2001).

⁹ Letter from A. Richard Metzger, Jr. to Michelle Carey, Chief, Policy and Program Planning Division, Common Carrier Bureau, CC Dkt No. 00-206 (August 31, 2001).