

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, DC 20554**

In the Matter of)	
)	
Notice of Inquiry Concerning a Review of the)	CC Docket No. 02-39
Equal Access and Nondiscrimination)	
Obligations Applicable to Local Exchange)	
Carriers)	
)	

WORLDCOM REPLY COMMENTS

WorldCom, Inc. (WorldCom) hereby submits its reply to comments on the Notice of Inquiry (Notice) in the above-captioned proceeding. In the Notice, the Commission states that it “intend[s] to consider or evaluate the broad context and purposes of the 1996 Act to determine which, if any, equal access and nondiscrimination requirements should carry over to the present, and which should not.”¹

Predictably, the RBOCs urge the Commission to “eliminate” the pre-existing equal access and nondiscrimination requirements carried forward by 251(g). The record shows, however, that there is no basis for eliminating those requirements. Not only is the RBOCs’ control of the local bottleneck as firm as ever, even in those states where the RBOCs have met the Section 271 checklist, but the RBOCs’ entry into the interLATA market gives the RBOCs added incentive to discriminate against competing interLATA carriers.²

As non-RBOC commenters agree, the Commission should strengthen, not weaken,

¹ Notice at ¶ 4.

² AT&T Comments at 19; Sprint Comments at 3.

the equal access requirements in order to counteract the RBOCs' increased post-271 incentives to discriminate. First, the RBOCs should be required to inform all inbound callers, not just new customers, of their right to choose a competing long distance carrier. As AT&T explains, just as discrimination by a BOC in providing a first line can thwart interexchange competition, so also can such discrimination in providing additional lines.³

Second, WorldCom agrees with AT&T that the Commission should act to eliminate the ILECs' control over the PIC-change process. Through their control over the PIC-change process, the RBOCs are able to impose and lift PIC-freezes in a discriminatory manner that favors the RBOCs' interLATA and intraLATA operations. WorldCom, like AT&T, has found that RBOCs provide their own affiliates with superior service for determining a customer's PIC freeze status and lifting the freeze, and charge competitors for PIC information that they provide to their affiliates for free. And, as reported by AT&T, WorldCom has also found that several ILECs miscode large numbers of PIC changes as PIC disputes. When WorldCom audited a random sample of PIC dispute codes received by the RBOCs in question, it found that the vast majority of the alleged slams had appropriate verification or were LEC installs.⁴

WorldCom also agrees with AT&T that the Commission should initiate a rulemaking proceeding to address the issue of imposing uniform CARE requirements on all LECs.⁵ As AT&T explains, many new entrants do not provide CARE, or do not provide it timely or with a quality or format upon which IXCs can depend. Among other problems created by the lack of a uniform CARE requirement, WorldCom has seen a significant

³ AT&T Comments at 28.

⁴ Letter from Karen Reidy, WorldCom, to Ms. Magalie Roman Salas, FCC, CC Docekt No. 94-129 and CCB/CPD 01-12, September 6, 2001.

increase in the number of orders for interLATA service rejected due to inaccurate information about the customer's local service provider.

Under no circumstances can the Commission simply “eliminate” the equal access and nondiscrimination requirements carried forward by Section 251(g), as the RBOCs urge. Not only do those requirements remain necessary in all respects, but any modification to the equal access and nondiscrimination requirements would have to be carefully targeted. As Sprint explains, the equal access and nondiscrimination requirements have a long history and stem from a variety of sources.⁶ For that reason, WorldCom agrees with Sprint that carriers that seek relief from the equal access and nondiscrimination requirements should be required to file a petition for rulemaking or waiver, specifying the rule change or waiver sought, and demonstrate that such relief is warranted and would not have any anti-competitive consequences.⁷

The particular changes that the RBOCs urge are also unwarranted. First, there is certainly no basis for the Commission to eliminate the requirement that ILECs inform local customers of their right to choose a long distance customer and offer to read a list of IXCs. Even with this modest requirement in place, the RBOCs have already been able to use their monopoly control of the local market to gain long distance market share at an unprecedented rate. These market share gains demonstrate that the RBOCs' dominance over local service gives them a “chokehold on inbound-call joint marketing.”⁸

⁵ AT&T Comments at 39-43.

⁶ Sprint Comments at 4.

⁷ Id.

⁸ AT&T Comments at 25.

Similarly, the Commission should not adopt SBC's proposed "clarification" of the limits on RBOC "teaming."⁹ Under SBC's suggested approach, virtually any relationship between an RBOC and an interLATA provider would be permissible, even though the RBOC's continuing control over the local bottleneck gave it the incentive and ability to discriminate in favor of selected interLATA providers. Rather than adopt SBC's proposal, the Commission should, based on the analysis in the Qwest/Ameritech Teaming Order, make clear that BOCs are prohibited from teaming with unaffiliated providers in a manner that "endorses" or "promotes" the services of one interLATA provider over another.¹⁰

For the reasons stated herein, the Commission should retain the existing equal access requirements and update those requirements to reflect the greater incentives to discriminate of RBOCs that have obtained interLATA authority.

Respectfully submitted,
WORLDCOM, INC.

/s/ Alan Buzacott

Alan Buzacott
1133 19th Street, N.W.
Washington, DC 20036
(202) 887-3204

June 10, 2002

⁹ SBC Comments at 11-13.

¹⁰ AT&T Corporation et al. v. Ameritech Corporation and Qwest Corporation, Memorandum Opinion and Order, 13 FCC Rcd 21438, 21477-21483 (Qwest/Ameritech Teaming Order).