

gradually, as ILEC price squeezes begin to erode the previous competition in interLATA markets. But when Qwest, for example, increases its DS1 rates by 20 percent, its DS3 rates by over 40 percent, and its DS3 mileage rates by over 100 percent in the MSAs in which it has obtained Phase II pricing flexibility, the results will plainly be felt over time, as MCI is unable to bid competitively on customer contracts that require the use of these inputs.<sup>455</sup>

In addition, even if the Commission considered evidence of a snapshot of historical use of special access by competitors as conclusive proof that there is no impairment – and it should not – that evidence does not establish lack of impairment. It shows instead that competitors have heretofore been able to compete in some markets for some customers, but not in other markets for other customers.

In the business local exchange market, for example, MCI has been able to offer a price that is competitive with that of the incumbent LEC only by limiting its service offering to certain geographic areas and customer types.<sup>456</sup> MCI must limit the geographic scope of its local exchange offering because the highly distance-sensitive price structure of incumbent LEC special access services quickly eliminates any profit margins as the distance from MCI's network to the customer's location increases. For example, the cost of unbundled DS1 transport is typically less than \$1.00 per mile, as reflected in the UNE charges. But the mileage charge for special access DS1 interoffice transport is typically over *1000 percent* higher – over \$10 per mile. The result is that customers that are located at any substantial distance from MCI network facilities are out

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<sup>455</sup> *Id.* ¶ 23.

<sup>456</sup> *Id.* ¶ 16.

of MCI's reach. For that reason, MCI offers business local exchange service only within a limited distance from its network, and similarly competes in the market for special access services only when the customer location is on or close to MCI's own network facilities.<sup>457</sup> If any significant fraction of the customer's sites are located at or beyond a given distance from MCI's network, high special access mileage costs generally render MCI's bid noncompetitive.<sup>458</sup>

MCI is also limited in the customer types that it can profitably serve; for example, MCI requires local exchange customers served over DS1 facilities to commit to at least 12 lines of service, allowing MCI to spread the high cost of special access across more lines and so reduce its per-line cost disadvantage to the point at which it could offer a competitive bid. Because as a practical matter it has been unable to make use of UNEs, reliance on special access has foreclosed MCI from serving customers who need fewer than 12 lines.<sup>459</sup>

In sum, the Commission should continue to find competitors generally impaired without access to DS1 and DS3 high-capacity loop and transport facilities, while giving the ILECs the right to show that in exceptional cases no impairment finding is warranted.

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<sup>457</sup> *Id.* ¶¶ 18-20.

<sup>458</sup> *Id.* ¶ 20.

<sup>459</sup> *Id.* ¶ 21. The data submitted by Verizon in advance of the *NPRM* is not sufficiently disaggregated to capture these impairments. It shows, at most, only that – at current levels of retail prices and special access prices – there are *some* customers in *some* locations for which the CLEC was able to offer a price competitive with that of Verizon. It does not demonstrate that CLECs can, as a general matter, offer a competitive price despite relying on high-cost special access as an essential input to their service offerings. And Verizon's data certainly does not demonstrate that even the current, limited, scope of special access-based competition would be sustainable in the face of retail price reductions or special access price increases by Verizon.

The Commission should not consider tariffed services as part of this analysis, because the statute forbids it, and because even if it were otherwise there is no administratively practical way to consider them.

**C. The Commission Should Eliminate The Qualifying Service Restriction and the Related Service Eligibility Criteria**

The court of appeals has rejected the Commission's "qualifying service restriction," through which it had purported to find that interexchange services are not "services" subject to unbundling pursuant to section 251(d)(2).<sup>460</sup> That ruling eliminates the basis for the *Triennial Review Order's* use restriction on loop-transport combinations, which was based on the asserted need to assure that UNEs would not "game" the system and use loop-transport combinations to provide "non-qualifying" services.<sup>461</sup> Now there is nothing left to "game." The question before the Commission therefore is whether there is any other basis to impose a "use" restriction on loop-transport combinations.

The answer is no. As the *USTA* court held, it is the Act's "impairment" inquiry, and not extra-statutory considerations that are little more than short-cuts for the impairment inquiry, that should govern unbundling.<sup>462</sup> While the Commission in the past has reached for a grab-bag of other justifications for a use restriction, none has withstood scrutiny. That is presumably why the Commission jettisoned them in the *Triennial Review Order*. The only legitimate question is the one posed by the court: whether CLECs seeking to offer interLATA interexchange services would be impaired if denied access to ILEC loop and transport facilities.

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<sup>460</sup> *USTA II*, 359 F.3d at 592.

<sup>461</sup> *Triennial Review Order* ¶¶ 591-629; *see id.* ¶ 593 (gaming).

<sup>462</sup> *USTA II*, 359 F.3d at 592.

Here there is impairment, for all of the same reasons that MCI set out describing impairment absent access to high-capacity loop and transport facilities in general.<sup>463</sup> No one – not the ILECs, not the Commission, and not the *USTA* court – has ever suggested why competitors would be impaired without access to these facilities in every context *except* their use as an input to interLATA interexchange services.

Presumably, the ILECs will argue that CLECs traditionally were able to offer retail interLATA interexchange services making use of ILEC special access services. But all of the reasons special access should not and cannot be considered generally when considering impairment for wireline carriers apply fully in the specific instance of their use as an input for interLATA interexchange services. In particular, experience prior to the end of structural separation is now completely irrelevant, since the ILECs are vigorously competing in the interexchange market. The high cost of special access, the risk of price squeeze, the ILECs' ability to manipulate wholesale prices, and the administrative impossibility of considering special access apply in this context every bit as much as they apply in every other context in which special access could be used as a wholesale input.

In sum, the Commission has now had its latest effort at preserving ILEC special access revenue definitively rejected by the *USTA* court – a court that has not otherwise been predisposed to protect CLEC unbundling rights. The Commission should implement the *USTA* decision and rule that these bottleneck loop and transmission facilities are unbundled when CLECs are impaired without them. And, it should conclude

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<sup>463</sup> See *supra* Section III.B.

that CLECs are impaired without them precisely to the same extent they are impaired without the use of those facilities in every other context.

#### **IV. THE STATUS OF COMMERCIALY NEGOTIATED AGREEMENTS**

The Commission should find that commercially negotiated agreements for access to network elements are subject to the filing and other requirements of section 252 whether or not the agreement covers in part or in whole facilities not required to be unbundled pursuant to section 251(c)(3).<sup>464</sup> Alternately, even if that were not the case, those agreements would have to be filed pursuant to section 203 or 211 of the Act.

##### **A. The Requirements of Section 252**

One of the Act's most important objectives is "that interconnection, unbundled element, and collocation rates be 'nondiscriminatory,'" and that there be no "'discriminatory conditions' [imposed] on the resale of telecommunications services."<sup>465</sup> The statutory filing requirements of section 252 are of paramount importance because they are "a primary tool of the 1996 Act for preventing discrimination under section 251."<sup>466</sup> These provisions by their terms apply as fully to voluntary agreements as they do to arbitrated agreements.<sup>467</sup> That is because the voluntary nature of an agreement does not in any way mitigate against the risk that an ILEC would seek to engage in discriminatory behavior. The Commission has emphasized that section 252(a)(1) "is not just a filing requirement. Compliance with section 252(a) is the first and strongest

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<sup>464</sup> *NPRM* ¶ 13.

<sup>465</sup> *Local Competition Order* ¶ 1296.

<sup>466</sup> *Id.*

<sup>467</sup> *Id.*

protection under the Act against discrimination by the incumbent LEC against its competitors.”<sup>468</sup>

The Act’s filing requirements are clear and unambiguous. Section 252(a) of the Act specifies that the terms pursuant to which the ILECs offer competitors “interconnection, services, or network elements” are to be set out through agreements that are achieved through voluntary negotiations, or, in the event those negotiations fail, through compulsory arbitration of unresolved issues. Voluntary agreements are to “be submitted to the State commission under” terms set out in section 252(e).<sup>469</sup>

In resolving open issues in arbitration, state commissions must ensure that the terms they adopt “meet the requirements of section 251, including the regulations prescribed by the [FCC] pursuant to section 251.”<sup>470</sup> In contrast, when the parties reach a voluntary agreement, the terms need not comply with “the standards set forth in subsections (b) and (c) of section 251.”<sup>471</sup>

Although Congress gave parties to voluntary agreements the ability to depart from the particular rules and regulations it adopted, it did not give private parties free reign to enter into *any* private agreement they so choose. Instead, as indicated above, voluntary agreements must be submitted to the appropriate state commission.<sup>472</sup> And, when the agreement is voluntary, rather than arbitrated, the state commission must reject any

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<sup>468</sup> *Qwest Corp. Apparent Liability for Forfeiture, Notice of Apparent Liability for Forfeiture*, 19 FCC Rcd 5169, ¶ 46 (2004) (“*Qwest NAL*”).

<sup>469</sup> *Id.*

<sup>470</sup> 47 U.S.C. § 252(c)(1).

<sup>471</sup> *Id.* § 252(a)(1).

<sup>472</sup> *Id.*

portion of the voluntary agreement if it “discriminates against a telecommunications carrier not a party to the agreement,” or if its implementation “is not consistent with the public interest, convenience, or necessity.”<sup>473</sup>

Plainly, Congress was concerned that the ILECs had the incentive and the power to enter into agreements that favored one competitor over another, or that could deter the development of competitive markets. Recent privately negotiated agreements such as those between SBC and Sage Telecom prove that this concern was well-founded. Section 252(a)(1) was designed to prevent just such discriminatory practices.

Finally, as the FCC has recognized, if there is any doubt regarding whether an agreement must be filed, the State commissions should resolve that question in the first instance. “Based on their statutory role provided by Congress and their experience to date, state commissions are well positioned to decide on a case-by-case basis whether a particular agreement is required to be filed as an ‘interconnection agreement’ and, if so, whether it should be approved or rejected.”<sup>474</sup>

Several ILECs have sought to avoid the requirements of section 252. They have filed petitions asserting that the voluntary agreements they have entered into are not “interconnection agreements.” The Commission has incorporated those ILEC petitions into this proceeding and asked for comment. As we explain in what follows, the ILECs are proposing an incoherent and unsustainable construction of the statute.

The ILECs have advanced two different arguments. First, they argue that an agreement is not an “interconnection agreement” unless it is “triggered by ‘a CLEC

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<sup>473</sup> *Id.* § 252(e)(2)(A).

<sup>474</sup> *Qwest NAL* ¶¶ 10-11.

request . . . pursuant to section 251.”<sup>475</sup> That is not a sustainable construction of the statute. It would enable parties to exempt themselves from the critical anti-discrimination provisions of section 252 through the simple expedient of not mentioning the words “section 251” at the outset.

The invocation of the words “section 251” has no talismanic significance in the statutory scheme. Section 251 imposes obligations on local exchange carriers, and incumbent local exchange carriers involving, among other things, interconnection, resale and unbundling. Section 252(a)(1) states that when an ILEC receives a request “for interconnection services or network elements pursuant to section 251,” it is obliged to negotiate and may reach a voluntary agreement “without regard to the standards set forth in subsections (b) and (c) of section 251.” In context, what this must mean is that when an ILEC receives a request to bargain about the matters that are the subject of section 251, the requirements of section 252(a)(1) (and the other section 252 requirements triggered as a result) come into play. In other words, an agreement is “pursuant to section 251” based upon what the agreement covers, not based upon the words used to initiate negotiations.

The ILECs’ second argument is equally unpersuasive. They assert that an agreement that covers facilities, services and interconnection that are *not* required to be provided under section 251 and its implementing regulations falls outside the “scope” of section 251 and to that extent is not an “interconnection agreement.”<sup>476</sup>

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<sup>475</sup> *SBC Emergency Petition for A Declaratory Ruling, Preemption and For Standstill Order To Preserve the Viability of Commercial Negotiations*, WC Docket No. 04-172 Petition at 8 (May 3, 2004) (“SBC Petition”) (quoting section 252(a)).

<sup>476</sup> *Id.* at 9.

The Commission already has adopted a contrary and far more sound construction of the statute. It has properly held that a “section 251 agreement” is characterized by the agreement’s subject matter, and not by the particular terms and conditions set out in the agreement:

Any agreement that creates an ongoing obligation pertaining to resale, number portability, dialing parity, access to rights-of-way, reciprocal compensation, interconnection, unbundled network elements, or collocation is an interconnection agreement that must be filed pursuant to section 252(a)(1).<sup>477</sup>

The ILECs’ contrary assertion fails on multiple grounds. First, the textual distinction they draw between covered and non-covered provisions is chimerical. If a voluntary agreement addresses an element that has been unbundled but, for example, at a price different than the statutory rate, in the ILECs’ view that agreement term falls within the “scope” of section 251, even though it does not satisfy the “standards” set out in that section. Therefore, on that reasoning, it would be an “interconnection agreement” term. But it is equally the case that if a voluntary agreement addresses an element that has not been unbundled because, for example, it fails to satisfy the “access standards” set out in section 251(d)(2)(B) (and incorporated by reference in section 251(c)(3)), that agreement term in the same way does not satisfy the “standards” set out in section 251. That being

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<sup>477</sup> *Qwest NAL* ¶ 23. The FCC has recognized only four narrow exceptions to the filing requirement, none of which is relevant here: (1) agreements addressing dispute resolution and escalation provisions, to the extent that information is generally available to carriers; (2) settlement agreements; (3) forms used to obtain service; and (4) certain agreements entered into during bankruptcy. See *Qwest NAL* ¶ 23. The FCC has interpreted “settlement agreements” to include only agreements that provide for “backward-looking consideration,” in the form of a cash payment or a cancellation of an accrued obligation. To the extent any settlement agreement touches on an ILEC’s ongoing obligations under the Act, that agreement – however it might be labeled by the parties – must be filed with the appropriate state commission for approval. See *Qwest Declaratory Ruling*, 17 FCC Rcd 19337, ¶ 12 (2002).

so, SBC's reliance on the word "standard" in section 252(a)(1) as a basis for its distinction between terms that are "interconnection agreement" terms, and terms that are not, is unjustified.

Consistent with the statute's plain meaning, an agreement concerning a network element that is "used to provide a telecommunications service," cannot be deemed to fall outside the "scope" of section 251(c)(3) simply because the agreement fails to meet the "standards" set out and incorporated into (c)(3). Section 252(a)(1) to the contrary expressly states that it *applies* to agreements concerning the items set out in sections 251(c) *even when* those agreement terms fail to meet the "standards set forth in subsection . . . (c) of section 251." There is nothing about the "access standards" set out in section 251(d)(2)(B) that is different in kind than the "pricing standard" of section 251(c)(3) such that failure to meet the former "standard" takes an agreement term outside the "scope" of section 251 while failure to meet the latter standard does not. The distinction they would draw between "scope" and "standard" is not sustainable, and so their construction of the statute cannot be squared with the express requirements of section 252(a)(1).

To the contrary, as the Commission has already held, section 252(a)(1) specifies that voluntarily negotiated "interconnection agreements" are agreements governing "interconnection and each service or network element," whether or not the specific provisions at issue meet the standards set out in section 251(b) or (c). An agreement covering access to a network element that has not been unbundled pursuant to the access standards incorporated into section 251(c)(3) is an agreement concerning "network elements pursuant to section 251" entered into "without regard to the standards set forth

in subsections (b) and (c) of section 251.”<sup>478</sup> Thus, the ILECs’ efforts to shield contractual unbundling provisions from the requirements of section 252 is unsustainable as a matter of statutory construction.

Furthermore, Congress could not have intended that voluntarily negotiated terms that involve network elements the Commission has not chosen to unbundle would not be considered “interconnection agreement” terms subject to section 252. In section 252(a)(1), Congress defined “voluntary interconnection agreements” to include “any interconnection agreement negotiated before the date of enactment of the Telecommunications Act.” Such agreements must be filed with the state commission pursuant to section 252(e). Yet *none* of the provisions negotiated in those agreements provided access to facilities that were required to be unbundled by the 1996 Act – the agreements all predated the Act and its implementing regulations. Nevertheless, section 252(a)(1) requires all such agreements to be filed, without regard to whether Congress or the FCC subsequently did or did not choose to unbundle the particular facilities covered in those agreements. Therefore, SBC’s construction of the statute cannot be squared with section 251(a)(1).

Additionally, there is nothing in the Act that supports the ILECs’ claim that agreements should be separated between published terms that may depart from “standards” set in the Act, and “private” terms that fall outside the “scope” of matters defined by those “standards.” To the contrary, the Act requires that entire interconnection agreements be submitted to state commissions for approval and

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<sup>478</sup> 47 U.S.C. § 252(a)(1).

published.<sup>479</sup> The purpose of these statutory requirements is to allow state commissions to identify and strike down discriminatory provisions. It is essential to that purpose that entire agreements be published. If the ILECs were permitted to subject to review only selected portions of agreements, it would eliminate the states' ability to identify and ferret out discriminatory provisions. As the Commission concluded in its recent order amending the "pick and choose" rules, agreements are comprised of interrelated provisions,<sup>480</sup> and it is often difficult to determine whether a particular provision viewed in isolation is discriminatory or contrary to the public interest. The public version of the SBC-Sage agreement provides a telling example of why this is so. The agreement adopted a loop rate that was substantially higher than loop rates currently in place in Michigan. In consideration of that concession, Sage apparently obtained a substantial reduction in the rate of unbundled local switching. However, that term was in the "private" agreement that SBC refused to publish. As a result, no other carrier could benefit from the switching reduction. That is a flagrantly discriminatory practice.

Finally, the ILECs' contrary construction fails because it would undermine the evident purpose of section 252. The point of subjecting voluntary agreements to regulatory scrutiny, and of making terms of those agreements available to competitors, is to assure that the ILEC, with its extraordinary market power, does not enter into an agreement that favors one competitive carrier over another, or otherwise engages in conduct that is not in the public interest. The ILECs' market power comes in large part

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<sup>479</sup> See, e.g., 47 U.S.C. § 252(e), (h).

<sup>480</sup> *Review of the Section 251 Unbundling Obligations of Incumbent Local Exchange Carriers*, Second Report and Order, 19 FCC Rcd 13494, ¶¶ 13, 16-17 (2004) ("Pick and Choose Order") (citing *Local Competition Order*).

from the facilities it owns. An agreement to lease ILEC facilities in a manner that discriminates against competitors and harms the public interest is the epitome of the kind of conduct that section 252 was designed to eliminate.

The ILECs nevertheless argue that it is bad policy to require parties to publish their privately negotiated agreements, as these agreements will often provide competitors hints about their confidential business plans.<sup>481</sup> SBC also argues that it is bad policy to allow third parties to pick and choose among published contract provisions, as required by section 252(i) because that will necessarily restrict parties' ability to engage in the kinds of trade offs that are the hallmark of private negotiations.<sup>482</sup>

These are not arguments that support keeping only *some* portion of private agreements out of public view and scrutiny. They are arguments against the statutory requirement that voluntarily negotiated agreements be subject to any regulatory scrutiny at all.

The claim that agreements need to be private because they reveal aspects of the parties' business plans is unpersuasive. Contracts need not be so revealing. In any event, state commissions have ample authority under the Act to address the need to preserve the privacy of proprietary information. The claim that competitors could "pick and choose" only advantageous portions of agreements and that publication therefore prevents the kind of "give and take" that characterizes true commercial negotiations has now been

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<sup>481</sup> SBC Petition at 12.

<sup>482</sup> *Id.* at 14.

resolved by the Commission through adopting an “all-or-nothing” pick and choose rule.<sup>483</sup>

But the Commission’s views on these policy questions is not controlling. *Congress* unambiguously decided that voluntarily negotiated agreements had to be submitted to state commissions for their review. *Congress* decided to permit competitive carriers to opt into the provisions of privately negotiated agreements. As the Supreme Court held in a closely related context, Congress did not “leave the determination of whether an industry will be entirely, or even substantially [] regulated to agency discretion.”<sup>484</sup> SBC evidently believes that “a whole new regime of regulation (or of free-market competition) . . . may well be a better regime” than that set out in the Communications Act.<sup>485</sup> Individual commissioners may believe the same. But as the Supreme Court has stressed, “that is not the [regime] that Congress established.”<sup>486</sup>

### **B. Other Filing Requirements**

Because section 252 so plainly requires the ILECs to file all voluntary agreements, and subjects those agreements to state commission review, there is no need for the Commission to address other provisions of the Act that require similar filing and review in the absence of section 252. But even a cursory review of these other provisions make clear that section 252 is not an exceptional or uniquely burdensome provision, but

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<sup>483</sup> See generally *Pick and Choose Order*.

<sup>484</sup> *MCI v. AT&T*, 512 U.S. 218, 231 (1994) (reversing FCC decision to relax rules requiring that rates be published on the ground that statutory protection against discriminatory treatment “would not be susceptible of effective enforcement if rates were not publicly filed”).

<sup>485</sup> *Id.* at 234.

<sup>486</sup> *Id.*

rather of a piece with other provisions of the Act that similarly seek to prevent discrimination by dominant carriers by requiring them to file agreements and subject them to regulatory scrutiny.

Thus the general rule governing ILEC practices is that they file public tariffs governing the terms of their interstate service offerings.<sup>487</sup> Tariffs are then rejected by the FCC if it finds them to be discriminatory or otherwise contrary to the public interest. The FCC has decided to forbear from applying this tariff requirement to non-dominant carriers because they generally lack the market power that would enable them to discriminate, but it has continued to require dominant carriers to tariff their services.<sup>488</sup>

Alternately, the Communications Act also contemplates that carriers could offer interstate services through contracts rather than tariffs, but here too the Act requires carriers to file these contracts with the FCC.<sup>489</sup> As the D.C. Circuit has held, “in order to

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<sup>487</sup> 47 U.S.C. § 203 (carriers must “file with the Commission and print and keep open for public inspection schedules showing all charges for itself and its connecting carriers for interstate . . . wire . . . communication between the different points on its own system, and between points on its own system and points on the system of its connecting carriers or points on the system of any other carrier subject to this Act”).

<sup>488</sup> 84 F.C.C.2d 445; *see also Policy and Rules Concerning Rates for Competitive Common Carrier Services*, Sixth Report and Order, 99 F.C.C.2d 1020, ¶ 12 (1984).

<sup>489</sup> 47 U.S.C. § 211(a). Section 211(a) states that “[e]very carrier subject to this Act shall file with the Commission copies of all contracts, agreements, or arrangements with other carriers, or with common carriers not subject to the provisions of this Act, in relation to any traffic affected by the provisions of this Act to which it may be a party.” *See* 47 C.F.R. § 43.51 (dominant carriers must file within 30 days of execution a copy of “each contract, agreement, concession, license, authorization, operating agreement or other arrangement to which it is a party and amendments thereto with respect to the following: (i) the exchange of services; and (ii) the interchange or routing of traffic and matters concerning rates, accounting rates, division of tolls, or the basis of settlement of traffic balances”); *Interconnection Arrangements Between and Among the Domestic and International Record Carriers*, 93 F.C.C.2d 845, ¶ 23 (1983); *Exchange Network Facilities for Interstate Access*, 71 F.C.C.2d 440, n.12 (1979) (“Carrier-to-carrier

prevent carriers from circumventing Title II regulation by crafting special service arrangements with other carriers, the Act itself [in subsection (a) of section 211] mandates that a carrier file certain contracts – regardless of whether they constitute individualized or even unique service arrangements – whenever the customer is itself a carrier.”<sup>490</sup> While it is the case that the Commission has at times allowed carriers to retain (rather than file) agreements pursuant to section 211, it has done so as regards non-dominant carrier agreements where there is no risk of discrimination. Here in contrast, there is a great risk of discrimination, and the rules expressly require dominant carriers to file their agreements with the Commission.<sup>491</sup> Moreover, just as the FCC is required to reject tariffs if they impose discriminatory terms, so too it has the authority to review and modify contracts filed under section 211 on the same basis.<sup>492</sup> Thus, even if section 252 had not required the filing and review of agreements governing unbundling and interconnection to assure against discrimination, the same result would have obtained under either section 203 or 211.

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contracts, in lieu of tariffs, are filed with the Commission pursuant to Section 211(a) of the Communications Act.”).

<sup>490</sup> *Southwestern Bell Tel. Co. v. FCC*, 19 F.3d 1475, 1483 (D.C. Cir. 1994).

<sup>491</sup> See 47 C.F.R. § 43.51.

<sup>492</sup> See, e.g., *AT&T Corp. et al. Petitions for Waiver of the International Settlements Policy*, Order on Review, 14 FCC Rcd 8318, ¶ 15 (1999); *AT&T Corp.; Proposed Extension of Accounting Rate Agreement for Switched Voice Service with Argentina*, Order on Review, 14 FCC Rcd 8306, ¶ 14 (1999); *Interconnection Facilities Provided to the International Record Carriers*, Final Decision and Order, 63 F.C.C.2d 761, ¶ 16 (1977) (“the provision which requires the contracts to be filed confers upon the Commission the authority to determine whether the terms and conditions thereof are consistent with the provisions of the Act”).

**V. CONCLUSION**

For the reasons discussed above, the Commission should adopt the rules and take the other actions recommended by MCI.

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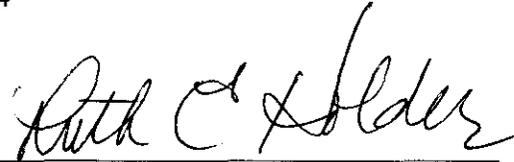
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## CERTIFICATE OF SERVICE

I, Ruth E. Holder, hereby certify that on this 4th day of October, 2004, I caused true and correct copies of the foregoing MCI Comments, with attachments, to be hand delivered to:

Janice M. Myles (five copies)  
Wireline Competition Bureau  
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Best Copy and Printing, Inc. (one copy)  
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A handwritten signature in cursive script that reads "Ruth E. Holder". The signature is written in black ink and is positioned above a horizontal line.

Ruth E. Holder