

ATTACHMENT 8

REPLY DECLARATION OF WAYNE HUYARD

REDACTED – FOR PUBLIC INSPECTION

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

In the Matter of)	
)	
Verizon Communications Inc. and)	
MCI, Inc.)	WC Docket No. 05-75
Applications for Approval of)	
Transfer of Control)	

REPLY DECLARATION OF WAYNE HUYARD

I, Wayne Huyard, declare as follows.

1. My name is Wayne Huyard. I submitted a Declaration in this proceeding on March 11, 2005. My qualifications are set forth in that Declaration.

2. As I explained in my Declaration, by any measure, the facts make incontrovertibly clear that MCI's consumer business is in a continuing and irreversible decline. The purpose of this Reply Declaration is to update the data that I presented in my earlier Declaration to reflect the most recent months. This update confirms that the trends continue.

3. **Business Trends:** The data I presented in my Declaration were current through January 2005. I have now had the opportunity to review data current through the end of April 2005, and those data leave no doubt that MCI's consumer business continues to decline.

Revenues: I have explained that between 2003 and 2004, MCI's consumer revenues shrank by 20% and were shrinking across all customer segments. That trend continues. For the three-month period ending March 31, 2005, MCI recently reported mass markets revenues of \$1.113 billion, down 17.6% from the same prior year period. MCI's domestic stand-alone long distance revenue, which had decreased from [BEGIN PROPRIETARY] [END PROPRIETARY] for the month of January 2003 to [BEGIN PROPRIETARY] [END PROPRIETARY] for the month of January 2005, decreased by another [BEGIN

REDACTED – FOR PUBLIC INSPECTION

PROPRIETARY] [END PROPRIETARY] by the end of April 2005. Revenues from MCI's integrated local/long distance products, which hit a peak of [BEGIN PROPRIETARY] [END PROPRIETARY] for the month of June 2004 and had dropped to [BEGIN PROPRIETARY] [END PROPRIETARY] for the month of January 2005, decreased by another [BEGIN PROPRIETARY] [END PROPRIETARY] by the end of April 2005.

Lines: I have explained that MCI's consumer business had gone from [BEGIN PROPRIETARY] [END PROPRIETARY] stand-alone long distance accounts in January 2003 to [BEGIN PROPRIETARY] [END PROPRIETARY] by January 2005. That number dropped to [BEGIN PROPRIETARY] [END PROPRIETARY] at the end of April 2005. Similarly, in June 2004, MCI had [BEGIN PROPRIETARY] [END PROPRIETARY] integrated local/long distance lines, which dropped to [BEGIN PROPRIETARY] [END PROPRIETARY] for January 2005. That total has further declined by more than another [BEGIN PROPRIETARY] [END PROPRIETARY] lines by the end of April 2005.

4. **Commercial Agreements:** In my Declaration, I explained that MCI had entered into a commercial agreement for a UNE-P replacement product with Qwest and was seeking to do so with the other RBOCs. Since that time, we have reached agreements both with BellSouth and SBC and an interim agreement with Verizon. As I have explained, these contracts allow us to obtain a UNE-P replacement product at prices that allow us to continue to manage the decline in our consumer business and to avoid terminating service to our existing and shrinking residential customer base.

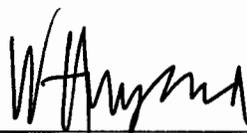
5. **VoIP:** In my Declaration, I described a limited, resale-based trial offering of VoIP service to consumers that was scheduled to begin in May. The start date for that trial has been postponed to June. In any event, as I have described, the planned trial would target only 5,000 customers, and even if it were to prove successful enough to justify a commercial launch, MCI would be joining a field already populated with many intermodal competitors, and would be doing so from the ground up.

REDACTED – FOR PUBLIC INSPECTION

6. In conclusion, these recent data confirm what I described in my Declaration. While MCI continues to manage the decline in its consumer business, that decline is continuing, and it is irreversible.

I declare under penalty of perjury that the foregoing is true and correct

Executed on May²³, 2005.



Wayne Huyard