

**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 )  
)  
To: The Commission )

**REPLY COMMENTS OF  
QWEST COMMUNICATIONS INTERNATIONAL INC.**

Qwest Communications International Inc. (“Qwest”) has asked this Commission to deny the application of Verizon Communications Inc. (“Verizon”) and MCI, Inc. (“MCI”), for approval of their proposed merger (the “Application”). <sup>1/</sup> Qwest has discussed, based on the limited information available in the Application, why the merger would severely damage the nation’s telecommunications industry. This transaction fails the Communications Act’s requirement to “enhance competition” and otherwise serve the public interest, particularly when evaluated in the context of the parallel proposal of SBC Communications Inc. (“SBC”) to acquire AT&T Corp. (“AT&T”). <sup>2/</sup> Together, Verizon and SBC are seeking Commission consent to eliminate their two chief rivals in both the wholesale and retail telecommunications markets.

---

<sup>1/</sup> See *In the Matter of Verizon Communications Inc. and MCI, Inc., Applications for Approval of Transfer of Control*, WC Docket No, 05-75, *Petition to Deny of Qwest Communications International Inc.*, filed May 9, 2005 (“*Qwest Petition to Deny*”).

<sup>2/</sup> See generally *In the Matter of SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, WC Docket No. 05-65.

On May 5, 2005, Commission staff sent a letter seeking detailed information from Verizon and MCI on their operations, services and facilities. <sup>3/</sup> That information is critical to any analysis of this merger. The letter requires a response by May 26, 2005. <sup>4/</sup>

The May 5 Letter underscores the severe handicaps that interested parties have faced in participating in this docket. Verizon and MCI have failed to provide the most basic information necessary for analysis of their proposed merger under the Communications Act. In particular, the parties have withheld material information necessary to evaluate the degree to which the transaction would impermissibly increase concentration in the large Verizon service territory, including major markets in 29 states and the District of Columbia.

Qwest already has provided a detailed discussion of the competitive issues presented by this proposed merger. We have discussed why it cannot be approved in its current form, and the scope of divestitures and other conditions that would be needed to cure its anticompetitive effects. <sup>5/</sup> We also have discussed the particular problems presented by the proposed merger given that its effects will be magnified by SBC's application for authority to acquire AT&T. These two transactions are likely to enhance the pattern of mutual forbearance between Verizon and SBC in many market segments, and facilitate harmful coordinated effects.

Unfortunately, Verizon and SBC have sought to take advantage of the Commission's informal merger review processes to prevent a full and informed analysis of the merger effects. They clearly hope that the Commission will continue to apply in a mechanical

---

<sup>3/</sup> Letter to Michael Glover, Senior Vice President and Deputy General Counsel, Verizon Communications Inc., and Richard Witt, Vice President of Federal Law and Policy, MCI, Inc., from Thomas Navin, Acting Chief, Wireline Competition Bureau, FCC, dated May 5, 2005, ("May 5 Letter").

<sup>4/</sup> *Id.* at 1.

<sup>5/</sup> *Qwest Petition to Deny* at 38-42.

fashion its 180-day clock for merger review to these two transactions – the two most important and complicated mergers ever to come before the Commission.

Other commenting parties have complained of the failure of Verizon and MCI to supply material information in their Application. 6/ The bottom line is that the public interest in a full review of these proposed transactions is being prejudiced by the gamesmanship of the merger parties.

Qwest will comment further after it has an opportunity to review the responses of Verizon and MCI to the May 5 Letter. In the meantime, however, the Commission must take steps to ensure that this transaction, and the proposed SBC-AT&T merger, receive the full review that these monumental deals require. Qwest has spoken to this problem already in the context of the SBC-AT&T proceeding. 7/ By withholding information in the first instance, and later making access to that information as burdensome as possible, SBC and AT&T are manipulating and frustrating the Commission’s merger review process to the detriment of all parties. 8/ Permitting such conduct in this proceeding and in the SBC-AT&T docket will

---

6/ See, e.g., *Comments of ACN Communications Services Inc., ATX Communications Inc., et al.*, filed May 9, 2005, at 2, 5, 42-47; *Petition to Deny of Cbeyond, Conversent, Eschelon, NuVox, TDS Metrocom, and XO Communications*, filed May 9, 2005, at 64-67; *Opposition of Broadwing Communications and SAVVIS Communications Corp.*, filed May 9, 2005, at 2, 15-17; *Petition to Deny of Consumer Federation of America, Consumers Union and US PIRG*, filed May 9, 2005, at 1, 20; *CompTel/ALTS Petition to Deny*, filed May 9, 2005, at 1, 20-21, 32; *Petition to Deny of EarthLink, Inc.*, filed May 9, 2005, at 1-3, 6-10, 12-14; *Comments of Eliot Spitzer, Attorney General of NY*, filed May 9, 2005, at 18.

7/ See *In the Matter of SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*, WC Docket No. 05-65, *Reply Comments of Qwest Communications International Inc.*, filed May 9, 2005, at 5-7.

8/ For instance, parties wishing to review the materials provided by SBC and AT&T in response to a Commission data request are being limited to three-hour viewing “windows,” with only one party being permitted to review documents during each three-hour window. Equally burdensome is that SBC and AT&T have designated nearly all of their materials responsive to the Commission data request as “copying prohibited,” thereby severely restricting the usability of these materials by third parties such as Qwest.

encourage future merger parties to follow a similar course of trying to get away with providing as little information, and as little cooperation, as possible.

Qwest will supply additional comments once Verizon and MCI provide the information to make that possible. In the meantime, the Commission should make clear that it will take the time it needs to review these most crucial transactions – expeditiously and without artificial deadlines – so that it can meet its requirements and obligations under the Communications Act, and its responsibilities to serve the public interest.

Respectfully submitted,



Of Counsel

Robert Connelly  
Philip Roselli  
Blair Rosenthal  
Qwest Communications  
International Inc.  
1801 California Street  
Denver, Colorado 80202

Peter A. Rohrbach  
Janet L. McDavid  
Yaron Dori  
David Blake-Thomas  
Hogan & Hartson L.L.P.  
555 13<sup>th</sup> Street, N.W.  
Washington, D.C. 20004  
Tel: (202) 637.5600  
Fax: (202) 637-5910

Attorneys for Qwest Communications  
International Inc.

May 24, 2005