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EX PARTE

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The Honorable Kevin J. Martin
Chairman
Federal Communications Commission
445 12th Street SW
Washington, DC 20554

Re: WC Docket No. 05-65 – *In the Matter of SBC Communications Inc. and AT&T Corp. Applications for Approval of Transfer of Control*;
WC Docket No. 05-75 – *In the Matter of Verizon Communications Inc. and MCI, Inc., Applications for Approval of Transfer of Control*

Dear Chairman Martin:

I am writing to you on behalf of Qwest Communications International Inc. (“Qwest”) to request that the Commission stop the informal, 180-day merger clock in each above-referenced proceeding and restart it anew only once the merger applicants have provided the Commission with sufficient information to review their proposed transactions and only after interested parties have been given reasonable access to that information and an opportunity to comment on it. This is the most equitable way to proceed given that the applications as filed by SBC Communications Inc. (“SBC”) and AT&T Corp. (“AT&T”), and, separately, Verizon Communications Inc. (“Verizon”) and MCI, Inc. (“MCI”), did not provide Commission staff and interested parties with sufficient information to evaluate the proposed mergers in the first place.

SBC/AT&T and Verizon/MCI have been hindering the Commission’s merger review process by denying Commission staff and the public the information they need to evaluate the proposed transactions under the Communications Act. The applications filed by SBC/AT&T and Verizon/MCI did not include key information relevant to a merger analysis. Further, SBC/AT&T today are preventing interested parties from securing reasonable access to important data that they have produced in response to Commission data requests. Verizon/MCI have not yet responded to similar Commission data requests (their responses are due tomorrow), and Qwest will need to assess whether their responses raise similar issues. But the fact that Commission staff had to propound significant and voluminous data requests to the merger parties indicates the many flaws that plagued the applications as filed.

SBC/AT&T's most recent tactics illustrate the importance of stopping the 180-day clock now. As you know, Commission staff propounded a 12-page document containing data requests to SBC/AT&T to obtain information it believed relevant to the transaction. Last week SBC/AT&T produced over 165 boxes of material – consisting of approximately half a million pages of information – in response to these data requests. But rather than provide interested parties with reasonable access to these materials, as would be appropriate here, SBC/AT&T instead designated nearly every page of these materials “copying prohibited,” which means that interested parties cannot view these documents – many of which are complex spreadsheets containing thousands of data points – electronically or in their own offices and must instead arrange to view these documents in SBC/AT&T's offices. Further, SBC/AT&T are permitting interested parties to view these materials only in limited, three-hour “windows,” and are permitting only one party at a time to sign up for each window. Given the extraordinary interest in the merger by various parties, we expect the result of this tactic to be that each interested party will be able view these documents only once every few days – and then only for three hours at a time.

SBC/AT&T's process for affording access to these materials is rendered even more disturbing by the fact that it appears, based on our initial review, that the “copying prohibited” label has been affixed to nearly every document without regard to whether it deserves such designation. For example, some of the documents appear to be printed copies of publicly-available Internet web pages; others appear to be print-outs of widely-available reports issued by third parties. The documents also are not indexed and do not appear to be organized in a coherent way.

Qwest is in the process of identifying the many issues associated with SBC/AT&T's responses to the Commission's data requests and intends to follow up with Commission staff in an effort to resolve these access issues shortly. We intend to do the same with respect to Verizon/MCI's responses should similar issues arise. But in the meantime, it is clear that these and other tactics have placed a serious strain on the ability of the public and interested parties to evaluate the proposed mergers and provide Commission staff with the input it needs to assess these mergers as it is bound to do under the Communications Act. Moreover, it is not even clear whether the materials produced thus far even respond in full to the Commission's data requests. These issues will take time to sort out. What is readily apparent now, however, is that SBC/AT&T and Verizon/MCI are trying to run out the Commission's 180-day clock for merger reviews before there can be serious debate over the issues created by these extraordinary transactions.

The Commission should act now to make clear that it will not reward such tactics and behavior. By proposing to acquire AT&T and MCI, SBC and Verizon are seeking to take out their two largest competitors at the same time. The record to date is replete with comments on how these mergers will reduce competitive choices for every American consumer and business in the country. More than any other transaction reviewed by the Commission to date, these mergers will have a critical impact on the availability and reliability of telecommunications and

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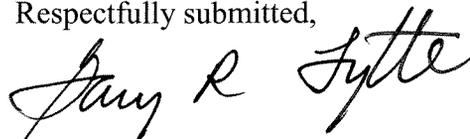
other services in the U.S. These mergers therefore require thoughtful, deliberate reasoning, which, in turn, is dependent on a complete record and appropriate comment periods.

Commission action is critical here because it will set a precedent with respect to the consideration of future transactions. If the Commission does not stop the 180-day clock now and reset it anew only once the record is ripe for comment, the Commission will be sending a message to future merger applicants that the Commission's processes can be manipulated by withholding key information and then engaging in delay tactics. Commission action also is critical because many state evaluations of the proposed mergers seek to track the Commission's timetable.

Only by stopping the 180-day clock now and starting it anew at the appropriate time will the merger applicants have an incentive to make sure that all relevant information has been added to the record and that interested parties have been provided with reasonable access to this information. Providing interested parties with reasonable access and an opportunity to comment also is the only way to ensure that the records in these merger proceedings are complete and provide a basis for sound Commission action. We therefore respectfully submit that the Commission should immediately stop the 180-day clock until such time as Commission staff can confirm that the applicants have included in the record all of the information needed to evaluate their proposed mergers and that interested parties have been afforded reasonable access to it. Once this has been confirmed, the 180-day merger clock should start anew, with interested parties given 45 days to file new comments based on the new information added to the record.

We thank you in advance for your consideration of our concerns.

Respectfully submitted,



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Copy (via email):

Commissioner Kathleen Q. Abernathy
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