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June 10, 2005

VIA ELECTRONIC FILING

Marlene H. Dortch, Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Washington, D.C. 20554

Re: **REDACTED – FOR PUBLIC INSPECTION**
Response of MCI, Inc. to the Commission’s May 26, 2005, International
Document and Information Request
*Verizon Communications Inc. and MCI, Inc. Application for Approval of
Transfer of Control – WC Docket No. 05-75*

Dear Ms. Dortch:

This letter provides notice for the public record that, on behalf of MCI, Inc. (“MCI”), undersigned counsel today transmitted to the Commission certain confidential material and highly confidential material subject to the Protective Order¹ and Second Protective Order² adopted in this proceeding. MCI hereby files redacted narrative responses to the Commission’s May 26, 2005, International Document and Information Request.³ Pursuant to staff instructions, MCI is providing paper and electronic copies of its redacted and

¹ *Verizon Communications Inc. and MCI, Inc. Application for Approval of Transfer of Control*, WC Docket No. 05-75, Order Adopting Protective Order, DA 05-647 (rel. Mar. 10, 2005) (“Protective Order”).

² *Verizon Communications Inc. and MCI, Inc. Application for Approval of Transfer of Control*, WC Docket No. 05-75, Order Adopting Second Protective Order, DA 05-1538 (rel. May 25, 2005) (“Second Protective Order”).

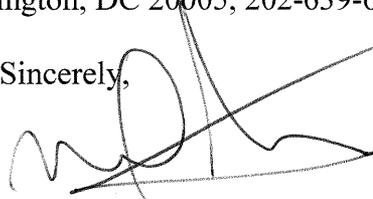
³ *See Verizon Communications Inc. and MCI, Inc. Application for Approval of Transfer of Control*, WC Docket No. 05-75, Letter from James Ball, Chief, Policy Division, International Bureau, FCC to Michael Glover, Verizon, and Richard Whitt, MCI (May 26, 2005) (“Information Request”).

Ms. Marlene H. Dortch
June 10, 2005
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unredacted responses to Gail Cohen, as designee for Gary Remondino as named in the Protective Order and Second Protective Order.

The unredacted confidential and highly confidential versions of MCI's response to the Information Request will be made available for inspection, pursuant to the terms of the Protective Order and the Second Protective Order, at the offices of Jenner & Block. Arrangements for inspection may be made by contacting Elaine Goldenberg, Jenner & Block LLP, 601 13th Street NW, Suite 1200, Washington, DC 20005, 202-639-6000.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gil M. Strobel', written over a horizontal line.

Gil M. Strobel
Counsel to MCI, Inc.

Enclosures

cc: Gail Cohen
Best Copy and Printing, Inc.
Gary Remondino
Bill Dever
Mary Shultz
Jeff Tobias
Erin McGrath
David Krech
Kathleen Collins
JoAnn Lucanik
Jim Bird
Jonathan Levy

In the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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

**RESPONSE OF MCI, INC.
TO THE COMMISSION'S MAY 26, 2005,
INTERNATIONAL DOCUMENT AND INFORMATION REQUEST**

June 10, 2005

To the extent that the following responses contain information not required by the International Document and Information Request issued by the International Bureau on May 26, 2005, MCI is providing such information on a voluntary basis.

1. Submarine Cable Ownership and Capacity.

(a) For any cable segment landing in the United States, consistent with section 1.767(a)(11)(i) of the rules, please identify, on a segment-specific basis, the ownership interests held by MCI and its affiliates collectively and Verizon and its affiliates collectively, as set out in each cable's C&MA. On the U.S.-Dominican Republic and U.S.-Venezuela routes, please specify all whole and matched half-circuits held by the applicants and their U.S. and foreign affiliates.

Response to question 1(a)

The ownership interest held by MCI and its affiliates collectively, as set out in each cable's C&MA, is identified on a segment-specific basis (where applicable) in each of the applications for transfer of control of cable landing licenses filed by MCI and Verizon on March 11, 2005.¹ In addition, MCI, through a subsidiary, owns 100 percent of the Southern Cross Landing Station located in Morro Bay, California. This is the only

¹ See *Verizon Communications, Inc., Transferee, and MCI, Inc., Transferor, Application for Authority to Transfer Control of Cable Landing Licenses*, File No. SCL-T/C-20050317-00006, at Attachment B; *Verizon Communications, Inc., Transferee, and MCI, Inc., Transferor, on behalf of itself and its subsidiary MCI Communications Corporation, Application for Authority to Transfer Control of Cable Landing Licenses*, File No. SCL-T/C-20050317-00007, at Attachment B; *Verizon Communications, Inc., Transferee, and MCI, Inc., Transferor, on behalf of itself and its subsidiary MCI International, Inc., Application for Authority to Transfer Control of Cable Landing Licenses*, File No. SCL-T/C-20050317-00008, at Attachment B; and *Verizon Communications, Inc., Transferee, and MCI, Inc., Transferor, on behalf of itself and its subsidiary MFS Globenet, Inc., Application for Authority to Transfer Control of Cable Landing Licenses*, File No. SCL-T/C-20050317-00009, at 15.

operational landing station in the United States in which MCI and its affiliates have an ownership interest.

Confidential Exhibit 1(a) (redacted) provides the whole and matched half-circuits MCI and its U.S. and foreign affiliates hold on the U.S.- Dominican Republic and U.S.- Venezuela routes (capacity is expressed in DS-0 circuits).

(b) For the Southern Cross cable, MCI should clarify which entity currently owns and controls each of the U.S. cable landing stations, the entity's relationship to MCI and the percentage of ownership interest. If MCI has no voting interest in Southern Cross, please specify the nature of MCI's interests, including whether MCI holds ownership, IRU, or lease interests.

Response to question 1(b)

Southern Cross lands at two cable landing stations in the United States. The Southern Cross landing station at Morro Bay, California is owned by MFS Cable Co., a wholly-owned subsidiary of MCI. The Southern Cross landing station at Nedonna Beach, Oregon is owned by WCI Cable Company. MFS Cable Co., acting as the Southern Cross landing party, has contracted with WCI Cable to provide landing facilities for the Southern Cross Northern Leg, which lands at Nedonna Beach. MCI has no ownership interest in WCI Cable Company, or in the Nedonna Beach landing station.

MCI has no voting interest in Southern Cross. MCI holds a 10% equity interest in the Southern Cross system. Unrelated to this equity interest, MCI has purchased Capacity Use Agreements for capacity in the Southern Cross System.

(c) With respect to Attachment 15, please explain how MCI calculated its total capacity in STM-1 equivalents and what conversion factor MCI used in arriving at this capacity.² To the extent necessary, amend Attachment 15 to correct these total capacity numbers and update the discussion concerning the percentage of voting interest and capacity held by MCI in each of the three geographic regions. Please amend Exhibit 1 of Attachment 15 to provide MCI's capacity data (cable by cable in each region) in the same format as shown in Exhibit 1 of Verizon's Attachment 10. Please clarify how MCI defines the term "capacity whole STM-1 equivalent."

Response to question 1(c)

MCI calculated its total capacity in STM-1 equivalents by referring to its total owned capacity, as described in each of the relevant C&MAs. MCI used a conversion factor of 1,890 DS-0s to each STM-1 equivalent.³

In accordance with the International Bureau's request, MCI restates the total capacity numbers listed in Attachment 15 as follows:

² The numbers provided by MCI in Attachment 15 do not appear to correlate with the capacity estimates Verizon provides in Attachment 10 nor with the capacity numbers in the Commission's most recent Circuit Status Report, which Attachment 15 cites as the source for the calculations of total capacity.

³ In calculating the total capacity in each region, MCI made certain adjustments to the FCC's Circuit Status Report to delete retired cables that were listed in the Circuit Status Report. MCI also made the following additional adjustments: For the Americas region, MCI deleted SAC from the denominator; in the Atlantic Region, MCI inadvertently included CANTAT-3 in the denominator, even though CANTAT-3 does not land in the United States; in the Pacific Region, MCI excluded HAW-5, which has been retired and which does not land outside the United States. For the sake of consistency, MCI has updated its capacity estimates using the total capacity numbers listed in the Lack and Pilgrim Declaration.

AMERICAS REGION

Cable	Capacity (64 Kbps)⁴	MCI Interest	Equivalent Lines for MCI for Each Cable
Americas-1	22,680	10.68%	2,422
Americas-2	604,800	10.23%	61,871
Antillas -1	15,120	6.14%	928
Arcos-1	30,240	1.04%	315
Bahamas-2	90,720	7.50%	6,804
Maya-1	120,960	7.86%	9,503
Pan American	45,360	11.84%	5,372
Taino Caribe	181,440	14.16%	25,699
<i>Total MCI Equivalent Lines</i>			112,914
<i>Total Capacity in Region⁵</i>			3,167,640
MCI Voting Interest as Percentage of Total Capacity in Region			3.57%

ATLANTIC REGION

Cable	Capacity (64 Kbps)	MCI Interest	Equivalent Lines for MCI for Each Cable⁶
Columbus-2	15,120	8.31%	1,256
Columbus-3	120,960	18.25%	22,078
TAT-12/13	362,880	23.65%	85,803
TAT-14	7,741,440	13.24%	1,024,734

⁴ Capacity for each cable is taken from the FCC's 2003 Section 43.82 Circuit Status Data at Table 7 (Dec. 2004), available at <http://hraunfoss.fcc.gov/edocs_public/attachmatch/DOC-255737A1.pdf> ("2003 Circuit Status Report").

⁵ 2003 Circuit Status Report at 33.

⁶ Consistent with Verizon's methodology, MCI has approximated its capacity on each cable by multiplying its percentage voting interest in the cable by the cable's total capacity (as described in the FCC's 2003 Circuit Status Report).

<i>Total MCI Equivalent Lines</i>	1,133,871
<i>Total Capacity in Region</i> ⁷	27,157,410
MCI Voting Interest as Percentage of Total Capacity in Region	4.18%

PACIFIC REGION

Cable	Capacity (64 Kbps)	MCI Interest	Equivalent Lines for MCI for Each Cable
China-US	967,680	6.67%	64,515
Guam Philippines	120,960	2.11%	2,550
Japan-US	967,680	12.68%	122,663 ⁸
TPC-5	241,920	14.87%	35,961
<i>Total MCI Equivalent Lines</i>			225,690
<i>Total Capacity in Region</i> ⁹			12,725,370
MCI Voting Interest as Percentage of Total Capacity in Region			1.77%

⁷ 2003 Circuit Status Report at 33 (“Total Trans-Atlantic w/o CANTAT-3” capacity in 2003, minus capacity attributable to the retired Gemini cable).

⁸ Since the 2003 Circuit Status Report, there has been an increase in capacity on the Japan-US cable, with a concomitant increase in capacity owned by all carriers that hold a voting interest in that cable. The Japan-US cable now has a capacity of 4,838,400 DS-0 equivalents. MCI’s 12.68% voting interest translates into 613,316 DS-0 equivalents of capacity. MCI cannot be sure if there have been changes in the capacity of other cables in the region. If all other cables remained the same since the 2003 Circuit Status Report and not additional cables were introduced into the Pacific Region, MCI’s voting interest would amount to 4.31% of the total capacity in the region.

⁹ 2003 Circuit Status Report at 34 (“Total Trans-Pacific” capacity in 2003, minus capacity attributable to the retired TPC-4, PacRim West and HAW-5 cables). Adding HAW-5 would result in a total capacity in region of 12,740,490, but does not change MCI’s voting interest as a percentage of total capacity in the region by more than a few thousandths of a percent.

MCI defines the term “capacity whole STM-1 equivalent” as capacity equal to a single whole circuit with a single STM-1 worth of bandwidth. MCI notes that an STM-1 is equal to 1,890 DS-0s. MCI defines “whole circuits” as circuits providing capacity for the full length of a route. “Whole circuits” stand in distinction to “half” or “joint” circuits, which are circuits in which one carrier owns capacity for half of the route or segment in question and another carrier owns capacity for the other half of the route.¹⁰ MCI calculates whole circuit equivalents by dividing its capacity on joint or half circuits in two.

2. International Telecommunications Services.

(a) For Verizon and its U.S. affiliates, please provide, for reporting year 2003 and for the most recent year, the following information: (1) the number of minutes of international traffic that Verizon (i) carried over its own facilities and (ii) provided as a pure reseller; (2) the resale minutes and revenues for pure resale traffic, on a route-by-route basis for all destination markets; (3) the underlying carriers Verizon (and its U.S. affiliates) uses when it provides international resale services, and the relative number of minutes of international resale minutes carried by each underlying carrier.

Response to Question 2(a):

This question applies only to Verizon.

(b) For MCI and its U.S. affiliates, please specify for reporting year 2003 and for the most recent year the minutes and revenues for pure resale traffic, on a route-by-route basis for all destination markets.

Response to Question 2(b):

MCI’s (including its U.S. affiliates) 2003 minutes and revenues for pure resale traffic is provided on a route-by-route basis for all destination markets in Confidential

¹⁰ Half circuits can also be used to refer to arrangements where one carrier provides service in one direction and another carrier provides the return path.

Exhibit 2(b)(1) (redacted). The comparable 2004 data are provided in Confidential Exhibit 2(b)(2) (redacted). The revenues listed in Confidential Exhibits 2(b)(1) and 2(b)(2) were estimated based on the methodology MCI uses in preparing its 43.61 submissions. The 2004 data listed in Confidential Exhibit 2(b)(2) (the most recent year for which data are available) represent MCI's best estimates. These numbers are still being refined as MCI prepares its 43.61 report, due to the Commission on July 31, 2005.

(c) For (1) Verizon and its U.S. affiliates that provide international service through prepaid calling cards, and (2) MCI and its U.S. affiliates that provide international service through prepaid calling cards, please provide information on the revenues and minutes associated with the calls placed using those prepaid calling cards. Please describe how (1) Verizon and its U.S. affiliates and (2) MCI and its U.S. affiliates, market those prepaid calling cards.

Response to Question 2(c):

Confidential Exhibit 2(c) (redacted) provides MCI's best estimates of the revenues and minutes associated with prepaid international services provided by MCI and its U.S. affiliates in 2004.

MCI and its affiliates market prepaid calling cards, including those that include international service, primarily through retail distributors such as Costco, Circle K and Rite Aid in the United States, and through similarly-positioned resellers in other countries. Almost all of MCI's prepaid calling cards offer domestic and international originations and terminations. At certain locations selected by the retail distributors MCI offers cards that target international calling. The primary marketing is done at the point of sale through posters and card carriers that emphasize the benefits of prepaid cards and highlight specific international rates and other terms of service.

3. Global Telecommunications Services.

(a) Please describe the services that are bought and sold in the GTS market, as well as the appropriate unit of measurement for measuring GTS services (*e.g.*, 64 equivalent lines served, revenue, etc.), and explain whether there are also stand-alone regional telecommunications services markets (*e.g.*, continental or hemispheric markets), consisting of different services, suppliers or customers than those in the GTS market.

Response to Question 3(a):

To Verizon's and MCI's knowledge, the FCC has not defined or recognized a Global Telecommunications Services ("GTS") market. Nor is it clear that the existence of such a market is relevant to the FCC's analysis of this transaction. The FCC has examined the effects of certain mergers on the provision of "global seamless services." These services have generally been considered in the context of transactions between two carriers that each have a significant global presence, and where at least one carrier's "home" market is outside of the United States.¹¹

GTS is a concept that the European Commission ("EC") has used in considering certain mergers. As used in EC proceedings, GTS is commonly understood to refer to the provision of largely customized bundles of services to multinational corporations (with

¹¹ See, *e.g.*, *Sprint Corporation Petition for Declaratory Ruling Concerning Section 310(b)(4) and (d) and the Public Interest Requirements of the Communications Act of 1934, as amended*, Declaratory Ruling and Order, 11 FCC Rcd 1850 (1996) ("*Sprint Order*"); *AT&T Corp., British Telecommunications, plc, VLT Co. L.L.C., Violet License Co. LLC, and TNV [Bahamas] Limited Applications; For Grant of Section 214 Authority, Modification of Authorizations and Assignment of Licenses in Connection With the Proposed Joint Venture Between AT&T Corp. and British Telecommunications, plc*, 14 FCC Rcd 19140 (1999) ("*BT/AT&T Order*").

trans-continental service requirements), usually obtained through a bidding or tendering process. This is similar to the FCC's definition of global seamless services.¹²

Customers that the EC might consider to be GTS customers are typically what the FCC would refer to as large enterprise customers. As MCI and Verizon explained in their Public Interest Statement, large enterprise customers typically operate nationally or internationally and require sophisticated telecommunications services provided over networks capable of connecting many nationwide or worldwide locations. Large enterprise customers also typically demand nationwide or global service, seek out more than one service provider and generate significant revenues, providing incentives for carriers to compete for their business. These are virtually the same product characteristics that the EC uses to define GTS customers. GTS or global seamless services, therefore, are merely services offered to a subset of large enterprise customers – those that are multi-national and operating on multiple continents.

Because enterprise customers that purchase services in more than one country are rarely able to satisfy their telecommunications needs exclusively with standardized products and services purchased “off-the-shelf,” each package of services must be tailored to the specific needs of each customer. The range of services purchased by such customers includes:

- Private networks, including virtual private networks (“VPNs”);

¹² See, e.g., *Sprint Order* ¶ 84; *BT/AT&T Order* ¶ 28.

- Voice communications services (including international freephone numbers) for local, national and international calls;
- Domestic (almost always in multiple jurisdictions) and international data communications services, provided over any one of a range of platforms or using any one of a range of protocols including ATM, Frame Relay and IP;
- Enhanced voice and data services, including messaging services and calling cards;
- Retail end-user access services (both dedicated and on-demand), to facilitate the provision of the voice, data and other services, over both public networks and private networks (*e.g.*, intranets, extranets, Internet access and VPNs);
- Equipment (including CPE);
- Security/authentication, firewalls and intrusion protection;
- Web hosting;
- Managed Network Services;
- Private IP, Private Line;
- Private Line Ethernet;
- X.25;
- Calling cards;
- VoIP;
- Access, including dedicated access, DSL, IP Access, ISDN and Remote Access;
- Data centers;
- Scanning services;
- Content delivery;
- Image port fax;
- Internet multicast services;
- Mobility services;

- Audio and videoconferencing services (including net conferencing); and
- Call centers.

Almost all of these services can also be supplied as distinct stand-alone services. However, large enterprise customers tend to require advanced or enhanced functionality and a degree of customization, either in terms of the services themselves or the management and integration of multiple services. As a result, as noted above, these customers typically procure services by issuing requests for proposals that cover a wide range of products and services. Further, it is unusual for enterprise customers that are buying integrated communications services in multiple countries to acquire individual services under service-specific supply contracts. For example, while many contracts for services in multiple countries include the provision of some form of international voice telephony services, it is unusual for enterprise customers to issue a stand-alone request for proposal for international voice telephony services. In addition, many enterprise customers seek to ensure redundancy and increase flexibility by using more than one vendor to supply their service on a global basis.

The most appropriate mix or combination of services for any particular customer depends on a range of factors, including speed/bandwidth requirements (and any variations between sites), security requirements, coverage, level of management required, legacy assets, functionality requirements and the need for access to private and public networks. The services required by, and supplied to, customers have evolved, and are likely to continue to evolve, with customers' requirements. For example, the number and functional range of private IP-based services has grown over the last five years. MCI's

current range of services provided to enterprise customers comprise a range of data, voice, Internet, hosting, security, digital media, conferencing, hardware and software services.

Given the heterogeneous nature of the services provided, revenues are the most appropriate means of measuring services bought on a multinational basis and, to the extent that analysts have reported on these services, that is generally their basis for measurement.

To the extent the Commission decides to examine the provision of services to this subset of large enterprise customers separately, a defining characteristic is that the services are “global” – that is, they are provided to multinational corporations with requirements for service on two or more continents. This is consistent with the FCC’s statement that global seamless services are worldwide in geographic scope. *Sprint Order* at ¶ 84. While multi-sourcing means that some contracts for services to customers operating on multiple continents are entered into on a regional basis (*e.g.*, a contract for the provision of services to a customer’s Asian-based locations), most customers consider offers for service solutions in multiple countries from suppliers irrespective of the geographic region where the potential supplier originates. By definition, the provision of services across multiple continents requires suppliers to provide services “out-of-region” (*i.e.*, on more than one continent). All suppliers are, therefore, in the position of provisioning in countries and regions in which they might have perceived strength,

together with countries and regions in which they do not enjoy any such advantage, in virtually every contract for services provided on a global basis.

(b) Please identify the overall size of the GTS market, and, insofar as possible, all GTS customers (not just U.S. customers) and the amount of the GTS market each of their demand comprises. In particular, please list each of Verizon's GTS customers and MCI's GTS customers.

Response to Question 3(b):

MCI and Verizon are not aware of any source providing an estimate of the overall size of the "GTS market," as that term is used by the EC. A recent study, "*MNC providers in Europe – 2004*" (Ovum, October 2004) ("Ovum Study") provides estimates of revenues generated by the business services divisions of selected providers. The study estimates that the revenues generated by these providers amount to approximately \$85 billion. The Ovum Study, however, does not necessarily provide a good indication of the size the demand for global services. For example, the Ovum Study does not cover all the entities that provide such services. Further, the revenue figures quoted in the report are drawn from public sources and may reflect revenues generated from services outside of what are generally considered to be "GTS," in some cases, while they do not include revenues for what would be considered "GTS" in other cases. For example, the Ovum Study cites MCI revenue for 2003 of approximately \$15 billion, which includes revenues from all of MCI's non-residential customers. Even using the most expansive estimates, MCI's 2003 revenue from customers that buy services in multiple countries were less than 25% of this sum. Further, the Ovum Study's estimates include total enterprise revenues from some providers, such as MCI, while excluding revenues generated by

other operators that are omitted from the study entirely such as NTT, Deutsche Telekom, SingTel, and others.

It is not possible to provide an exhaustive list of all existing “GTS customers.” SBC and AT&T have estimated that there are at least 6,600 GTS customers.¹³ As SBC and AT&T explained, that estimate is conservative and focuses on a “U.S.-centric customer profile.”¹⁴ MCI and Verizon agree that this figure likely understates the actual number of enterprise customers worldwide with global service needs. Generally speaking, each company that requires customized telecommunication services in more than one continent could be considered a potential “GTS customer.”

MCI supplies services to its largest enterprise customers, who generally require services in multiple countries through its Global Account Management organization (“GAM”). MCI’s GAM customers are listed in Confidential Exhibit 3(b) (redacted). In addition to its GAM customers, MCI supplies services to enterprise customers through MCI’s Commercial Accounts sales channels, and some of these enterprises buy services in more than one country through MCI’s various regional Commercial Account sales channels. It is difficult to identify which of MCI’s Commercial Accounts customers buy services in multiple countries because the accounts are handled through separate sales

¹³ Letter from Gary L. Phillips, SBC, and Lawrence J. Lafaro, AT&T, to Marlene Dortch, FCC, dated June 2, 2005, *In the Matter of SBC Communications Inc. and AT&T Corp. Transfer of Control Applications*, WC Docket No. 05-65, at 5.

¹⁴ *Id.*

channels, but MCI estimates that less than 10% of these customers buy services on more than one continent.

(c) Please identify, insofar as possible, all suppliers (not just U.S. suppliers) of GTS, and their respective shares of the GTS market, including Verizon's and MCI's market share. Please provide the information sources for the above answers, including sources for the definition of the GTS market, identification of supply and demand, and estimation of supply and demand market shares.

Response to Question 3(c):

The suppliers of global services also are suppliers of services to large enterprise and commercial and institutional customers generally. As with the enterprise market generally, the provision of global services to the subset of the largest customers is highly competitive and fragmented. The Ovum Study identifies a large number of providers of global services, including AT&T, BT, T-Systems, Cable & Wireless, Equant, Global Crossing and Colt, as well as MCI. Verizon is not listed in Ovum as a competitor for the provision of these services. The Ovum Study does not purport to, and does not, identify all entities that provide global services, however. Other providers of such services include Sprint, NTT, Deutsche Telekom, SingTel, Level 3, KPN Eurowing, Telefonica, TeliaSonera, Qwest, XO, ANC, and Reliance.

The increasing importance of integration of different networks and systems, coupled with growing demand for managed services has led to an increase in the amount of services provided to global customers by Systems Integrators over the last four to five

years.¹⁵ Systems Integrators, carriers, equipment and application providers, and other providers of global services compete directly to provide services to large enterprise customers with global service needs. Systems integrators are moving into networked environments to facilitate remote management and communications,¹⁶ while traditional communications services providers are adding new computing services to their offerings.¹⁷ Analysts predict a continued trend toward competition between entities with well-established IT services activities and communications service providers.¹⁸

These new competitors include IP-based providers such as SAVVIS Communications, Broadwing, and Global Crossing; systems integrators and managed services providers such as Vanco, Interoute, Atos Origin, EDS, IBM, Accenture, Hewlett Packard, Cap Gemini, Siemens, Fujitsu, CSC, Logica CMG, Northrop Grumman,

¹⁵ See, e.g., Gartner's Updated 2004 Network Service Provider Magic Quadrants, 10 December 2004, page 1.

¹⁶ Systems integrators acquire communications services (usually from a range of providers, to allow them to drive pricing as low as possible) and/or build their own facilities (e.g., we understand that Level3 has built a network for EDS connecting EDS' data centers). As a result, it is possible that a systems integrator acquires wholesale services from a network operator in relation to a request for proposal in which it bids against a retail entity affiliated to the same network operator.

¹⁷ See, e.g., *MCI: The Path Forward*, Michael D. Capellas, President and CEO, MCI, Needham Growth Conference, January 11, 2005. Such services provided by MCI include MCI's Net Meeting, IP Contact Centre and VPN Network Gateway services.

¹⁸ See, e.g., *Riding the new wave*, David Molony, Total Telecom Magazine, October 2004, at page 32 and *IT pays to partner*, Julian Bright, Total Telecom Magazine, October 2004, at page 36.

General Dynamics, and Lockheed Martin;¹⁹ and equipment vendors and application providers such as Nortel, Lucent, Cisco, NextiraOne, Presidio, Sycom, Dimension Data, Shared Technologies, Savant, and Coleman Technologies.

Verizon and MCI lack the information necessary to calculate the market shares of the various competitors that serve business and wholesale customers, either generally or with respect to the provision of global services to a subset of the largest enterprise customers. First, only competing carriers themselves have access to the kind of data that would be required for the Commission to analyze market share in the manner described. Second, what limited information is publicly available is difficult to compare on an apples-to-apples basis. In addition, as noted above, “GTS” is not relevant to this proceeding. Nonetheless, MCI has used the revenue data reported in the Ovum Study to calculate the following global shares for the competitors that Ovum defined as GTS providers: AT&T (33% worldwide); MCI (18.5%); T-Systems (17%); BT (15.5%);²⁰ Cable & Wireless (5%); Equant (4%); Global Crossing (4%); Colt (2.5%); and Vanco (1%). As noted above, the Ovum Study is likely to overestimate MCI’s share. The Ovum Study makes clear that it does not, and was not intended to, consider all, or even the largest, entities active in providing global services. In addition, Ovum has confirmed that the entities profiled were selected using a range of criteria, including the adoption of

¹⁹ See *IT pays to partner*, Julian Bright, Total Telecom Magazine, October 2004, at page 36.

²⁰ These figures include the Infonet market shares.

innovative business strategies. As a result, the study excludes major providers of global services such as NTT, Deutsche Telekom, SingTel, Telefonica, TeliaSonera, and Qwest, to cite just a few examples.

Further, the revenue figures quoted in the report are drawn from public sources and may reflect revenues generated from non-global services. For example, as noted above, the Ovum Study cites MCI revenue for 2003 of approximately \$15 billion, while MCI's 2003 global revenues for the services covered by the Ovum Study were less than 25% of this sum. It appears that the revenue overstatement is unlikely to impact on all identified operators equally. For example, entities such as Equant and Colt generate a large portion of their revenues through global activity. As such, the inclusion of all of their non-residential revenues does not overstate the proportion attributable to global service in the same way that it does for MCI. At best, then, market shares derived from the Ovum revenue data can be understood as providing an upper limit on MCI's share of services sold to customers with requirements on more than one continent.

**Index of Confidential and Highly Confidential Exhibits
Submitted by MCI, Inc.
In Response to the Commission's May 26, 2005
International Document and Information Request**

Confidential Exhibit 1(a)	MCI's Whole and Matched Half-Circuits on U.S.- Dominican Republic and U.S.-Venezuela Routes <i>Confidential – Subject to Protective Order in WC Docket No. 05-75</i>
Confidential Exhibit 2(b)(1)	MCI's 2003 Minutes and Revenues for Pure Resale Traffic on a Route-by-Route Basis <i>Highly Confidential – Subject to Second Protective Order in WC Docket No. 05-75</i>
Confidential Exhibit 2(b)(2)	MCI's 2004 Minutes and Revenues for Pure Resale Traffic on a Route-by-Route Basis <i>Highly Confidential – Subject to Second Protective Order in WC Docket No. 05-75</i>
Confidential Exhibit 2(c)	MCI's 2004 Revenues and Minutes for Prepaid International Services <i>Confidential – Subject to Protective Order in WC Docket No. 05-75</i>
Confidential Exhibit 3(b)	MCI's Global Account Management ("GAM") Customers <i>Highly Confidential – Subject to Second Protective Order in WC Docket No. 05-75</i>

EXHIBITS REDACTED IN FULL