July 1, 2005

Ex Parte

Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, DC 20554

Re: ***Applications for Consent to Transfer of Control Filed by Verizon Communications Inc. and MCI, Inc.*, WC Docket No. 05-75**

Dear Ms. Dortch:

We are writing in response to the ex parte filed by the Consumer Federation of America (CFA) on June 16, 2005. CFA's filing offers nothing new, but instead repeats arguments that merger opponents have already made and that Verizon and MCI have previously refuted. As we have shown, the transaction will not harm the significant and growing competition for enterprise and mass market customers or in the Internet backbone business. Rather, the combination of the two companies will result in unequivocal public benefits by creating a strong new competitor for enterprise customers nationwide and establishing the nation's most advanced broadband platform, capable of delivering next-generation services to the full range of customers in markets across the country.

I. Large Enterprise and Other Commercial and Institutional Customers

Verizon and MCI have demonstrated that the combination of their highly complementary operations would have significant benefits for large enterprise and other commercial and institutional customers by creating a strong new competitor with the network reach and financial resources to compete in this market segment nationwide. In addition, there is extensive competition for all different types and sizes of such customers, and for various services they purchase. There are large numbers of providers competing for these customers today, none of which has a dominant share, including traditional interexchange carriers such as AT&T, Sprint, and Qwest; CLECs like XO and Level 3; cable companies such as Time Warner and Cablevision; systems integrators and managed service providers like IBM, EDS, Accenture, Northrop Grumman, and Lockheed Martin; major global telecommunications providers such as Equant, British Telecom, Deutsche Telekom, COLT, KPN Telecom, and NTT; equipment vendors like Lucent and Nortel; and, most recently, major application providers such as Microsoft. The combined company will be just one among many other competitors in this segment of the industry, which is widely recognized as the most competitive.

There is accordingly no credible risk that this transaction will foster a duopoly for these enterprise customers, or that the combined company will stop competing with its major rivals, including AT&T. To the contrary, the main purpose of the transaction is to promote even greater competition for these customers, and to allow the combined company to compete more effectively nationwide.

In arguing to the contrary, CFA simply recycles claims that others have raised and that Verizon and MCI have previously refuted.

First, CFA (at 5) repeats others' claims that Verizon has made inconsistent statements to investors and to the Commission. But these alleged flip-flops crumble at the slightest scrutiny. For example, Verizon and MCI have shown here that AT&T has the largest share of large enterprise and mid-sized business revenues, with Verizon among many others in single digits.[1] CFA claims that Verizon's CFO contradicted this data, but she was referring to an analyst report on Verizon's share of *wireless business users*[2] — not its share of the entire range of services purchased by the large enterprise segment.[3]

Verizon and MCI have also shown here that MCI's local fiber facilities in Verizon's region are limited and that, where they are deployed, there is extensive competition from other fiber networks. Specifically, in virtually every one of the 39 groupings of contiguous wire-center areas in which Verizon and MCI have overlapping fiber, there are already other competing carriers with comparable facilities, and competing carriers are clearly capable of deploying facilities in these areas given that MCI itself did so.[4] CFA claims (at 5) that Verizon's CEO has contradicted this evidence, but the statement they cite was referring to *retail* customers, not to fiber networks or wholesale services.[5]

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[1] *See*, *e.g.*, Public Interest Statement at 23-24; Joint Opposition to Petitions to Deny and Reply to Comments at 19-20; Taylor Decl. ¶¶ 3-20 & Exhs. 1-2; Bruno/Murphy Decl. ¶ 29 & Exh. 1; Crandall/Singer Decl. ¶ 36.

[2] *See* Verizon 1st Quarter 2004 Earnings Conference Call, Doreen Toben, at 11 (Apr. 27, 2004) (citing The Yankee Group 2H 2003 Wireless Business User Survey).

[3] Equally meritless is CFA's claim (at 11) that Verizon has "about a 75 percent market share for medium and large business customers." In fact, the data CFA cites reports only the number of end-user switched access lines that ILECs and CLECs, overall, provide to medium and large business, institutional, and government customers. *See* Wireline Comp. Bureau, *Local Telephone Competition: Status as of June 30, 2004*, at Table 2 (Dec. 2004). But this data says nothing about the *share* that Verizon specifically (or even ILECs and CLECs generally) has of this customer segment, as it ignores not only the enterprise customers that CLECs serve using special access, but also the entire bundle of switched and non-switched services that these customers purchase. *See id.* at 1 & n.3; *Triennial Review Order* ¶ 300 & n.872.

[4] For example, in the specific areas in which Verizon and MCI have overlapping fiber, there are a total of more than 90 different fiber suppliers; two or more suppliers in 92 percent of the areas; at least one supplier in all but one of these areas; and an average of six competing fiber suppliers in the wire centers where there is an overlap. *See* Public Interest Statement at 31; Joint Opposition to Petitions to Deny and Reply to Comments at 29; Lew/Lataille Decl. ¶¶ 22-23; Lew Reply Decl. ¶ 7 & Exh. 2.; Powell/Owens Decl. ¶¶ 7, 18; Powell et al. Reply Decl. ¶ 16.

[5] *See* Ivan Seidenberg, Verizon CEO, Goldman Sachs Global Investment Research Communacopia XIII Conference (Oct. 6, 2004). And, moreover, as he clearly stated, Verizon and MCI "come at [those retail customers in] different ways." *Id.*; *see also*, *e.g.*, Hearing of the House Energy and Commerce Committee, *Competition in the Communications Marketplace: How Technology Is Changing the Structure of the Industry* (Mar. 2, 2005) (explaining that

Second, CFA (at 13-14) repeats others' claims that CLECs have lit a small percentage of buildings and that AT&T and MCI account for approximately three-quarters of those buildings in specific MSAs. But claims about the percentage of buildings CLECs have lit are based on vastly overstated calculations of the number of commercial buildings in which there is any demand for dedicated high-capacity services and, moreover, ignore that CLECs have lit the most lucrative commercial buildings — those in areas of high concentration and with high traffic volumes, where the Commission has previously recognized that it is possible for other competing carriers to deploy new fiber facilities. That is precisely what MCI has done: providing high-capacity circuits between "carrier" buildings such as POPs, carrier hotels, and incumbent LEC central offices, and providing service to individual customers at the OCn or near-OCn level.[6] These claims also ignore that CLECs successfully use special access to provide service to customers at other locations. Finally, claims based on AT&T and MCI combined do not attempt to measure the only conceivably relevant effect here — the absence of MCI alone from the relevant area. AT&T's presence in these areas is not affected by this transaction, and it is irrational to assume that SBC would purchase AT&T's purportedly widespread local building presence, and then *not* use it to compete. When this flaw alone is corrected, the analysis that CFA repeats falls to pieces.[7] In addition, that analysis is thoroughly unreliable in that it both grossly overstates the number of MCI-lit buildings, and significantly understates the number of other CLEC-lit buildings, in each of the six metropolitan areas in Verizon's region that it purports to analyze.[8]

Third, CFA (at 17-18, 26) repeats others' claims about Verizon's special access prices and tariffs. But all of the arguments raised here are already being addressed by the Commission in other, industry-wide rulemaking proceedings and in any event are wrong on the merits. As the Commission has held, it is "more appropriate[]" to address concerns regarding special access in "our existing rulemaking proceedings on special access performance metrics and special access pricing" so that the Commission may "develop a comprehensive approach based on a full record that . . . treats similarly-situated incumbent LECs in the same manner."[9] In addition, CFA, like those whose allegations it repeats, fails to demonstrate any transaction-specific issues related to

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"Verizon has . . . a solid presence among local and regional customers," while "MCI has . . . a solid base of national and global customers") (statement of Ivan Seidenberg, Verizon, CEO). For these reasons, there is also no merit to CFA's claim (at 14) that MCI has "its most intense competitive presence in Verizon's service territory." Indeed, in more than 96 percent of the more than 800 instances between October 1, 2004 and April 20, 2004 in which MCI bid on enterprise contracts, Verizon was not among the competing bidders.

[6] *See* Joint Opposition to Petitions to Deny and Reply to Comments at 31-33; Powell et al. Reply Decl. ¶¶ 21-31.

[7] *See* Joint Opposition to Petitions to Deny and Reply to Comments at 33-34; Carlton et al. Reply Decl. ¶¶ 25-26, 58-61, 65.

[8] *See* Joint Opposition to Petitions to Deny and Reply to Comments at 34-35; Powell et al. Reply Decl. ¶ 18.

[9] Memorandum Opinion and Order, *Applications of AT&T Wireless Services, Inc. and Cingular Wireless Corp. for Consent To Transfer Control*, 19 FCC Rcd 21522, ¶ 183 (2004); *see* Joint Opposition to Petitions to Deny and Reply to Comments at 41 (citing decisions); Public Interest Statement at 33 n.33 (same).

special access rates, terms, and conditions. Indeed, the Commission has recognized that the only relevant issue in the context of a merger proceeding is whether the transaction somehow creates materially greater risk of discrimination in those rates, terms, and conditions.[10]

In any event, Verizon has explained that the claims that CFA repeats are wrong on the merits. Contrary to their claims (at 17-18), Verizon has explained that the average revenue per special access line has decreased by an average of 15.2 percent per year since 2001. And Verizon has shown that average revenue per special access line for DS1 and DS3 circuits experienced significant declines as well, averaging annual reductions of 4.2 and 6.1 percent per year respectively between 2002 and 2004. Indeed, Verizon has stated that average revenue per line for both special access services in the aggregate and DS1 and DS3 services individually decreased *faster* than the change in the Price Cap Index (that is, faster than inflation minus the X factor) in the post-pricing flexibility period.[11] The claims to the contrary that CFA repeats are based on ARMIS data, which the Commission has recognized cannot be used for this purpose.[12]

CFA's claims (at 26) about Verizon's special access tariffs and the discounts available in those tariffs are equally wrong. Indeed, the claims betray a fundamental misunderstanding of Verizon's tariffs. The overwhelming majority of Verizon's discount plans are *term* and not *volume* based, so that the same significant discounts are available on an order of a single DS1 or 1000 DS1s.[13] Indeed, fewer than a handful of Verizon's several dozen special access plans oblige a customer to commit to maintain a minimum percentage of its pre-existing special access expenditures with Verizon in order to receive a discount, and most of these plans provide no greater discount than is available under plans that do not contain such a requirement. In addition, Verizon's special access pricing structure does not provide the kind of volume discounts that would give MCI any unique ability compared to other carriers.[14]

Fourth, CFA (at 24-25) repeats others' claims that Verizon and SBC have not competed in the past and that the combined entity will not compete in SBC's territory. These claims are wrong. As an initial matter, because a key purpose and benefit of this transaction is the

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[10] *See* Memorandum Opinion and Order, *Applications of Pacific Telesis Group and SBC Communications, Inc. for Consent To Transfer Control*, 12 FCC Rcd 2624, ¶ 54 (1997) ("*SBC/PacTel Order*") (recognizing that the "pertinent issue" is "the incremental increase in the scope of the price squeeze that the proposed transfer will make possible"); Memorandum Opinion and Order, *Qwest Communications International Inc. and US WEST Inc., Applications for Transfer of Control*, 15 FCC Rcd 5376, ¶ 42 (2000).

[11] *See* Lew Reply Decl. ¶ 37.

[12] *See*, *e.g.*, *Policy and Rules Concerning Rates for Dominant Carriers,* 6 FCC Rcd 2637, ¶ 194 (1991).

[13] *See* Joint Opposition to Petitions to Deny and Reply to Comments at 39; Lew Reply Decl. ¶¶ 55-59. CFA (at 27) also repeats others' claims that MCI acts as an aggregator and reseller of Verizon's special access. But the reality is that MCI provides such resale to only a minimal extent today, and does not resell circuits obtained entirely from Verizon as special access. *See* Joint Opposition to Petitions to Deny and Reply to Comments at 37-39; Powell et al. Reply Decl. ¶ 11.

[14] *See* Joint Opposition to Petitions to Deny and Reply to Comments at 38-40.

increased ability of the combined company to compete on a national and global scale, one of the primary rationales for this transaction would accordingly disappear if Verizon/MCI were to cease competing for customers in the SBC region.[15] It is simply not credible to suggest that Verizon and MCI would combine and then abandon their business in the extensive SBC region, or that SBC/AT&T would do the same in Verizon's region, as this would result in both companies losing business to competitors willing and able to provide service in both Verizon's and SBC's regions.[16]

In addition, Verizon and SBC currently compete extensively, including in the specific areas that CFA highlights. For example, Verizon has deployed 300 miles of optical network facilities in Los Angeles to compete directly with SBC and has also extended its optical fiber into SBC's region in the Dallas MSA.[17] SBC, similarly, has obtained fiber-based collocation arrangements in central offices that contain 70 percent of Verizon's business lines in the Los Angeles MSA, as well as in central offices that contain 87 percent of Verizon's business lines in the Dallas MSA. Verizon also competes for enterprise customers in 28 out-of-franchise areas, 17 of which are in SBC's service area.[18] SBC has recently won a major contract with the American Red Cross in Washington, DC, and SBC Telecom competes with Verizon for business customers in Albany; Baltimore; Bergen-Passaic, NJ; Boston; Charlotte; Middlesex, NJ; Nassau-Suffolk, NY; New York City; Newark; Norfolk, VA; Philadelphia; Tampa; and Washington, DC.[19] Verizon's VoiceWing VoIP service competes with SBC by offering area codes in 11 of SBC's 13 states, including California and Texas. There is also extensive head-to-head competition between Verizon Wireless and Cingular, and a number of the major markets where Verizon has deployed its 3G wireless broadband service (EvDO) are within major metropolitan areas in SBC's territory.[20]

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[15] *See* Public Interest Statement at 11-12; Carlton et al. Reply Decl. ¶¶ 57-62. SBC and AT&T have likewise informed the Commission that they in fact plan to compete aggressively with Verizon if their merger is approved, and that "SBC is investing $16 billion to acquire AT&T precisely *because* it seeks to compete more effectively for businesses with national and international operations, including those with operations in the 30% of the country served by Verizon." Ex Parte Letter from Gary L. Phillips, SBC, and Lawrence J. Lafaro, AT&T, to Marlene H. Dortch, FCC, at 4, WC Docket Nos. 05-65 & 05-75 (May 17, 2005).

[16] *See* Carlton et al. Reply Decl. ¶¶ 58-62, 65.

[17] *See* Bruno et al. Reply Decl. ¶ 15; *see also* Verizon News Release, *Verizon Plugs In New National Broadband Network* (Apr. 14, 2004) (Verizon operates an IP/MPLS backbone with routers in several SBC cities, including Dallas-Fort Worth and Los Angeles).

[18] *See* Bruno et al. Reply Decl. ¶ 15.

[19] *See* New Paradigm Resources Group, *CLEC Report 2005*, Ch. 6 – SBC Telecom at 7-8 (19th ed. 2005); *see* SBC News Release, *SBC Communications Announces Five-Year, $59.7 Million Contract with the American Red Cross* (Apr. 18, 2005).

[20] *See* Verizon Wireless, *Wireless Internet BroadbandAccess*, *at* http://www.verizonwireless.com/b2c/mobileoptions/broadband/index.jsp.

II. Mass Market

CFA's arguments concerning the mass market are similarly long on rhetoric but short on facts. Indeed, CFA does little other than to rehash the same claims made in the oppositions to the Application. Verizon and MCI already debunked those claims in their Reply, and CFA does nothing to resurrect them. CFA recites alleged market share and HHI calculations (at 9-11) to suggest that the transaction will reduce competition for mass market customers. But these figures are meaningless. They do not reflect the extensive and growing intermodal competition from sources such as cable, wireless, and VoIP. Moreover, MCI's current shares overstate its competitive significance given MCI's continuing and irreversible declining presence in the mass market. *See* Carlton et al. Decl. ¶¶ 36-42.

Intermodal Competition. CFA's cursory attempt to dismiss the significance of intermodal competition founders on the market facts. CFA essentially ignores competition from cable companies. Yet, as Verizon and MCI have demonstrated, as of the end of this year, cable companies will be offering voice telephone services to nearly 60 percent of U.S. households, including more than 23 million homes in Verizon's services areas alone, and independent analysts expect them to offer voice services to nearly 100 percent of homes passed over the next two to three years. Cable companies report that they have attracted 20-40 percent of all subscribers in some markets where they offer telephone service. Time Warner alone added over 150,000 net new customers in just the first quarter of this year; Cox added more than 110,000 customers during this same period; and Cablevision added another 92,000 customers entirely within Verizon's service areas. *See* Public Interest Statement at 39-41; Reply at 50-52; Hassett et al. Decl. ¶¶ 30-51; Hassett et al. Reply Decl. ¶¶ 14-26.

CFA suggests (at 4) that the transaction will harm this competition because cable companies depend on MCI for wholesale service and the combined entity will not provide such service going forward. But Verizon has already stated that it intends to honor MCI's existing wholesale contracts, including the one with Time Warner to which CFA points. Lew/Lataille Decl. ¶ 12. Moreover, even if CFA were correct, cable companies and other providers of VoIP would have numerous competitors from which to choose, including Level 3, Sprint, Teleglobe, and Global Crossing. *See* Hassett et al. Reply Decl. ¶¶ 34-35. Time Warner itself already buys wholesale service from Sprint in addition to MCI. *Id.* ¶ 33. And Comcast purchases wholesale transport services from Level 3 and Sprint, *see id.* ¶ 31, while Charter uses Level 3, Sprint, and Accenture, *id.* ¶ 32. Further, a growing number of VoIP providers, including cable companies such as Cablevision and Cox, use their own network facilities to provide VoIP service. *See id.* ¶¶ 29-30. Thus, the combined entity could not somehow harm its retail competitors by ceasing to provide wholesale long-haul services.

Wireless carriers also are competing with wireline carriers for both lines and minutes of use. Analysts estimate that approximately 7-8 percent of wireless users have given up their landline phones and that wireless made up nearly 30 percent of voice minutes in 2004. *See* Public Interest Statement at 41-44; Reply at 52-55; Hassett et al. Decl. ¶¶ 72-81; Crandall/Singer Decl. ¶¶ 14-21; Hassett et al. Reply Decl. ¶¶ 72-74. CFA's suggestion that the number of people using only wireless is less important because many such consumers are young people who never had a wireline phone is exactly backward: the fact that the percentage of wireless-only households is even higher for younger households indicates that wireless displacement will increase going forward. *See* Crandall/Singer Reply Decl. ¶ 8.

CFA's remaining assertions concerning the alleged competitive insignificance of wireless are similarly incorrect. CFA's assertion that wireless is more expensive than wireline for local calling (at 8) is belied by the facts. As Verizon and MCI have demonstrated, the all-distance packages offered by wireless carriers are comparably priced to their wireline counterparts. Hassett et al. Decl. ¶¶ 83-84 & Exhibit 2. In fact, one Wall Street analyst notes that "[w]ireless pricing dropped *below* wireline pricing in 2003 for the first time."[21] CFA's suggestion (at 8) that Verizon Wireless has little incentive to compete in Verizon's service territories is similarly meritless. If Verizon Wireless competed less vigorously, that would not lead to increased revenue for Verizon, but would result in loss of lines and minutes to one of the numerous other wireless providers such as Cingular, Sprint, Nextel, and T-Mobile. *See* Hassett et al. Decl. ¶ 72. In any event, nothing about the transaction will increase any supposed incentives Verizon Wireless has in this respect.

Finally, CFA also fails in its attempt to discount the significance of VoIP service. As Verizon and MCI showed, both lines and formerly revenue producing minutes increasingly are being displaced by VoIP, which is available to the more than 90 percent of U.S. homes that now have access to broadband services. *See* Public Interest Statement at 44-45; Reply at 56-57; Hassett et al Decl. ¶¶ 57-67, 88-89; Crandall/Singer Decl. ¶ 32. CFA's focus (at 7) on the number of households that currently subscribe to broadband is a red herring. Broadband service — and therefore VoIP — is available to more than 90 percent of U.S. homes. *See* Hassett et al. Decl. ¶ 58. Further, VoIP providers offer service packages at attractive prices with comparable or greater services and features than those available from conventional wireline providers. *See id.* ¶¶ 66-67 & Exh. 2. As a result, VoIP is a viable alternative to enough subscribers that, along with the many other alternatives that are available, it would render unprofitable a hypothetical price increase for wireline voice service. See Crandall/Singer Reply Decl. ¶ 14.

CFA's remaining claims about VoIP simply repeat assertions by opponents that Verizon/MCI have already rebutted. It asserts (at 7) that VoIP is not a competitive alternative because not all VoIP providers currently offer reliable enhanced (as opposed to basic) 911 service. But the Commission has already ordered that VoIP providers that offer end users the ability to make calls to and receive calls from the PSTN make E911 service available within 120 days of the effective date of its recent E911 Order and is examining whether additional requirements should be imposed.[22]

CFA also repeats (at 7) the argument that VoIP providers cannot be effective competitors because Verizon allegedly does not offer "naked DSL" (*i.e.*, the ability to purchase DSL on a line without also purchasing wireline voice service). But as Verizon and MCI have explained, more than 90 percent of U.S. households are now able to obtain a broadband connection from a provider other than their incumbent local telephone company, principally cable modem service. Hassett et al. Decl. ¶ 58, and can use that broadband connection in conjunction with VoIP from an independent provider. In any event, Verizon's DSL customers can obtain VoIP service while

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[21] V. Grover, Needham, *New Year's Resolution — Avoid the Bells* at 1 (Dec. 29, 2003) (emphasis added).

[22] First Report and Order and Notice of Proposed Rulemaking, *IP Enabled Services and E911 Requirements for IP-Enabled Service Providers*, WC Docket Nos. 04-36 & 05-196 (rel. June 3, 2005).

keeping their standalone DSL service. In particular, an existing Verizon customer can cancel voice service from Verizon, obtain voice service from an independent VoIP provider such as Vonage, and retain his DSL line provided by Verizon. *See* Hassett et al. Reply Decl. ¶ 65. Verizon also has filed a tariff in the former Bell Atlantic states that will be effective on June 30, 2005 and permit new customers to order standalone DSL, while obtaining voice service from another provider. And Verizon plans to continue to roll-out additional standalone DSL offerings going forward.

The Continuing Decline in MCI's Mass Market Position. Verizon and MCI have provided extensive evidence in both their Application and Reply showing that MCI's mass market business is in an irreversible decline and that it will not be one of a small number of significant competitors for mass market customers going forward. *See* Public Interest Statement at 46-51; Reply at 60-62; Huyard Decl. ¶¶ 2-20; Huyard Reply Decl. ¶ 3. CFA does not respond to this evidentiary showing but instead makes the assertion (at 2) that MCI was "in the process of developing business models to compete in response to recent decisions by the Federal Communications Commission that eliminated the main avenue of local mass-market competition — unbundled network element platforms (UNE-P)." CFA offers no support for this claim. Nevertheless, MCI's President of U.S. Sales and Service for MCI has explained in detail how MCI considered alternative business models and concluded that they were not viable. Huyard Decl. ¶¶ 14-20, 23-24; Huyard Reply Decl. ¶¶ 4-5.

III. Internet Backbone

Contrary to CFA's claims, the transaction will not harm competition in the Internet backbone business. Verizon and MCI showed that the combined company would carry less than 10 percent of North American Internet traffic, would rank fourth in traffic share among seven larger or comparable providers, and operators other than those seven would carry approximately 35 percent of Internet traffic. *See* Reply at 70-80; Kende Reply Decl. ¶ 8; Public Interest Statement at 61-66; Kende Decl. ¶¶ 2-8. CFA quotes extensively from comments in the MCI-Sprint merger proceeding (at 20-21), but the evidence unequivocally shows that MCI's relative position has declined substantially since that merger and that backbone services are highly competitive today. Indeed, even CFA concedes (at 19) that there are "half a dozen or so" comparable Internet backbone operators. Its suggestion that the transaction somehow will alter that makes no sense given that Verizon does not even operate a significant Internet backbone. *See* Public Interest Statement at 65; Lack/Pilgrim Decl. ¶ 17. Rather, given the relatively small share of Internet traffic it will carry and the presence of six other larger or comparable providers, the combined company will not have near the share that would enable it harm competitors through de-peering or any other strategy.

CFA's repetition of the claim that Verizon/MCI could discriminate in the quality of service it provides to rivals (at 21-22) is similarly misplaced. Given the competition for Internet backbone services, a backbone operator faced with targeted degradation by Verizon-MCI could simply turn to another top-level backbone operator to obtain service. *See* Carlton et al. Reply Decl. ¶ 86. Moreover, by degrading service to another backbone, the degrading provider runs the risk of losing end-user customers to other broadband access providers that use backbone operators that are not engaging in degradation. *See id.* ¶ 85. The combined company would not have anywhere close to the market power to make this kind of strategy successful and instead would lose customers or traffic.

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In sum, CFA's recycled claims about alleged competitive harms have no basis and instead ignore the pertinent market facts. The Commission should reject CFA's assertions and grant the application.

Please let us know if you require any additional information.

Sincerely,

Dee May
Verizon

Curtis Groves
MCI

cc: Julie Veach
William Dever
Ian Dillner
Gail Cohen
Michelle Carey
Tom Navin
Don Stockdale