



October 20, 2005

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EX PARTE – VIA ELECTRONIC FILING

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

Re: WC Docket Nos. 05-65 and 05-75

Dear Ms. Dortch:

On October 19, 2005, the following representatives from BT – Sheba Chacko (Chief Regulatory Counsel) and Ivana Kriznic (Senior Regulatory Counsel), met with Jessica Rosenworcel (Competition and Universal Service Legal Advisor – Office of Commissioner Copps) to discuss remedies that should be imposed to prevent merger-related harms to the Internet backbone. The attached document outlines the remedies discussed during the meeting.

Pursuant to Sec. 1.1206(b)(2) of the Commission's rules, this letter is being filed electronically with the Office of the Secretary. If you have any questions, please contact the undersigned.

Respectfully submitted,

A handwritten signature in black ink that reads "A. Sheba Chacko". The signature is written in a cursive, flowing style.

A. Sheba Chacko

cc: Jessica Rosenworcel
Scott Bergmann
Best Copy

REMEDIES TO ADDRESS HARMS TO THE INTERNET BACKBONE

1. The merging parties should be required to comply with the special access conditions proposed by Qwest, XO, Ad Hoc Telecommunications Users Committee, Broadwing, Savvis, Level 3 and BT Americas in their ex parte filed October 17, 2005. This will have the effect of preventing SBC and Verizon from anticompetitively favoring AT&T and MCI respectively in obtaining Internet backbone enterprise customers, thus checking any unfair flow of backbone traffic, revenue and “eyeballs” to AT&T’s and MCI’s backbones and away from competitors’ backbones, and diminishing the probability that the Internet backbone market will tip towards a duopoly post mergers. The special access conditions are also essential to negating the anticompetitive effects of the merger on the Internet Backbone.
2. The merging parties should, as part of their public reporting, i) publish their peering policies and transit prices, with updates and amendments filed within 10 days of their adoption, ii) publicly identify the parties with whom they have a settlements free peering relationship, and the parties with whom they have a paid peering or transit relationship (unless the counterparty affirmatively requests that its name not be made public), and iii) report all refusals to peer and all parties de-peered, even if for limited period of time (unless the parties who have been de-peered or refused peering affirmatively request that their names not be publicly reported).
3. The merging parties must submit to the FCC confidential semiannual reports on revenues and traffic prepared by an independent research company to be selected by the FCC thereby allowing the FCC to monitor Internet backbone market concentration.
4. For a minimum of five years, the merged entities should be required to adopt the more permissive peering policy of the acquirer or acquiree to the merger. In the case of SBC/AT&T, an entity that would qualify under either party's pre-merger policy should be qualified post- merger. Likewise with Verizon/MCI. In addition, both merged entities should delete from their post-merger peering policy any requirement of a minimum geographical scope in any given country, for a minimum of five years.
5. Both merged entities should also be required to retain their existing settlements-free peering relationship with third parties for a minimum of five years, including those currently peering just with the merging BOCs or just with the merging IXCs, so long as these third parties would continue to qualify under either policy, and as modified by the no geographic requirement above.
6. BT supports the New York Attorney General’s demand for “naked DSL.”