

Philip J. Macres  
 Direct Phone: (202) 373-6770  
 Direct Fax: (202) 424-7647  
 philip.macres@bingham.com  
 Our File No.:

**VIA ECFS**

Bingham McCutchen LLP  
 Suite 300  
 3000 K Street NW  
 Washington, DC  
 20007-5116  
 202.424.7500  
 202.424.7647 fax

September 28, 2006

Marlene H. Dortch  
 Secretary  
 Federal Communications Commission  
 445 12<sup>th</sup> Street, SW, Portals  
 Washington, DC 20554

**Re: WC Docket No. 06-74 - Ex Parte Notice**

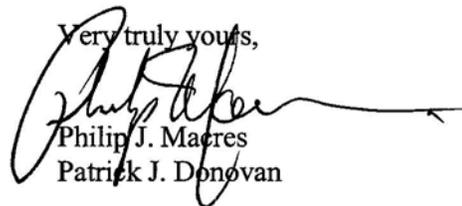
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Dear Secretary Dortch:

Boston  
 Hartford  
 London  
 Los Angeles  
 New York  
 Orange County  
 San Francisco  
 Silicon Valley  
 Tokyo  
 Walnut Creek  
 Washington

Pursuant to Section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this will provide notice that on September 28, 2006, Gavin McCarty, Chief Legal Office of Globalcom, Inc., Theodore Price, Director of Regulatory Affairs of One Communications Corp., and the undersigned representing a group of CLECs<sup>1</sup>, as well as the aforementioned, met with Michelle Carey, Legal Advisor to Chairman Martin. During the meeting, we presented the views set forth in the attached document and discussed why the UNE and special access conditions proposed by COMPTTEL on September 22, 2006 should be imposed on the AT&T/BellSouth merger if approved.<sup>2</sup> Our discussion of the harms associated with the merger was consistent with the views set forth in the petition to deny the application of BellSouth Corporation and AT&T, Inc. filed by Access Point *et al.* on June 5, 2006 in this proceeding.

Very truly yours,



Philip J. Macres  
 Patrick J. Donovan

Attachment

cc: Michelle Carey (via Email)

<sup>1</sup> Access Point, Inc., ACN Communications Services, Inc., Deltacom, Inc., Florida Digital Network, Inc. D/B/A FDN Communications, Lightyear Network Solutions, Inc., McLeodUSA Telecommunications Services, Inc., Pac-West Telecomm, Inc., Smart City Networks, Inc., and US LEC Corp.

<sup>2</sup> See letter from Karen Reidy, Vice President, Regulatory Affairs, COMPTTEL, to Marlene Dortch, Secretary, FCC, WC Doc. No. 06-74 (filed Sep. 22, 2006) (discussing UNE conditions that should be imposed); see letter from Karen Reidy, Vice President, Regulatory Affairs, COMPTTEL, *et al.* to Marlene Dortch, Secretary, FCC, WC Doc. No. 06-74 (filed Sep. 22, 2006) (discussing special access conditions that should be imposed).

## **Competitive Harms Found in Previous BOC Mergers Remain Valid**

- **Enhanced Incentives to Discriminate.** Because discrimination in a region harms competitors that compete across regions, the Merged Company would have an enhanced incentive to discriminate against competitors in both the AT&T and BellSouth regions.
- **Loss of Competitive Benchmarks.** Regulators will have a substantially reduced range of options for determining carrier best practices and customers will have fewer measures for comparing and determining the best rates, terms and conditions for service offerings.
- **Elimination of A Major Competitor in the BellSouth Region.** AT&T is a significant competitor in the BellSouth region.

### **Proposed Conditions**

#### **I. UNE Conditions**

- Forbearance
- Access to Loops
- 251 UNE Pricing
- 271 UNE Pricing
- Wire Center Recalculations
- Transit Service
- EELs Eligibility Criteria
- Portability of Interconnection Agreements
- Multi-State Interconnection/Resale Agr.
- Reasonable Winback Practices
- OSS Change Process

#### **II. Special Access Conditions**

- Special Access Rate Regulation
  - Appl. of Price Caps and Elim. of Phase II Price Flex.
  - Reinitialization of Rates
  - Appl. of X-Factor After Reinitialization
  - Reassessment of Plan After Seven Years
- Commercial Arbitration Remedy for Entry Into a Special Access Service
- Prohibited Contract Terms
- Availability of Special Access Service Contract or Tariff Arrangements Throughout the Merged Firm's Territory
- Fresh Look for Existing Special Access Service Customers
- Forbearance Prohibition

#### **III. Additional Conditions**

- Performance Measures for UNEs and Special Access (*Access Point et al. 6/5/06 at 67-68*)
- Facilitate Competitive Tandem Switching and Transit Service (*Id. at 69*).
- Impose Safeguards for IP-Enabled Marketplace (*Id. at 70*)
  - Any IP network should be allowed to peer with Merged Firm
  - Merged Firm should provision interconnection to the IP backbone and transit service to non-peering ISPs and CLECs at LRIC
- Reasonable Terms and Conditions of Transfer of Traffic from Incumbent to a CLEC (*Id. at 72*)