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March 2, 2009

John V. Giusti  
Acting Chief, International Bureau  
Federal Communications Commission  
Washington, D.C. 20554

Re: Petition for Protection from Whipsawing and Stop Enforcement Payment Order  
on U.S.-Tonga Route (IB Docket No. 09-10)

Dear Mr. Giusti:

This letter provides MCI International Inc.'s ("Verizon's") response to your information request dated February 18, 2009. As noted in the separate request accompanying this letter, Verizon requests confidential treatment for certain of the information provided here and for sections of the attached operating agreements.

- 1. Please confirm whether MCI International Inc. provides or provided facilities-based IMTS service between the U.S. and Tonga in the calendar year 2008 and/or within this calendar year 2009.**

Response 1: Verizon provided facilities-based IMTS service between the U.S. and Tonga in calendar year 2008. Verizon has not provided facilities-based IMTS service between the U.S. and Tonga in calendar year 2009.

- 2. Please indicate whether MCI International Inc. has or had in the calendar year 2008 and/or within this calendar year 2009 direct circuits to Tonga (*i.e.*, wholly or jointly owned circuits between the United States and Tonga) and exchanged IMTS traffic over such circuits with TCC, Digicel Tonga Ltd. (Digicel) or its affiliates, or any other carrier authorized to provide telecommunications service in Tonga. If so, please provide a copy of any operating agreement(s) for 2008 and/or 2009 for the exchange of traffic with Tonga into which you have entered with any of the aforementioned entities, including all rate and discount schedules or amendments.**

Response 2: Verizon had direct circuits to Tonga and exchanged IMTS traffic over such circuits with TCC in calendar year 2008. Those circuits were blocked after the close of business on November 17, 2008. Verizon has been unable to terminate traffic to Tonga via TCC since then.

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Verizon did not have in 2008 or in 2009 a correspondent relationship with Digicel or any other carrier in Tonga.

Attached as Exhibit 1 is a copy of Verizon's operating agreement with Cable & Wireless PLC (TCC's predecessor). Attached as Exhibit 2 is a copy of Verizon's most recent terminating rate agreement with TCC. That agreement specifies that it is effective from September 1, 2007 through December 31, 2007 and that its term will "extend indefinitely thereafter [after December 31, 2007] until terminated by either Party with thirty (30) days prior written notice or until amended by the parties upon their mutual written agreement."

**3. If MCI International Inc. has or had direct circuits to Tonga, please indicate if and when those circuits were disrupted, and the circumstances under which the disruption occurred.**

Response 3: On August 12, 2008, TCC sent an email to Verizon, notifying it of a ruling from the Tongan Department of Communication ("DOC"), dated August 7, 2008, setting a minimum rate for all inbound traffic into Tonga of 30 cents per minute, effective September 1, 2008. That rate is more than 50 percent higher than the Commission's benchmark rate. This was followed on August 13, 2008 by a letter confirming the information contained in the email and attaching a copy of the ruling which was issued in the Tongan Government Gazette on August 11, 2008. The ruling provides no explanation or justification for the rate increase.

Verizon wrote to TCC's Managing Director on September 9, 2008, stating that it was unable to agree to the new rate because it exceeded the Commission's benchmark, and expressing concern that the rate increase was contrary to Tonga's WTO commitments. TCC responded by letter dated September 18, 2008, explaining that it was obliged to comply with the Tongan government ruling requiring an inbound termination rate of "no less than US\$0.30 / minute."

On November 14, 2008, TCC sent an email informing Verizon of its decision to "turn down circuits with [Verizon]" effective November 17, 2008 to avoid being out of compliance. TCC began blocking Verizon circuits to Tonga after the close of business on November 17, 2008. Verizon has been unable to terminate traffic to Tonga via TCC since then.

**4. Please indicate whether MCI International Inc. currently provides or provided during the calendar year 2008 and/or calendar year 2009 IMTS service to or from Tonga through an alternative operating arrangement (e.g., through a third party or country). If so, please identify those carriers and countries, briefly describe those arrangements and specify the settlement rates (including any discounts) for the exchange of traffic with Tonga during 2008 and/or 2009.**

Response 4: Since November 17, 2008, Verizon has routed about [**Begin Proprietary Information \*\*\* \*\*\* End Proprietary Information**] of its traffic to Tonga through the U.S. subsidiary of Telecom New Zealand at a rate of [**Begin Proprietary Information \*\*\* \*\*\* End Proprietary Information**]. Verizon has also routed traffic to Tonga using the following providers at the rates shown (based on December 2008 information):

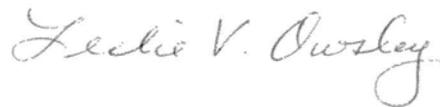
**[Begin Proprietary Information \*\*\***

Provider	Rate Per Minute

**\*\*\* End Proprietary Information]**

Please do not hesitate to contact me if you have further questions.

Very truly yours,



Leslie V. Owsley

cc: David Krech  
Kimberly Cook  
Cara Grayer  
Anita Dey  
Arthur Lechtman

# **EXHIBIT 1**

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*Theresa Murphy*

INTERNATIONAL TELECOMMUNICATION SERVICES AGREEMENT

DATED AS OF this 1st day of October, 1995.

BETWEEN MCI INTERNATIONAL, INC., whose registered office is at International Drive, Rye Brook, New York, United States of America ("MCII")

AND Cable and Wireless, PLC, whose business address is at Private Mail Bag 4, Queen Salote Road, Nuku' Alofa, Tonga ("C&W").

WHEREAS

The parties jointly desire to provide telecommunication services between Tonga and the United States.

NOW THEREFORE IT IS HEREBY AGREED AS FOLLOWS:

1. Definitions.

- (a) In this Agreement, unless the context otherwise requires, the following terms shall have the following meanings:
  - (i) "C.C.I.T.T." means the International Telegraph and Telephone Consultative Committee of the International Telecommunication Union;
  - (ii) "Operating Territory" in relation to C&W means Tonga, and in relation to MCII means the United States; and
  - (iii) "Telecommunication Services" means the services described in the Annexes to this Agreement and provided between Tonga and the United States.
- (b) The expressions "MCII" and "C&W" shall include their successors and assigns.
- (c) The section headings in this Agreement are for ease of reference only and shall not be taken into account in the construction or interpretation of any provision to which they refer.

2. **Scope.**

Subject to the terms and conditions contained herein, each party undertakes to provide the Telecommunication Services between Tonga and the United States.

3. **Duration.**

This Agreement shall take effect from the date hereinabove written and shall continue unless and until termination by either party giving not less than twelve (12) months prior written notice to the other.

4. **Routing of Telecommunication Services and Provision of Facilities.**

- (a) The routes to be used to provide the Telecommunication Services shall be such direct circuits as may be agreed between the parties from time to time or such switched circuits or a combination thereof as the parties may from time to time deem expedient to maintain the provision of the Telecommunication Services in question.
- (b) Each party shall be responsible for making available, at its own expense, telecommunication facilities located within its Operating Territory and necessary for the provision of the Telecommunication Services.
- (c) Each party shall be responsible for providing, at its own expense, one half of that portion of the telecommunication facilities necessary to provide the said circuits located outside its and the other party's Operating Territory and necessary for the provision of the Telecommunication Services.
- (d) Each party shall notify the other as soon as practicable of any telecommunication facility failure arising or likely to arise from a cause within its Operating Territory which is likely to result in a protracted interruption to the provision of any or all of the Telecommunication Services. In the event of such interruption the parties shall make all reasonable efforts to resume normal operation as soon as practicable.
- (e) For the purpose of Clause 4(b) above, facilities shall not be deemed to include customer premises equipment.

5. **Language.**

English shall be the language used by technical and operating personnel for the establishment and provision of the Telecommunication Services.

6. **Technical Standards and Methods of Operation.**

The technical standards and methods of operation to be applied and used by the parties in the provision of the Telecommunication Services shall be agreed by the parties from time to time and shall conform as far as is possible to the relevant recommendations of the C.C.I.T.T.

7. **Liability.**

Neither party shall be liable to the other for any loss or damage sustained by reason of any failure in or breakdown of the facilities whether located within or outside its Operating Territory associated with providing the Telecommunication Services or for any interruption of service, whatsoever shall be the cause of such failure, breakdown or interruption and however long it shall last.

8. **Authorizations.**

All undertakings and obligations assumed hereunder (including execution of the Annexes) by either party are subject to the issuance and continuance of all necessary governmental licenses, waivers, consents, registrations, permissions and approvals.

9. **Force Majeure.**

No failure or omission by either party to carry out or observe any of the terms and conditions of this Agreement shall give rise to any claim against the party in question or be deemed to be a breach of this Agreement if such failure or omission arises from any cause reasonably beyond the control of that party.

10. **Assignment.**

Neither party shall transfer or assign its rights or obligations under this Agreement nor transfer by way of merger, consolidation, sale of all or substantially all of its assets without the prior written consent of the other party which consent shall not be unreasonably withheld or delayed; provided, however, that each party may transfer its interest herein to any subsidiary or affiliate of such party.

11. Notices.

- (a) Any communications by either party to the other shall, unless otherwise provided herein, be sufficiently made if sent by post (by air mail where possible), postage paid, or by telegraph, facsimile or telex transmission to the address hereinafter specified and shall be deemed to have been made to the other party on the day on which communications ought to have been delivered in due course of postal, telegraphic or telex transmission.
- (b) Unless otherwise specified by not less than fifteen (15) days notice in writing by the party in question, the address to which communications shall be sent shall be:

TO  
MCI:

Mailing Address: MCI International, Inc.  
International Drive  
Rye Brook, New York 10573  
United States of America  
ATTN: International Services  
Department

Telex Number - 620588  
Answerback: MCI IR 620588

Facsimile Number - (914) 934-6263

With copy to - MCI Communications  
Corporation  
1133 19th Street, N.W.  
Washington, D.C. 20036  
United States of America  
ATTN: Regulatory and Public  
Policy

Telex Number - 6501135875

Facsimile Number - (202) 887-2676

TO  
C&W:

Mailing Address: Cable & Wireless, PLC  
Private Mail Bag 4  
Queen Salote Road  
Nuku' Alofa  
Tonga, South Pacific  
ATTN: The General Manager

Telex Number - (777) 66266 CW MGR TS  
Facsimile Number - (676) 22746  
With Copy to - Cable & Wireless PLC  
124 Theobalds Road  
London WC1X 8RX  
England  
ATTN: The Company Secretary

12. Entire Agreement.

This Agreement represents the entire understanding between the parties in relation to the subject matter hereof and supersedes all other agreements and representations made by either party, whether oral or written.

13. Amendment.

This Agreement may only be modified if such modification is in writing and signed by a duly authorized representative of each party hereto.

14. Confidentiality.

All information exchanged between the parties under this Agreement, including Annex 1 hereto, or during the negotiations preceding this Agreement and relating either to the terms and conditions of this Agreement or any activities contemplated by this Agreement is confidential to them, their employees, legal advisers and other consultants and may not be disclosed to any third party other than with the prior written consent of the disclosing party or as required by a court or regulator having jurisdiction over such party.

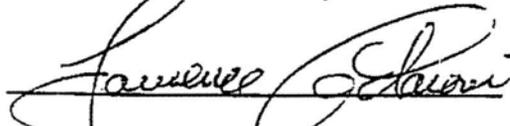
15. Governing Law and Arbitration.

- (a) This Agreement shall be governed by and construed in accordance with the laws of England in all respects, including matters of construction, enforcement and performance, without giving effect to the principles of choice of laws thereof.
- (b) In case of disputes arising under this Agreement, including those that may evolve from its coming into force as well as those originating after its termination, both parties shall endeavor to settle such disputes in an amicable way. The effort to settle the dispute shall be deemed to have failed as soon as one party so declares in writing to the other party.

- (c) If the attempt to settle the dispute has failed, the dispute shall be finally settled under the Rules of Conciliation of the International Chamber of Commerce ("ICC") by one (1) arbitrator appointed in accordance with said Rules, having recourse, if necessary, to the International Center for Technical Expertise of the ICC in accordance with the ICC's Rules for Technical Expertise.
- (d) The seat of arbitration shall be London, England. The arbitration proceedings shall be conducted in the English language.

IN WITNESS WHEREOF THIS AGREEMENT has been entered into the day and year first above written.

Signed for and on behalf of  
MCI INTERNATIONAL, INC.



Name: Lawrence M. Codacovi

Title: Vice President,  
International Services

Signed for and on behalf of  
CABLE AND WIRELESS, PLC, TONGA



Name: JON E. MORRIS

Title: GENERAL MANAGER.

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## **EXHIBIT 2**

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## International Termination Rate Agreement

This International Termination Rate Agreement ("Rate Agreement") is entered into between **MCI International, Inc. ("Verizon Business")** and **Tonga Communications Corporation ("TCC")**, on the date last written below pursuant to the terms and conditions of the International Telecommunications Service Agreement between Verizon Business and TCC, dated 1 July, 2005 (the "Agreement"). The terms and conditions of the Agreement are hereby incorporated by reference into this Rate Agreement. Verizon Business and TCC are sometimes referred to collectively herein as the "Parties" and individually as a "Party".

### **1 Purpose and Term**

The Term of this Rate Agreement shall be effective **September 1, 2007 through December 31, 2007**, and will extend indefinitely thereafter until terminated by either Party with thirty (30) days prior written notice or until amended by the Parties upon their mutual written agreement.

### **2 Termination Rates**

#### **2.1 Originating U.S.A. (Verizon Business) & Terminating Tonga (TCC)**

#### **2.2 Originating Tonga (TCC) & Terminating U.S.A. (Verizon Business)**

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9

### 3 Code Definitions

4 Reverse charged traffic shall be considered originating with the Party that bills the call. Rates listed above for reverse charged services are termination rates for traffic originated in the other Party's serving area and are payable to the other Party. Notwithstanding the foregoing, rate decreases shall be notified to and implemented by Parties as soon as possibly using reasonable commercial efforts.

### 5 Changes to Rates

### 6 Government Agencies, Courts , Regulatory Bodies, of Interconnected Terminal Carriers

Any changes to dialing plan(s) or rates for the services provided by the Parties under the Agreement that are mandated and required by a Government Agency, Court, Regulatory Body or Interconnected Terminal Carrier that is functionally and actually independent from the Parties, whether in the United States or Tonga shall be a valid change if effective to all international carriers with the same effective date. Parties will provide two forms of written notice (electronic mail, facsimile, registered two-day mail or overnight courier service) to the other of any such changes as soon as reasonably practicable but in no event later than two business days from the date the Party was or should reasonably have been aware of such changes. Such notice shall include all necessary information required by the other Party to comply with the required changes and shall include a copy of the Government Agency, Court, Regulatory Body or Interconnected Terminal Carrier's notice as delivered to the Party. Parties shall, using all reasonable commercial

9  
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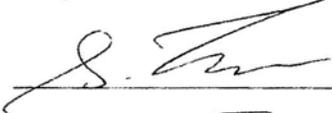
efforts, cooperate to delay any rate increases under this section so that such increases shall become valid on the first day of the second calendar month following the giving of notice.

7 This Rate Agreement amends and supersedes any and all previous agreements made between the Parties in connection with accounting and/or termination rates or other charges for the exchange of Switched Voice Services. All provisions of the existing Agreement not in conflict with or superseded or amended by the provisions of this Rate Agreement or previous agreements shall remain in effect.

8 This Agreement may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

**Tonga Communications Corporation**

**MCI International, Inc.**



Name: Stephen Tustler  
Title: Managing Director

Name: Gene Spinelli  
Title: Vice President – Asia Pac  
International Partner Solutions

Date: 15/08/2007

Date: 9/8/07

9

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