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AZ CORP COMMISSION
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1 **LEWIS**
2 **AND**
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BEFORE THE ARIZONA CORPORATION COMMISSION

7 **WILLIAM A. MUNDELL**
8 **Chairman**

9 **JAMES M. IRVIN**
10 **Commissioner**

11 **MARC SPITZER**
12 **Commissioner**

Arizona Corporation Commission
DOCKETED

AUG 22 2001

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13)
14 **IN THE MATTER OF U S WEST**
15 **COMMUNICATIONS, INC.'S**
16 **COMPLIANCE WITH § 271 OF THE**
17 **TELECOMMUNICATIONS ACT OF**
18 **1996**

Docket No. T-00000A-97-0238

**WORLDCOM'S NOTICE OF
ERRATA RE SUMMARY OF
PROPOSED COMMENTS TO BE
DISCUSSED AT THE SPECIAL
OPEN MEETING ON
AUGUST 23, 2001**

19
20 On Monday, August 20, 2001, WorldCom, Inc. ("WorldCom") filed a summary of
21 proposed comments to be discussed by Mr. James Lewis, Senior Vice President and Regional
22 Executive, and Mr. Michael Beach, Vice President of West Region/Telco Line Cost Management
23 at the special open meeting to be held on August 23, 2001. WorldCom now files this Notice of
24 Errata to those proposed comments to correct the fourth bullet point under the first heading. MCI
25 is serving more than one million (not two million) residential customers in the six states listed.
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RESPECTFULLY submitted this 23rd day of August, 2001

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**Before the Arizona Corporation Commission
Open Meeting on Qwest's 271 Application
August 23, 2001**

Summary of WorldCom's Proposed Comments

1. Profitability is the Key to WorldCom's Entry Into the Local Market
 - Setting proper TELRIC rates for unbundled network elements (UNEs) is the most important and effective action that the ACC can take to create a competitive local marketplace.
 - The current rates in Arizona, and in fact throughout Qwest territory, far exceed TELRIC levels. There will be little or no residential competition as long as that remains the case.
 - Local is a major priority for MCI, the residential business group of WorldCom. MCI's PRIMARY business is providing telecommunication services to residential customers.
 - MCI provides residential local services today in New York, Texas, Pennsylvania, Michigan, Illinois and Georgia, serving more than one million customers.
 - MCI assesses the business opportunity and profitability before entering a state.
 - The SINGLE most important factor for MCI in assessing the business opportunity for residential local service in a state is the UNE pricing approved by state regulators – especially switching and loop rates.
 - Arizona's switching rates are substantially higher than the corresponding rates in Texas, Pennsylvania, Michigan, Illinois and Georgia.
 - Arizona's loop rates are substantially higher than the corresponding rates in New York, Texas, Pennsylvania, Michigan, Illinois and Georgia.
 - Given the current disparities, MCI could not profitably enter the Arizona residential market, regardless of the well-intentioned actions taken by the Commission in these 271 proceedings.

2. Arizona also Should Ensure that Pro-Competitive Systems and Regulations are Clearly Established Before Approving Qwest's Application

- The primary goal of the Telecommunications Act of 1996 is to open local markets to competition.
- MCI wants to highlight the 1996 Act's requirements on ILECs that will foster competition.
- MCI continues to have problems with ILECs' systems and processes in Verizon, BellSouth and SBC states (examples to be given).
- Successful implementation of 271 is an evolving, learning experience.
- Given the problems occurring with ILECs in other states, WorldCom urges this Commission to ensure that OSS testing is completed before granting 271 approval as a further incentive to Qwest to comply with the 1996 Act.
- WorldCom urges the following:
 - Focus on "getting it right" rather than rigid adherence to an arbitrary OSS test schedule.
 - Resolution of significant system issues that have already been identified to date.
 - Military style testing must be honored in Arizona to resolve the many issues already identified.
- WorldCom also urges the implementation of performance measures with penalties that are sufficiently large enough to encourage Qwest to comply.

Closing

- Arizona is a fast-growing, economically vibrant state. WorldCom is interested in entering when pricing, accessible telecommunications systems, and regulatory climate will promote business profitability.

1 ORIGINAL and ten (10)
2 copies of the foregoing filed
3 this 23rd day of August, 2001,
4 with:

5 Arizona Corporation Commission
6 Docket Control – Utilities Division
7 1200 W. Washington Street
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9 COPY of the foregoing hand-
10 delivered this 23rd day of August,
11 2001, to:

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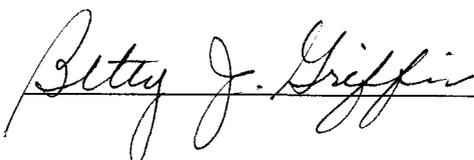
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