UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. _____
	)	
MCI COMMUNICATIONS CORPORATION and BT FORTY-EIGHT COMPANY ("NewCo"),	)	Filed:
	)	
Defendants.	)	

FINAL JUDGMENT

WHEREAS, plaintiff, United States of America, filed its Complaint on June 15, 1994,

AND WHEREAS, plaintiff and defendants, by their respective attorneys, have consented to the entry of this Final Judgment without trial or adjudication on any issue of fact or law,

AND WHEREAS, defendants have further consented after any consummation as defined in the Stipulation entered into by defendants and the United States on June 10, 1994, to be bound by the provisions of this Final Judgment pending its approval by the Court,

AND WHEREAS, plaintiff the United States believes that entry of this Final Judgment is necessary to protect competition in United States telecommunications and enhanced telecommunications markets,

THEREFORE, it is hereby ORDERED, ADJUDGED, AND DECREED:

I

Jurisdiction

This Court has jurisdiction of the subject matter of this action and of each of the parties consenting to this Final Judgment. The Complaint states a claim upon which relief may be granted against the defendants under Section 7 of the Clayton Act, 15 U.S.C. § 18, as amended.

II

Substantive Restrictions and Obligations

A. MCI and NewCo shall not offer, supply, distribute, or otherwise provide in the United States any telecommunications or enhanced telecommunications service that makes use of telecommunications services provided by BT in the United Kingdom or between the United States and United Kingdom, unless the following information is disclosed in the United States by MCI or Newco or such disclosure is expressly waived, in whole or in part, by plaintiff through written notice to defendants and the Court:

1. By NewCo, within 30 days following any agreement or change to an agreement - The prices, terms, and conditions, including any applicable discounts, on which telecommunications services are provided by BT to NewCo in the United Kingdom pursuant to interconnection agreements;

2. By NewCo, within 30 days following any agreement or change to an agreement, or the provision of service absent any specific agreement - The prices, terms, and conditions, including any applicable discounts, on which telecommunications services, other than those provided pursuant to interconnection agreements made under Condition 13 of BT's license, are provided by BT to NewCo in the United Kingdom for use by NewCo in the supply of telecommunications or enhanced telecommunications services between the United States and United Kingdom, or are provided by BT in the United Kingdom in conjunction with such NewCo services where BT is acting as the distributor for NewCo;

3. By MCI, with respect to international switched telecommunications or enhanced telecommunications services jointly provided by BT and MCI on a correspondent basis between the United States and United Kingdom, and to the extent not already disclosed publicly pursuant to the rules and regulations of the Federal Communications Commission, or otherwise to the corporations referred to in Section IV.E -

(i) within 30 days following any agreement or change to an agreement, or the provision of service absent any specific agreement, the accounting and settlement rates and other terms and conditions for the provision of each such service; and

(ii) on an annual basis, for any such services for which more than one accounting and settlement rate may be applicable (e.g., rates for peak and off-peak service), or services with different accounting and settlement rates which are pooled or otherwise combined for calculating proportionate returns, if other United States international telecommunications providers do not have or receive data sufficient to determine whether they are receiving their appropriate share of return traffic in each accounting rate category (e.g., the total volumes of United States traffic to BT, and total volumes of BT traffic to the United States, for each type of traffic with a different accounting rate), MCI's minutes of traffic to and from BT in each accounting rate category;

4. By NewCo, on a semiannual basis - Schedules of telecommunications services provided by BT to NewCo in the United Kingdom for use by NewCo in the supply of telecommunications or enhanced telecommunications services between the United States and the United Kingdom, or provided by BT in the United Kingdom in conjunction with such NewCo services where BT is acting as the distributor for NewCo, showing:

(i) the types of circuits (including capacity) and telecommunications services provided;

(ii) the actual average time intervals between order and delivery of circuits (separately indicating average intervals for analog circuits, digital circuits up to 2 megabits, and digital circuits 2 megabits and larger) and telecommunications services; and

(iii) the number of outages and actual average time intervals between fault report and restoration of service for circuits (separately indicating average intervals for analog and for digital circuits) and telecommunications services;

but excluding the identities of individual customers of BT, MCI, or NewCo or the location of circuits or telecommunications services dedicated to the use of such customers;

5. By MCI - Schedules showing:

(i) on a semiannual basis, separately for analog international private line circuits (IPLCs) and for digital IPLCs jointly provided by BT and MCI between the United States and the United Kingdom, the actual average time intervals between order and delivery by BT;

(ii) on an annual basis, separately for analog IPLCs and for digital IPLCs jointly provided by BT and MCI between the United States and the United Kingdom, the number of outages and actual average time intervals between fault report and restoration of service, for any outages that occurred in the international facility, in the cablehead or earth station outside the United States, or the network of a telecommunications provider outside the United States, indicating separately the number of outages and actual average time intervals to restoration of service in each such area; and

(iii) on a semiannual basis, for circuits used to provide international switched telecommunications services or enhanced telecommunications services on a correspondent basis between the United States and the United Kingdom, the average number of circuit equivalents available to MCI during the busy hour;

6. By NewCo, within 30 days of receipt of any information described herein - Information provided by BT to MCI or NewCo about planned and authorized improvements or changes to BT's United Kingdom public telecommunications system operated pursuant to its license that would affect interconnection arrangements between BT and either NewCo or other licensed operators, provided that if MCI receives any such information from BT separately from NewCo, MCI shall similarly be required to disclose such information in the same manner as NewCo.

The obligations of this Section II.A shall not extend to the disclosure of intellectual property or other proprietary information of the defendants or BT that has been maintained as confidential by its owner, except to the extent that it is of a type expressly required to be disclosed herein, or is necessary for licensed operators to interconnect with BT's United Kingdom public telecommunications system operated pursuant to its license or for United States international telecommunications providers to use BT's international telecommunications or enhanced telecommunications correspondent services.

B. MCI and NewCo, and any person who may be designated by MCI to sit on the Board of Directors of BT, shall not receive from BT, or from any persons designated by BT to sit on the Board of Directors of MCI, any information that is identified as proprietary by United States telecommunications or enhanced telecommunications service providers (and maintained as confidential by them) and is obtained by BT from such providers as the result of BT's provision of interconnection or other telecommunications services to them in the United Kingdom.

C. MCI and NewCo, and any person who may be designated by MCI to sit on the Board of Directors of BT, shall not receive from BT, or from any persons designated by BT to sit on the Board of Directors of MCI, any confidential, non-public information obtained as a result of BT's correspondent relationships with other United States international telecommunications or enhanced telecommunications service providers, except to the extent necessary for MCI to comply with its obligations under Section II.A.3(ii) concerning disclosure of the total volume of traffic (but not the individual traffic volumes for other providers) received by BT from the United States and sent by BT to the United States that is subject to proportionate return, or under Section II.A.5 (but not including individual information on other providers).

D. MCI, and any person who may be designated by MCI to sit on the Board of Directors of BT, shall not seek or accept from BT, or from any persons designated by BT to sit on the Board of Directors of MCI, any non-public information about the future prices or pricing plans of any provider of international telecommunications services between the United States and the United Kingdom with which MCI competes in the provision of such services.

E. Neither MCI nor Newco shall provide to BT any telecommunications facilities or services to be used by BT for international simple resale between the United Kingdom and the United States, until the following conditions have occurred or unless such conditions are expressly waived in whole or part by plaintiff through written notice to defendants and the Court:

1. all qualified United States international telecommunications providers (including their United Kingdom subsidiaries or affiliates) that have applied for licenses

in the United Kingdom that would include the ability to provide international simple resale between the United States and the United Kingdom on or before December 1, 1993 have been granted licenses to provide international simple resale by the responsible governmental authorities in the United Kingdom; and

2. all such United States international telecommunications providers licensed to provide international simple resale in the United Kingdom have been offered the opportunity to interconnect with BT's telecommunications network in the United Kingdom operated pursuant to its license, on standard, nondiscriminatory and published terms (including the locations where interconnection is offered) and with reasonable arrangements for any other necessary technical aspects of interconnection, enabling them to engage in international simple resale without limitation on the amount of traffic carried.

"Qualified United States international telecommunications providers," for purposes of this Section II.E, shall mean all United States international telecommunications providers as of December 1, 1993, except for any provider that (a) has withdrawn its license application to provide international simple resale, (b) has been found by United Kingdom government authorities to have failed to pursue effectively its license application or to have failed to meet the requirements for a license to provide international simple resale, so long as such requirements are applicable to all persons that seek to provide international simple resale between the United Kingdom and the United States, (c) has, in the judgment of the plaintiff, absent any finding by United Kingdom government authorities, failed to pursue effectively its license application, (d) has voluntarily modified its license application after December 1, 1993 (other than to make

modifications requested by United Kingdom government authorities) to such a substantial extent that it is subject to additional publication and can no longer be pursued on its original schedule; (e) has been offered a license that would allow it to commence providing international simple resale between the United States and the United Kingdom and has not accepted such license; or (f) has failed, after the grant of a license, to supply promptly an adequate statement of the necessary information required for interconnection. A list of the entities that plaintiff the United States and defendants presently understand to be qualified under this Section II.E is included in the Stipulation entered into by defendants and plaintiff on June 10, 1994.

III

Applicability and Effect

The provisions of this Final Judgment shall be binding upon defendants, their affiliates, subsidiaries, successors and assigns, officers, agents, servants, employees, and attorneys, and upon those persons in active concert or participation with them who receive actual notice of this Final Judgment by personal service or otherwise. Defendants shall cooperate with the United States Department of Justice in ensuring that the provisions of this Final Judgment are carried out. Neither this Final Judgment not any of its terms or provisions shall constitute any evidence against, an admission by, or an estoppel against the defendants. The effective date of this Final Judgment shall be the date upon which it is entered.

IV

Definitions

For the purposes of this Final Judgment:

A. "Affiliate" and "subsidiary" when used in connection with MCI do not include NewCo and BT, when used in connection with BT do not include NewCo and MCI, and when used in connection with NewCo do not include BT or MCI (but do include all entities in which NewCo has an ownership interest or which are subject to its control, or are jointly owned and controlled by BT and MCI). Nor shall BT be deemed to be a person in active concert or participation with NewCo or MCI for purposes of this Final Judgment.

B. "BT" means British Telecommunications plc, and any entity owned or controlled by BT, apart from NewCo and MCI. BT does not include any MCI employees who may serve on BT's Board of Directors.

C. "Correspondent" means a bilaterally negotiated arrangement between a provider of telecommunications services in the US or the UK and a provider of telecommunications services in the other of the US or the UK for provision of an international telecommunications or enhanced telecommunications service, by which each party undertakes to terminate in its country traffic originated by the other party. A service managed by NewCo, and provided without correspondent relationships with any other provider, shall not be deemed to constitute a correspondent service.

D. "Defendant" or "defendants" means MCI and NewCo.

E. "Disclose," for purposes of ¶¶ II.A.1-6, means disclosure to the United States Department of Justice Antitrust Division, which may further disclose such information to

any United States corporation that directly or through a subsidiary or affiliate holds or has applied for a license from either the United States Federal Communications Commission or the United Kingdom Department of Trade and Industry to provide international telecommunications services between the United States and the United Kingdom. Disclosure by the Department of Justice to any corporation described above shall be made only upon agreement by such corporation, in the form prescribed in the Stipulation entered into by defendants and the United States on June 10, 1994, not to disclose any non-public information to any other person, apart from governmental authorities in the United States or United Kingdom. Where NewCo is required to disclose, in Section II.A, particular telecommunications services provided, this shall include disclosure of the identity of each of the services, and reasonable detail about each of the services to the extent not already published elsewhere, but shall not require disclosure of underlying facilities used to provide a particular service that is offered on a unitary basis, except to the extent necessary to identify the service and the means of interconnection with the service.

F. "Enhanced telecommunications service" means any telecommunications service that involves as an integral part of the service the provision of features or capabilities that are additional to the conveyance (including switching) of the information transmitted. Although enhanced telecommunications services use telecommunications services for conveyance, their additional features or capabilities do not lose their enhanced status as a result.

G. "Facility" means: (i) any line, trunk, wire, cable, tube, pipe, satellite, earth station, antenna or other means that is directly used or designed or adapted for use in the conveyance, transmission, origination or reception of a telecommunications or enhanced telecommunications service; (ii) any switch, multiplexer, or other equipment or apparatus that is

directly used or designed or adapted for use in connection with the conveyance, transmission, origination, reception, switching, signaling, modulation, amplification, routing, collection, storage, forwarding, transformation, translation, conversion, delivery or other provision of any telecommunications or enhanced telecommunications service, and (iii) any structure, conduit, pole, or other thing in, on, by, or from which any facility as described in (i) or (ii) is or may be installed, supported, carried or suspended.

H. "Interconnection," "interconnect" and "interconnection agreement" mean interconnection under Condition 13 of BT's License (or any subsequent or other condition governing interconnection that may be imposed by United Kingdom government authorities).

I. "International simple resale" means the transmission through international private or leased telecommunications facilities, or by any other means of telecommunications in which international usage is not measured, of international voice or data telecommunications traffic (excluding capabilities in addition to conveyance and such switching, processing, data storage or protocol conversion as is necessary for the conveyance of information in real time) that is carried over the public switched telecommunications network in both the country where it originates and the country where it terminates.

J. "MCI" means MCI Communications Corporation, and any entity owned or controlled by MCI, apart from NewCo. MCI does not include any BT employees who may serve on MCI's Board of Directors.

K. "NewCo" means BT Forty-Eight Company, the joint venture of MCI and BT to be created pursuant to the terms of the Joint Venture Agreement entered into by MCI and BT as of August 4, 1993 (including any subsequent modifications or amendments to such

agreement), regardless of the name under which it may subsequently do business, and any subsidiary, affiliate, predecessor (whether the predecessor is jointly owned by MCI and BT or separately owned by either of them), successor, or assign of such joint venture, or any other entity jointly owned by MCI and BT and having among its purposes substantially the same purposes as described for NewCo in the Joint Venture Agreement. NewCo shall not be deemed to include BT or any of its affiliates in which NewCo does not have an ownership interest.

L. "Telecommunications service" means the conveyance, by electrical, magnetic, electromagnetic, electromechanical or electrochemical means (including fiber-optics), of information consisting of:

- speech, music and other sounds;
- visual images;
- signals serving for the impartation (whether as between persons and persons, things and things or persons and things) of any matter, including but not limited to data, otherwise than in the form of sounds or visual images;
- signals serving for the actuation or control of machinery or apparatus; or
- translation or conversion that does not alter the form or content of information as received from that which is originally sent.

"Convey" and "conveyance" include transmission, switching, and receiving, and cognate expressions shall be construed accordingly. A telecommunications service includes all facilities used in providing such service, and the installation, maintenance, repair, adjustment, replacement and removal of any such facilities. A service that is considered a

"telecommunications service" under this definition retains that status when it is used to provide an enhanced telecommunications service, or when used in combination with equipment, facilities or other services.

M. "United Kingdom" and "UK" mean England, Wales, Scotland, Northern Ireland and all territories, dependencies, or possessions of the United Kingdom (excluding the Isle of Man) for which international telecommunications traffic is not normally separately reported to the United States Federal Communications Commission by United States telecommunications carriers.

N. "United States" and "US" mean the fifty states, the District of Columbia, and all territories, dependencies, or possessions of the United States.

O. "United States international telecommunications provider" means any person or entity actually providing international telecommunications services or enhanced telecommunications services to users in the United States, and that is incorporated in the United States, or that is ultimately controlled by United States persons within the meaning of 16 C.F.R. § 801.1.

V

Visitorial and Compliance Provisions

A. MCI and NewCo each agree to maintain sufficient records and documents to demonstrate compliance with the requirements of this Final Judgment.

B. For the purposes of determining or securing compliance of defendants with this Final Judgment, duly authorized representatives of the plaintiff, upon written request of

the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, and on reasonable notice to the relevant defendant, shall have access without restraint or interference to MCI and to NewCo in the United States:

1. during their office hours to inspect and copy all records and documents in their possession or control relating to any matters contained in this Final Judgment; and

2. to interview or take sworn testimony from their officers, directors, employees, trustees, or agents, who may have counsel present, relating to any matter contained in this Final Judgment. Provided, however, that NewCo officers and directors who are employees of BT shall be required to produce only NewCo documents and to provide information only concerning NewCo.

C. NewCo consents to make available to duly authorized representatives of the plaintiff, for the purposes of determining whether defendants have complied with the requirements of this Final Judgment and to secure their compliance:

1. at the premises of the Antitrust Division in Washington, D.C., within sixty days of receipt of written request by the Attorney General or Assistant Attorney General in charge of the Antitrust Division, records and documents in the possession or control of NewCo or any NewCo affiliate or subsidiary, wherever located; and

2. for interviews or sworn testimony, in the United States if requested by plaintiff but subject to their reasonable convenience, officers, directors, employees, trustees or agents, who may have counsel present. Provided, however, that NewCo officers and directors

who are employees of BT shall be required to produce only NewCo documents and to provide information only concerning NewCo.

D. Upon the written request of the Attorney General or the Assistant Attorney General in charge of the Antitrust Division, a defendant shall submit written reports, under oath if requested, relating to any of the matters contained in this decree.

E. No information or documents obtained by the means provided in this Section V shall be divulged by the plaintiff to any person other than the United States Department of Justice, the Federal Communications Commission, and their employees, agents and contractors, except in the course of legal proceedings to which the United States is a party, or for the purpose of securing compliance with this decree, or for identifying to the United Kingdom Office of Telecommunications or other appropriate United Kingdom regulatory agencies conduct by defendants or BT that may violate United Kingdom law or regulations or BT's license to operate its United Kingdom public telecommunications system (but no documents received from defendants pursuant to this Section V shall be disclosed to United Kingdom authorities by the Department of Justice), or as otherwise required by law. Prior to divulging any documents, interviews or sworn testimony obtained pursuant to this Section V to the Federal Communications Commission, plaintiff will obtain assurances that such materials are protected from disclosure to third parties to the extent permitted by law.

VI

Retention of Jurisdiction

Jurisdiction is retained by this Court for the purposes of enabling any of the parties to this Final Judgment to apply to this Court at any time for such further orders or directions as may be necessary or appropriate to carry out or construe this decree, to modify or terminate any of its provisions, to enforce compliance, and to punish any violations of its provisions.

VII

Modification

Any party to this Final Judgment may seek modification of its substantive terms and obligations, and other parties to the Final Judgment shall have an opportunity to respond to such a motion. If the motion is contested by another party, it shall only be granted if the movant makes a clear showing that (i) a significant change in circumstances or significant new event subsequent to the entry of the Final Judgment requires modification of the Final Judgment to avoid substantial harm to competition or consumers in the United States, or to avoid substantial hardship to defendants, and (ii) the proposed modification is (a) in the public interest, (b) suitably tailored to the changed circumstances or new events and would not result in serious hardship to any defendant, and (c) consistent with the purposes of the antitrust laws of the United States and with the telecommunications regulatory regime of the United Kingdom. Neither the absence of specific reference to a particular event in the Final Judgment nor the foreseeability of such an event at the time this Final Judgment was entered, shall preclude this Court's

consideration of any modification request. This standard for obtaining contested modifications shall not require the United States to initiate a separate antitrust action before seeking modifications. The same standard shall apply to any party seeking modification of this Final Judgment. If a motion to modify this Final Judgment is not contested by any party, it shall be granted if the proposed modification is within the reaches of the public interest. Where modifications of the Final Judgment are sought, the provisions of Section V of this Final Judgment may be invoked to obtain any information or documents needed to evaluate the proposed modification prior to decision by the Court.

VIII

Sanctions

Nothing in this Final Judgment shall prevent the United States from seeking, or this Court from imposing, against defendants or any other person, any relief available under any applicable provision of law.

IX

Further Provisions

A. The entry of this Final Judgment is in the public interest.

B. The substantive restrictions and obligations of this Final Judgment shall be removed after five years have passed from the date of entry of the Final Judgment, unless the Final Judgment has been previously terminated.

DATED:

_____
United States District Judge