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-BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH-

In the Matter of the Proposed Acquisition of MCI, Inc. by Verizon Communications, Inc.	DOCKET NO. 05-2430-01
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**COMMENTS OF COVAD COMMUNICATIONS COMPANY**

DIECA Communications, Inc., d/b/a Covad Communications Company ("Covad") through its undersigned counsel, comments on the proposed merger of MCI, Inc. ("MCI") and Verizon Communications, Inc. ("Verizon"):

The merger of MCI and Verizon raises significant issues with regard to both wholesale and retail telecommunications competition in Utah. MCI is the second largest long distance carrier in the United States and counts among its customers some of the largest business enterprises in the world. In addition, MCI is a significant Competitive Local Exchange Carrier (CLEC) in the nation and is also among the largest wholesale providers of network and data infrastructure.

Verizon is similarly significant among the Regional Bell Operating Companies (RBOCs). Verizon is the largest RBOC in the country with the largest share of the local exchange market within its service territory. Verizon also has significant control of Verizon Wireless. Verizon Wireless is the second largest wireless carrier in the United States. Vodafone, a non-US corporation, is Verizon's joint venture partner in Verizon Wireless and is the largest wireless carrier in the world.

Combining a dominant long distance carrier and CLEC with a dominant RBOC is going to create an entity that will be able to exert significantly greater influence on the entire telecommunications marketplace including the market for bottleneck facilities necessary to enable the competition that has benefited Utah's citizens so greatly. Given the significance of this potential merger, it is imperative that the Commission undertake a comprehensive and probing examination of the impact this deal may have on Utah.

We urge the Commission to make full inquiry of both MCI and Verizon regarding the plans of the merged entity for Utah. Will MCI continue to compete in the residential market? The business market? Are there any plans for MCI to change its policies regarding the leasing of competitive fiber transport facilities? Is Verizon planning to enter the Utah residential market or business market? What will happen to MCI's existing residential and business customers? The answer to these and other questions will give the Commission the information it needs to evaluate the impact of the proposed merger and decide whether to impose certain market related conditions upon the merged entity such as the divestiture of Utah assets.

For now, Covad lacks sufficient information regarding Verizon's plans for the merged entity to be able to make informed recommendations to the Commission. We can say with certainty that the merger will have a significant impact on telecommunications competition in the Utah, but how and where that impact will fall cannot be evaluated without more information.

We are hopeful that Verizon and MCI's answers to your inquiries indicate that the merged entity will continue to compete vigorously in both the retail and wholesale markets in Utah. Covad respectfully requests that we be allowed to file additional

comments regarding the proposed merger when more information about Verizon's plans is available.

RESPECTFULLY SUBMITTED this 28<sup>th</sup> day of April, 2005

DIECA Communications, Inc. d/b/a Covad  
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By: \_\_\_\_\_

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## Certificate of Mailing

I hereby certify that on April 28, 2005 I mailed a copy of Covad Communications Company's Petition to Intervene by first-class mail, postage prepaid, to:

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