



CHAIRMAN

Federal Communications Commission

Washington, D.C.

July 22, 2002

**VIA FACSIMILE and
FIRST CLASS MAIL**

Mr. John Sidgmore
President and CEO
WorldCom, Inc.
1133 19th Street, NW
Washington, DC 20036

Dear Mr. Sidgmore:

In light of the recent filing by WorldCom for relief under Chapter 11 of the Bankruptcy Code, I write to you today to reiterate and specifically call to your attention the Commission's regulatory requirements and its role in the bankruptcy process. The regulatory requirements of the Communications Act of 1934 (the "Act") apply under all circumstances, including bankruptcy. Because of WorldCom's size and scope, it is particularly important, both to millions of consumers and to the integrity of the nation's communications network, that WorldCom integrate its regulatory requirements into its planning during the bankruptcy process, and that it take these requirements seriously.

Accordingly, I call to your attention two sets of requirements that, along with its other obligations under the Act and Commission rules, WorldCom must observe, regardless of its current or future circumstances. I remind you that any violation of these requirements may result in enforcement action against WorldCom and any individuals responsible for the violation. *See* 47 U.S.C. §§ 501, 502, 503.

If WorldCom's bankruptcy proceeding results in a restructuring or acquisition of WorldCom or its assets, such a restructuring or acquisition could only take place after the Commission granted required approvals to transfers of control over licenses or authorizations granted by the Commission. WorldCom currently provides a wide range of services subject to these requirements: for example, it provides international and interstate telecommunications services and holds various licenses for the use of radio spectrum. Commission staff will apply the same degree of care in reviewing these applications as they would in any other situation, and the Commission will only approve applications that are consistent with the requirements of the Communications Act and our rules.

If WorldCom's bankruptcy proceeding leads to a discontinuance of services, then, to the extent WorldCom provides services reached under section 214(a) of the Act, such a discontinuance could only take place if WorldCom first meets the notice requirements of the Commission's rules. Section 214(a) states, in pertinent part, that

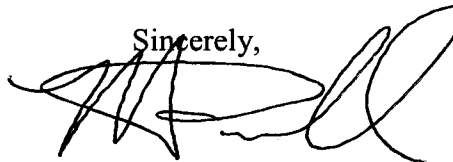
[n]o carrier shall discontinue, reduce, or impair service to a community, or part of a community, unless and until there shall first have been obtained from the Commission a certificate that neither the present nor future public convenience and necessity will be adversely affected thereby.

Our implementing rules for domestic services are found at 47 C.F.R. § 63.60, et seq. and for international services at 47 C.F.R. § 63.19, et seq. For domestic service, these rules require WorldCom to provide written notice of the discontinuance to all affected customers, and require WorldCom to incorporate specific wording advising customers of their right to file comments with the Commission against such discontinuance. WorldCom must then file a copy of its notice with the Commission, and the Commission will then issue a public notice of the filing. WorldCom may only discontinue service on the 31st day after the issuance of the public notice, barring notification otherwise from the Commission. With respect to international service, the Commission's rules require affected customers to receive 60 days notice, and for WorldCom to file a copy of the notification with the Commission.

I want to emphasize two aspects of our discontinuance process. First, the process is intended to provide customers with a reasonable opportunity to find and transition to a new service provider, and the Commission will act promptly and vigilantly to ensure that customers are provided this opportunity. We will intervene in bankruptcy proceedings to advise the court if WorldCom or any other party to the proceedings takes or threatens to take steps that would result in an unnoticed termination of service. Second, the 31-day period is a *minimum* period, and the Commission may extend it if consumers would be unable to receive service or a reasonable substitute from another carrier, or if the Commission otherwise finds that the public convenience and necessity is adversely affected by the discontinuance.

Commission staff has already initiated discussions with your regulatory counsel to communicate details about the above processes and will continue to be in contact. Please do not hesitate to call me if you have any questions about this letter or our process.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michael K. Powell', written over the word 'Sincerely,'.

Michael K. Powell