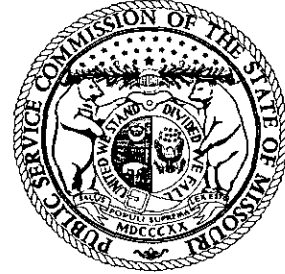


Notice of *Ex Parte* Contact

TO: Data Center
All Parties in Case No. TO-2006-0140

FROM: Commissioner Steve Gaw



DATE: November 30, 2005

Out of an abundance of caution I am submitting this *ex parte* notice in Case No. TO-2006-0140. On November 16, 2005, I received the attached e-mail correspondence from John Van Eschen, Manager of the Public Service Commission's Telecommunications Department, in response to Commission discussion of the case during the November 10, 2005, Agenda session. The Commission was considering the issues addressed in the e-mail at that time and is bound by the same *ex parte* rule as a court of law.

According to the Commission's rules (4 CSR 240-4), when a communication (either oral or written) occurs outside the hearing process, any member of the Commission or the Regulatory Law Judge who received the communication shall prepare a written report concerning the communication and submit it to each member of the Commission and the parties to the case. The report shall identify the person(s) who participated in the *ex parte* communication, the substance of the communication, and the relationship of the communication to a particular matter at issue before the Commission.

Therefore, this report is submitted pursuant to the rules cited above. This will ensure that any party to this case will have notice of the attached information and a full and fair opportunity to respond to the comments contained therein.

cc: Commissioners
Executive Director
Secretary/Chief Regulatory Law Judge
General Counsel

From: VanEschen, John
Sent: Wednesday, November 16, 2005 11:45 AM
To: Gaw, Steve
Cc: Woodsmall, David; Haas, William; Kohly, Sherri; Voight, William; Adrian, Barb
Subject: FW: Case No. TO-2006-0140 - response to Staff inquiry

In last Thursday's agenda you had a question about whether MCI's contracts with these wholesale customers have some form of assignability clause. Attached to Carl Lumley's e-mail is the relevant language in these contracts contemplating re-assignment of the contract. The language states the agreement shall continue to be binding under such situations. Based on this information, Staff's recommendation incorrectly suggests the customer can freely switch to another provider. Rather than make that sort of statement we believe the transaction is still not detrimental to the public interest because the transaction involves wholesale customers who knowingly signed a contract with an assignability provision. We're in the process of putting together a supplement to our previously filed Staff recommendation to hopefully clarify Staff's position. If you have any questions, let us know.

From: Carl Lumley [mailto:clumley@lawfirmemail.com]
Sent: Wednesday, November 16, 2005 8:15 AM
To: william.haas@psc.mo.gov
Cc: stephen.morris@mci.com
Subject: Case No. TO-2006-0140 - response to Staff inquiry

It is our understanding that the affected customers are subject to written contracts that allow for an assignment as presented in the case. The standard contract section provides as follows:

21. **Successors and Assignment** This agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assigns, provided however, that Customer shall not assign or transfer its rights or obligations under the Agreement without the prior written consent of MCI, which consent shall not be unreasonably withheld or delayed, and further provided that any assignment or transfer without such consent shall be void.

Additionally, it is our understanding that customers will be notified of the assignment. The text of the current draft of the planned notice is set forth below for your information.

OCTOBER 25 -- SECOND DRAFT

Date

Customer Name

Address

City, State ZIP

Re: Notice of Assignment of Certain Assets of MCI Network Services, Inc. to Another Wholly-Owned Subsidiary of MCI, Inc.

Dear _____:

As part of the process that began with MCI's successful emergence from bankruptcy in the

11/29/2005

spring of 2004, we are taking certain steps to simplify and streamline the corporate structure of MCI, Inc.

On or about December 31, 2005, the operating assets of MCI Network Services, Inc. will be assigned to its wholly-owned subsidiary, MCI Communications Services, Inc. Both MCI Network Services, Inc. and MCI Communications Services, Inc. are, and will remain, wholly-owned subsidiaries within the corporate family of MCI, Inc.

As a result, effective on or about December 31, 2005 any contracts or other agreements that you have with MCI Network Services, Inc. will be assigned to MCI Communications Services, Inc. We ask that you update your records accordingly. In addition, beginning on December 31, 2005, please send all payments and other correspondence to MCI Communications Services, Inc.

Your existing contractual or other business relationship(s) with MCI will otherwise be completely unaffected. You will continue to receive your existing services at the same high quality from MCI Communications Services, Inc. that you currently receive from MCI Network Services, Inc.

If you have any questions about the contents of this letter, please contact

Very truly yours,