these requirements. In addition, GTE notifies its customers of the availability of unbundled ONA services and is actively seeking to sell these services.[109]

4. GTE's practices concerning CPNI achieve the FCC's goals.

A. GTE's CPNI procedures are designed to focus on the intent of the Commission's rules.

The Commission's CPNI rules were established primarily to achieve two regulatory goals:[110]

1. To satisfy the privacy concerns of business customers regarding dissemination of their CPNI to carrier personnel not involved in the provision of basic services.
2. To prevent BOC Enhanced Service marketing personnel from using an ESP's CPNI to target BOC Enhanced Service marketing efforts to the ESP's clients.

The Commission established the first objective in response to BOC business customer concerns that access to CPNI by BOC Enhanced Service marketing personnel who are not involved in the provision of basic services could somehow compromise proprietary business plans and activities. In adopting the second objective, the Commission reasoned that:

(i) an ESP may provide Enhanced Services in competition with BOC-provided Enhanced Services, and

(ii) at the same time, may be a customer for basic services provided by the BOC; and

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[109] *See* Attachment L.

[110] *Phase II Order*, 2 FCC Rcd at 3095.

(iii) BOC Enhanced Service marketing personnel could access the ESP's CPNI or that of its clients and use it to target the ESP's clients for the BOC's Enhanced Services sales efforts.[111]

GTE's in-place procedures are designed to assure that these outcomes will not occur. In a nutshell, they are designed to make certain, insofar as a GTE Enhanced Service provider competes with other Enhanced Service providers, that there is no favoritism.

B. GTE employs a CPNI definition that is consistent with that used by the BOCs.

The definition of "CPNI" employed by GTE is fully consistent with the CPNI definitions submitted by the BOCs and previously accepted by the Commission.[112] This definition is: "Individual customer data acquired by local exchange carriers in the course of furnishing regulated common-carrier services to customers."

Based on this definition, CPNI includes: type and quantity of regulated services purchased; repair information such as quantity and types of trouble reported; traffic study information such as trunk or line attempts, holding time and blockage data; and call accounting information such as geographic calling patterns, called/calling numbers, call length and call cost. Non-listed, non-published and forwarded-to numbers are special classes of type and quantity of regulated service purchased information which are automatically restricted by GTE.

CPNI does not include white page information found in telephone directories (i.e., customer name, address and telephone number), unregulated customer services and equipment or credit information.

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[111] See *Phase I Order*, 104 F.C.C.2d at 1089-91; *Phase II Order*, 2 FCC Rcd at 3095.

[112] *See* Attachment M for examples of information designated as CPNI by Pacific Bell and US WEST.

C. GTE's in-place procedures for CPNI Collection Authorization, Method of Acquisition, Record Retention and Primary Use place all parties on an equal footing.

The following table: (i) describes by CPNI category CPNI Authorization, Acquisition, Retention and Use; (ii) shows the authority under which GTE acquires the information; (iii) shows how it is acquired; (iv) indicates the nature of any records retained; and (v) indicates the primary intended use.

Table III

CPNI Authorization, Acquisition, Retention and Use

No.	Item	Collection Authorization	Method of Acquisition	Record Retention	Primary Intended Use
1.	Type & Quantity of Regulated Services Purchased	Internal	Customer Order	Permanent	Billing
2.	Repair Information	Internal	Customer Report	Temporary	Customer Trouble Resolution
3.	POTS Line/Trunk Traffic Information	Internal	Internal Study	Temporary	Increase Network Completions/ Grade of Service
4.	Customer Accounting Information	Customer Request or Consent	Special Study	Temporary	Network Analysis for Customer

The first three categories of information in this table are routinely gathered by GTE in the course of providing and maintaining service. The fourth category -- customer accounting information -- is acquired by GTE based upon a customer's request or consent to perform a network analysis for the customer. Unless the customer has a call accounting package,[113] a costly special study must typically be completed to obtain such information.

Since the acquisition of call accounting CPNI is under customer control, only those parties authorized by the customer to obtain and use it -- whether affiliated with

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[113] Many CPE switches record calling data for each station. LECs also provide Station Message Detail Recording ("SMDR") services as part of centrex offerings.

GTE or not -- are permitted to do so. Consequently, all parties competing for a customer's telecommunications business are placed on an equal footing.

D. The CPNI safeguards implemented under GTE's practices satisfy the intent of the Commission's rules.

GTE satisfies the Commission's CPNI objectives in the following ways:

GTE CPNI Safeguard No. 1.	It is GTE policy not to use CPNI to generate prospect lists for marketing Enhanced Services. GTE obtains prospect lists from unaffiliated firms who provide such lists.
GTE CPNI Safeguard No. 2.	GTE policy prohibits unhooking.[114]
GTE CPNI Safeguard No. 3.	GTE is currently informing ESPs of their CPNI rights[115]
GTE CPNI Safeguard No. 4.	GTE honors all written customer requests restricting GTE Enhanced Services marketing and sales personnel from access to the customer's CPNI.[116]
GTE CPNI Safeguard No. 5.	GTE makes CPNI available to unaffiliated ESPs when authorized to do so in writing by the customer under the same terms and conditions as its own Enhanced Services marketing personnel.[117]

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[114] *See* Attachment N. Unhooking means any activity by a LEC which encourages a customer or a prospective customer of a non-LEC ESP to switch to the LEC's version of the same or substantially similar Enhanced Service provided by the LEC at the time the ESP's customer contacts the LEC to obtain Complementary Network Services ("CNSs") or other basic services which are necessary for the operation of the non-LEC Enhanced Service.

[115] As GTE previously informed the FCC Staff (briefing meetings of August 4, 1992 and October 20, 1992), a process to notify ESPs has been under development for some time. Attachment O is a letter now being sent to all identified ESPs operating within GTE service territories.

[116] *See* Attachment P at: (i) CEI/ONA Implementation Guidelines at 7, 14; (ii) "Marketing News" dated August 18, 1991, at 8-9 for text of generic letter provided to customers explaining their CPNI rights and how to restrict its use; and (iii) sample questions and answers attached to internal GTE correspondence dated June 10, 1992 on the subject of CEI/ONA Review for Customer Service Order Center ("CSOC") representatives.

[117] *Id.*, CEI/ONA Implementation Guidelines at 8.

GTE CPNI Safeguard No. 6.	GTE automatically restricts non-published numbers, unlisted numbers and forwarded to numbers to preclude their use in its telemarketing efforts.[118]
GTE CPNI Safeguard No. 7.	GTE has implemented a record "Flag" system as a proxy for password restriction in operating support systems containing CPNI that could be accessed by personnel engaged in marketing Enhanced Services. This proxy is necessary because current systems are not capable of password restriction. The flag provides a visible indication to marketing personnel that they are not authorized to access the CPNI in restricted customer records. A password system is planned to be incorporated into the next generation of GTE systems.[119]
GTE CPNI Safeguard No. 8.	GTE sales and marketing personnel conduct special call accounting studies upon customer request or with customer consent.
GTE CPNI Safeguard No. 9.	GTE marketing personnel treat CPNI as proprietary to the customer and to GTE.[120]

GTE has implemented these CPNI safeguards to satisfy the Commission's non-discrimination and customer privacy objectives.

E. Applying the CPNI aspects of the *BOC Requirements* would produce results counter to the Commission's goals.

GTE's marketing effort must operate within the constraints outlined *supra*. In a BOC area, where there is far greater population density, where the advertising "tax" does not have to be paid, where the equation for profitable operation is completely different in all the ways discussed *supra*, it may make eminent sense to have entirely separate marketing personnel for each and every product the company offers. In the typical GTE area, where the economics are completely different, a marketer is called on to sell multiple products. When the Commission spoke in 1987 of revisiting imposition

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[118] *Id.*

[119] *Id.* at 10.

[120] *Id.* at 8.

of the *BOC Requirements* on GTE "if ... it appears that GTE ... [is] not achieving the goals of CEI and ONA **to the extent possible**,"[121] the Commission was indicating it would reopen the question if it appeared GTE was not achieving the underlying goals given the distinct characteristics of GTE, its operating territories and economics vis-a-vis the BOCs. When all of this is taken into account, it becomes clear that GTE's procedures do achieve the goals of CEI and ONA to the extent possible.

GTE's in-place practices are designed to make certain that GTE's Enhanced Service marketing personnel will not violate the privacy of business customers. GTE uses two employee groups for marketing Enhanced Services: sales personnel and product managers. Sales personnel are not solely responsible for the sale of Enhanced Services. Some product managers are solely responsible for the development and marketing of one particular Enhanced Service. However, as described *infra*, neither employee group poses a threat to customer privacy as related to CPNI.

(1) GTE Sales Personnel. GTE cannot cost-justify sales specialists that market only Enhanced Services, others that market only network services, and still others that market only CPE products and services. Rather, each salesperson markets all three of these product and service categories.[122] To illustrate, the following describes how a typical GTE sales person used CPNI before and after GTE offered Enhanced Services.

Before GTE's introduction of its Enhanced Services, the GTE sales person marketed network and CPE products and services to all assigned customers. As described *supra,* this sales person treated CPNI as proprietary to the customer and GTE. The type and quantity of services purchased and traffic categories of CPNI were

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[121] *Phase II Order*, 2 FCC Rcd at 3102 (emphasis added).

[122] The only exception is in California, where the California Public Utilities Commission requires that CPE be sold through a separate sales channel.

acquired and routinely used in normal day-to-day activities. For example, CPNI was used to answer customer questions related to the services to which a customer subscribed, to answer billing questions, and to ensure that a customer's grade of service was maintained. Call accounting information was acquired and used only when the customer requested it or only after first obtaining customer consent to acquire and use that information.

When GTE assigned this same sales person the responsibility to market Enhanced Services in addition to previous network and CPE marketing responsibilities, **nothing changed.** With regard to treatment of CPNI, the sales person still treats it as proprietary to the customer and GTE. The sales person still acquires and uses type and quantity of services purchased and traffic categories of CPNI to satisfy customer needs. Call accounting information is still acquired and used only if the customer requests it or if consent to acquire and use it is first obtained.

The fact that a single person is selling both network service and Enhanced Service does not violate customer privacy. It is simply the result of the economics of providing service in areas of low density. The addition of one more product, Enhanced Services, to an existing line of products did not incent GTE sales personnel to begin violating customer privacy. Arbitrary limits on knowledge of a single person handling both Enhanced Services and network services would be tantamount to eliminating provision by exchange carriers of Enhanced Services in areas of thin population. This would produce a result that doubtless would be welcomed by competitors of exchange carriers, but directly contrary to the FCC's goals.

(2) Enhanced service product managers. GTE employs product managers for the Enhanced Services it offers. These employees are responsible for the development of product plans dealing with the pricing, promotion, distribution and feature content of the individual Enhanced Service offering to which they are assigned. Product managers are not directly engaged in marketing to specific customers, so in

normal course they would have no interest in data proprietary to any specific customer. In any case, GTE's procedures do not give product managers access to such data. Should they come into possession of such data, they are required by GTE policy to treat it as proprietary to the customer and GTE.[123] Moreover, since it is also GTE policy *not* to use CPNI to generate sales prospect lists, GTE's Enhanced Service product managers cannot use GTE sales personnel to discriminate against competitors. GTE's Enhanced Service product managers thus have no vehicle to discriminate even if they were so inclined.

(3) Customer impact. Imposition on GTE of the CPNI aspects of the *BOC Requirements* -- essentially automatic restriction and customer notification-polling-balloting -- would generate significant costs that the exchange carrier would seek to pass on to its customers. The costs of implementing CPNI regulations are set out in Attachment A. They include: (i) nearly $2 million in first year cost; (ii) $5 million in costs over five years; and (iii) $11 million in costs over ten years.

In addition, GTE speaks from direct experience in relation to its in-place procedures in saying implementation of the CPNI aspects of the *BOC Requirements* would impose significant intangible costs in the form of customer inconvenience, irritation, and inefficiency. Since, as described *supra*, GTE does not employ a stand-alone Enhanced Services marketing organization, customer inquiries to the normal contact sales representative about as simple a request as an inventory of the customer's existing services will require referral to a new specially created contact organization. The rapport that exists between a sales person and the client will be diluted, and the customer will be likely to experience inconvenience and delayed responsiveness because there has to be a reference to another GTE point of contact. As the Commission knows, customers express a strong preference for dealing with a

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[123] *See* Attachment P, CEI/ONA Implementation Guidelines, at 8.

single point of contact.[124] Imposing BOC-type CPNI restrictions would make this impractical. Indeed, such an action could be tantamount to awarding the Enhanced Services market at a given location to competitors of GTE not because of any failing on the part of GTE, but because of government-imposed rules that ignore the realities of a competitive marketplace.

F. The Commission's Automatic Restriction and Balloting-Polling rules are not appropriate for GTE.

GTE must express similar concerns about the automatic restriction for customers with more than twenty lines and notification/polling rules for customers with between 2 and 20 lines. Multi-line business customers are likely to be particularly confused by the required polling activities.[125] Many of these customers will not understand what is being requested, or why GTE needs to further protect information **that is already protected as confidential**, and the impact this restriction will have on their ability to obtain information and problem-solving recommendations from GTE.

It must be stressed that GTE is typically providing service in areas of dispersed population, compared to the BOCs. Many of GTE's multi-line customers rely on GTE for assistance. If the FCC imposes CPNI restrictions on GTE, GTE will be less able to meet efficiently the demands of these customers.

Major GTE customers – those with greater than 20 lines – want a single point of contact within GTE for all of their communications needs, including Enhanced Services. These customers expect their GTE account manager to know the GTE services they currently utilize (*i.e.*, CPNI) and that their manager will make them aware of any new GTE services, including Enhanced Services, that may be useful in meeting the

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[124] *See* Attachment Q.

[125] Customers that have between 2 and 20 access lines must be notified of their CPNI right and be polled to determine their preference as to restriction of access to CPNI.

customer's communications needs. If the CPNI of these major accounts is automatically restricted from access by GTE's Enhanced Services marketing and sales personnel, this will now include the customer's current GTE account manager who offers all GTE products and services, both regulated and unregulated. Then GTE must incur additional cost, and possible customer irritation, in seeking to obtain a waiver of the restriction. If the restriction is not waived, GTE will have to assign a new "regulated services only" account manager and cannot offer a total communications solution to the customer. This unnecessary burden, arising from regulatory requirements, not customer desires, is likely to cause the customer to seek another communications supplier with which it is easier to do business.

The Commission's rules regarding automatic restriction of CPNI for customers with more than 20 lines, and notification and polling requirements for customers with between 2 and 20 lines are inappropriate for GTE. In GTE areas, these rules address a **non-problem**; they provide no benefit to GTE's customers, only cost.

In summary: GTE's practices concerning CPNI achieve the FCC's goals to the extent possible given the special circumstances that affect GTE.

5. Access to OSS should be provided not on a global basis but as requested.

A. A Commission mandate that GTE provide OSS access on a global basis is inappropriate.

The Commission requires the BOCs to provide OSS access to ESPs. The objective of this requirement is summarized as: "[C]omparably efficient access by ESPs to OSS functions important to the provision of enhanced services is critical to bringing the promise of ONA to fruition."[126]

GTE agrees that ESP access to OSS information is appropriate if a *bona fide* need exists. But before any requirement to furnish this service can be imposed on

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[126] *BOC ONA Amendment Order*, 5 FCC Rcd at 3108.

GTE, the Commission's own policy demands satisfaction of certain standards. Just as in the case of other ONA service offerings, there are four criteria to be met: (1) expected market demand; (2) utility as perceived by ESPs; (3) technical feasibility; (4) costing feasibility.[127] The Commission further recognized the formidable technical, security and network control issues associated with OSS access[128] and the existence of "unique privacy and security concerns"[129] related to independent ESP access to OSS for CNSs.

But in the case of OSS access, the *Notice* ignores the three underlying criteria applicable to all other ONA services. Market demand cannot be created by Commission fiat. Nor does a regulatory mandate automatically transform OSS access services into economically feasible offerings.

GTE believes that ESP demand for OSS access is very limited, if it exists at all. This conclusion is based upon the following factors:

(1) The apparent lack of demand for ONA services at the federal level.

(2) No ESP requests to GTE for OSS access.

(3) Lack of ESP interest expressed to GTE for OSS access in its primary market research studies

(4) GTE's observation, derived from its participation in the Information Industry Liaison Committee ("IILC"), that ESPs are not willing to share their OSS access requirements, or are not capable of defining those requirements with any specificity.

Under these circumstances, there is no justification for imposing on GTE a requirement to devote resources to the development of OSS access services for ESPs.

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[127] *Phase I Order*, 104 F.C.C.2d at 1065-66.

[128] *BOC ONA Amendment Order*, 5 FCC Rcd at 3107.

[129] *BOC ONA Amendment Reconsideration Order*, at para. 11.

The development of OSS access is an extremely complex and costly endeavor. By ignoring its own criteria for ONA, the proposal comes close to the *Field of Dreams* parody current in the industry: "If you build it, they will come." In a competitive environment, and under Price Cap regulation, the FCC should not entertain compelling GTE to develop costly service offerings that will not generate compensatory revenues.

In summary: GTE is more than willing to satisfy *bona fide* ESP customer needs for OSS access if the four basic criteria established by the Commission for ONA services can be satisfied. Absent satisfaction of the Commission's own criteria, no requirement should be imposed on GTE.

B. Although GTE is presently developing an OSS access system for access tariff customers, such access is not presently available for other customers.

GTE is currently developing an OSS Access Customer Gateway ("ACG") system for IXC customers. This offering is keyed to the needs of IXCs. Those access customers that also offer Enhanced Services may find ACG useful. Key ACG capabilities include access to order entry/status and trouble reporting/status systems. GTE's ACG system is an important first step toward achieving the Commission's OSS access goals since it provides OSS access to IXC ESPs.

However, it must be stressed that ACG does not provide OSS access for services purchased from GTE's local tariffs, nor does it fully satisfy the provision of access to OSS capabilities envisioned by the Commission.[130] GTE OSS access development for services available in local tariffs is a far more complex and costly undertaking than ACG. GTE does not have standard OSS systems for each of the

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[130] *Id.* at para. 2: OSS access should provide access to: "... service order entry and status; trouble reporting and status; diagnostics, monitoring, testing and network reconfiguration; and traffic data collection." Footnote omitted.

functions for which access might be provided. There are currently a number of OSS[131] in place throughout the former seven GTE operating units[132] and former Contel operating units. These multiple systems presents a severe impediment to providing the type of access ESPs might desire with any pretense of uniformity.[133]

Although GTE has embarked upon an aggressive standardization effort, the realization of an implemented standard system set is several years and many dollars in the future. In the interim, providing ESP access to current OSS in selected geographic areas requires assurance that ESP needs are reasonably well documented and understood, and that sufficient demand will materialize. Absent sufficient demand, the costs required to modify OSS would far exceed the price customers are willing to pay versus current alternatives.

In summary: Application of BOC OSS access requirements to GTE is both unnecessary and premature. GTE is voluntarily developing OSS access for access tariff customers which may prove useful for ESPs and which will partially meet Commission expectations for ESP access to OSS. GTE is willing to provide OSS access to non-interexchange carrier customers, including ESPs, when demand and other factors exist which justify GTE's introduction of such services.

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[131] *See* Attachment F. GTE's system standardization efforts are not yet complete. GTE California and the former Contel operating properties are notable exceptions to full implementation of standard systems. Together, they account for 40 percent of GTE lines.

[132] GTE began an effort in early 1989 to consolidate these seven largely autonomous units into an organization with a central headquarters unit and four separate Area units with day-to-day operational responsibilities.

[133] In contrast, the BOCs typically have one standard set of systems.

C. GTE's practices are the same as those mandated by the Commission's "Same Form of Access" requirement for order entry/status and trouble/status.

The Commission has adopted and subsequently reaffirmed a requirement that BOC ESP operations take the same access to OSS as the BOCs provide independent ESPs.[134] The Commission indicated that this requirement applies to basic service arrangements ("BSAs") and basic service elements ("BSEs") that BOC Enhanced Services and independent ESPs employ to provide Enhanced Services.[135]

The Commission has further clarified its intent:

> Orders for OSS services with respect to BSEs and BSAs used for BOC enhanced services must be received and processed by the BOC in the same ways as orders for OSS services for BSEs and BSAs coming from ESPs. If ESPs can use a gateway or call in an order to the business office or repair service, BOC enhanced services may have only the same options. BOC integrated and network personnel, such as business office or repair office personnel, may then directly access OSS to process orders for both the BOC and independent ESP enhanced services.[136]

GTE is already in compliance with these order entry and repair requirements.[137]

GTE Enhanced Service operations personnel involved in ordering BSAs and BSEs do not have direct access to order entry systems. It is standard GTE practice for employees of GTE Enhanced Service operations to place orders for BSAs and BSEs in the same manner as independent ESPs.[138] GTE requires its Enhanced Services operations personnel to submit a written request for BSAs and BSEs, whereas it will accept a written or verbal request from independent ESPs. Verbal requests may be made in person or via telephone.

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[134] *BOC ONA Amendment Reconsideration Order*, at para. 1.

[135] *Id.*

[136] *Id.* at para. 6, footnote omitted.

[137] GTE, as an active participant in the IILC, will also be involved developing methods for indirect ESP access to OSS services for CNSs. *See Id.* at para. 19.

[138] *See* Attachment T.

GTE handles basic service trouble reports for its affiliated ESP operations in the same manner as trouble reports for independent ESPS. There are two categories of trouble reports: customer originated and GTE employee detected. Customer originated basic service trouble reports are reported via telephone to a GTE repair answer center ("RAC"). The RAC records the complaint and generates a trouble ticket for entry into the repair OSS. GTE then tests and isolates the problem, and, if required, dispatches repair personnel to correct the problem. Once corrected, the customer is notified.

GTE employee detected troubles, typically discovered by automatic monitoring equipment, on any customer's basic network service including those subscribed to by GTE's ESP operations and independent ESPs, are detected and handled in the same fashion. A trouble ticket is prepared and entered into GTE's repair OSS, GTE tests and isolates the problem and dispatches repair personnel, if necessary, to correct it.

In summary: In respect of access to OSS, as well as order entry/status and trouble reporting, GTE is already achieving the goals of CEI and ONA to the extent possible given the characteristics of GTE.

6. The proposed reporting requirements would be far more costly for GTE than for the BOCs and would yield few if any benefits.

The *Notice* (at para. 17) proposes:

> [T]o require that GTE provide annual deployment projections for the current year and each of three future years by type of ONA service in terms of percentage of access lines served in GTE's entire territory subject to the ONA regulatory framework and by market area for all proposed interstate and intrastate ONA services, including BSAs, BSEs, CNSs, and ANSs [Ancillary Network Services].

Further, it proposes (*id.*) that GTE "also be subject to all of the annual and semiannual reporting requirements that are applicable to the BOCs."[139]

The burden in cost and manpower associated with these ongoing reporting requirements is much greater for GTE than for any BOC and will outweigh any possible

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[139] *See* Attachment R for a list of required ongoing reports.

benefit. In the case of the BOCs, the reports they produce concern the major urban areas of the United States. These reports might be useful to ESPs targeting national markets. Reports of smaller, local markets would have utility to a much smaller group. A customer's direct inquiry to an exchange carrier would be far more likely to elicit useful information.[140] Imposing on GTE the reporting requirements that apply to the BOCs would cost proportionately far more and be useful -- if at all – to a much smaller constituency.

GTE serves many more states and portions of more LATAs than any BOC.[141] GTE has over 6400 switching entities, while the BOC with the next highest number has only 1847. Another factor is the large number of GTE/Contel tariffs in effect. GTE has over 180 tariffs – again, far more than any BOC. While the BOCs have been relatively stable for the last seventy years, both GTE and Contel experienced significant growth by acquisition during the 1950s, 1960s, and 1970s. As GTE grew, it typically merged tariffs of acquired properties with tariffs of existing properties within the state.[142] As Contel grew by acquisition, it did not merge tariffs on a comparable scale. By the time of the GTE-Contel merger, Contel had multiple local tariffs in a number of states.[143] Thus, any GTE report referencing tariffs will be far larger and more complex than any BOC report.

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[140] The Commission has an opportunity to weigh the potential benefits to ESPs of GTE reports that would contain predominantly rural information against the cost to GTE of developing such reports. GTE questions whether the extent of the benefits even equals the costs, much less outweighs the burden.

[141] *See* Attachment S.

[142] Depending on the state and the degree of similarity of the tariff structures and, more importantly, tariff rates, this process would occur over a period of months, or years.

[143] For example, Contel had three local tariffs in Missouri.

For example, the *ONA Services User Guide* contains a matrix, by BOC, by state, which displays the tariff appearances of each ONA service. For each BOC this report consists of many pages of information cross-referencing each ONA service/tariff appearance.[144] The average BOC has between 15 and 20 tariffs, covering about seven states. The combination of seven states, over 100 ONA services and 15 to 20 tariffs results in lengthy reports which would be of limited use to an ESP interested in addressing a national market -- although far more interesting than reports for GTE tariffs covering primarily rural areas.[145]

The BOC tariff cross-reference reports contain a vast number of entries. GTE tariff cross-reference reports would be even greater. They would be staggering in comparison, larger than all seven of the BOC reports combined, since GTE alone has more tariffs than the BOCs combined. The result would be a major effort that would produce an unwieldy report of little use to anyone.

Also, within the *ONA Services User Guide*, BOCs are required to publish lists of information by central office, including name, Common Language Location Code, V and H coordinates, switch type, street address, number of access lines, NPA/NXXs and the ONA services available at that central office.[146] There are two pages of information listed for each central office. For the average BOC, this totals approximately 2,800 pages of information. For GTE, it will mean more than 10,000 pages of information.

Further, the average page of the GTE report will have less value to ESPs than the average page of a BOC report because the average GTE central office serves only

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[144] The reports are issued in diskette form.

[145] ESPs interested in addressing particular local markets can obtain more timely tariff information simply by being on the appropriate LEC's tariff update distribution list. There may be a nominal fee for this.

[146] This information is published on diskettes.

25 percent as many access lines as the average BOC central office.[147] This means ESPs will have to wade through three and one-half times as much information in order to get one-fourth the usable information per entry.

Another report, the Annual ONA Service Deployment Projection Report, shows the percentages of lines in the market area that are, or will be, capable of providing each ONA service. Because the vast majority of market areas are dominated by a BOC, an ESP can use the percentage shown by a BOC for a market area for an ONA service as a good proxy for all LECs in that market area. If GTE reports a percentage for the same market area, the ESP will have two choices: (1) continue to use the BOC percentage as an estimate for all LECs in that market area; or (2) somehow weight the BOC percentage and the GTE percentage together to develop a BOC/GTE composite percentage to use as an estimate for all LECs in that market area. Choice (1) obviates the need for GTE reporting in all but a handful of market areas. Choice (2) would be difficult and costly, and would provide little additional information.

As an example, consider Indianapolis. Ameritech serves over 90 percent of the Indianapolis MSA. Today, the data reported by Ameritech for the Indianapolis market area describes quite well the service parameters of all central offices in the market area. If Ameritech reports 80 percent for the availability of a particular ONA service in the Indianapolis market area, the availability of that ONA service for all LECs in the Indianapolis market area will be near 80 percent. If GTE begins to report 30 percent availability of that same ONA service in GTE's central offices in the Indianapolis area, any ESP not already familiar with the LECs in the Indianapolis market area will not know whether the overall percentage (the data the ESP is most likely to want) is closer to 80 percent or closer to 30 percent. More data results in less information. Either the

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[147] *See* Table I, *supra*.

GTE report will not be used (choice 1 *supra*)[148] or it will confuse the user (choice 2 *supra*).

For the GTE information to be of use, the ESP has to know whether the GTE presence in the market area is significant (*e.g.*, San Angelo TX or Wausau WI) or not (*e.g.*, Indianapolis). ESPs that have this knowledge already will be sufficiently informed about that market area; as a consequence, production of the additional GTE information is not worth the cost.

Lastly, included in the BOC annual reports is a discussion addressing the technical capabilities to provide ONA services. Because the BOCs each use the same switch types to provide ONA services, primarily 1AESS, 5ESS and DMS100 switches, the technical capability report for each BOC is remarkably similar. If Ameritech has the capability to provide a particular ONA service in a 5ESS switch, it is because a software-generic update is available for the 5ESS switch that will provide that capability. When that software-generic update is available to Ameritech, it is also available to Bell Atlantic, BellSouth, NYNEX, Pacific Telesis, Southwestern Bell and US WEST. It is also available to GTE.

GTE's primary switches are the 5ESS, DMS100 and GTD5. GTE uses the same 5ESS and DMS100 software-generic updates that the BOCs employ. GTD5 software-generic updates provide similar technical capabilities for GTD5 switches.[149]

If the Commission requires GTE to replicate the technical capability report, the Commission will receive eight remarkably similar reports instead of the seven

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[148] GTE is the only LEC in 7 of 320 MSAs. In those few instances (less than one percent of the population of the United States), GTE reporting will be of equivalent value to BOC reporting. GTE serves a majority of the customers in only another 19 MSAs (less than 3 percent of the population of the United States). GTE reporting might be of some use in those area, but it could not be worth the added cost.

[149] Timing and specifics vary.

remarkably similar reports the Commission receives today. Significant cost will have been incurred to obtain information of little incremental value.

At first, the thought of adding information relating to another eleven percent of the nation's access lines to the information base now routinely published by the BOCs may seem of value. However, it would be costly because of the demographic and organizational differences between GTE and the BOCs. And the information would in fact have little incremental value to ESPs. In some cases, the additional information by itself would serve more to confuse than enlighten.

Before imposing heavy proportionate reporting costs on GTE, the Commission should determine the nature and extent of the need and usefulness for GTE customers. In particular, the FCC should inquire into the following specifics:

(1) Whether existing reports could be useful for GTE customers;

(2) How the information would be used;

(3) Why the report would be preferable or superior to other preexisting sources for the same information;

(4) If a report is thought to be useful by GTE customers, are there any modifications that would make it more useful?

GTE is confident that an inquiry into these matters would establish that the added value for GTE customers of GTE reporting could not conceivably justify the cost.

In summary: Imposing on GTE the proposed reporting requirements would create disproportionate costs and yield few if any benefits.

7. GTE's implementation of the FCC's existing Network Information Disclosure Rules and the GTE Consent Decree satisfy the Commission's objectives.

A. The FCC's objectives concern the risk of favoritism vis-a-vis an exchange carrier's Enhanced Service operation.

The Commission's network information disclosure objective is as follows:

> [Network information disclosure rules] are designed to address the potential ability of these carriers [AT&T and the BOCs], in the absence of

> structural separation, to design new network services or change network technical specifications to discriminate against their enhanced service competitors and favor their own enhanced service operations.[150]

GTE fully supports the objective of ensuring that information regarding new network services or changed technical specifications be widely disseminated. However, application of this requirement to GTE is unnecessary and inappropriate since it does not reflect even remotely GTE's position in the industry vis-a-vis the BOCs.

The BOCs, relying on research and recommendations by Bellcore, define and drive new network service development and technical changes to the network. Since the BOCs represent the majority of the market, vendors will seek to conform to these Bellcore requirements. Thus, BOC notification of new service developments and technical network changes effectively serves to inform the ESP industry of coming developments on behalf of the entire LEC industry.

GTE has but a fraction of the BOCs' influence on vendors. Operating dispersed "islands" of networks in 40 states, GTE must interface with each of the BOCs, as well as other Independents, interexchange carriers, Enhanced Service providers, and so forth. With a need to interconnect with so many parties, for GTE uniformity is critical. GTE is heavily encouraged to deploy only new services and only network interface changes that conform to Bellcore requirements, or those standardized through industry standards bodies. Because of these considerations, GTE is able to play a very limited role in designing new network services.

GTE's lesser influence on vendors, coupled with a strong incentive to comply with uniform standards requirements, severely limit its ability -- if it wished to do so -- to discriminate in favor of its own Enhanced Service operations in the areas of new network service development and technical network changes.

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[150] *Phase II Order*, 2 FCC Rcd at 3087.

B. By complying with the FCC's Network Disclosure Rules, GTE eliminates the risk of favoritism.

GTE is currently subject to several existing network information disclosure requirements. These, the Commission's *All Carrier Rule* and Part 68.110[151] network information disclosure rules, as well as similar provisions in its GTE Consent Decree, meet the Commission's desire for dissemination of information of implementation/installation of network changes.

The *All Carrier Rule* and Section 68.110 rules are premised upon the need to provide ample notice to LEC customers of changes which may impact either their interface to the network or the operation of their terminal equipment. The *All Carrier Rule* is "the requirement that all information relating to network design be released to all interested parties on the same terms and conditions, insofar as such information affects either intercarrier interconnection or the manner in which interconnected CPE operates."[152]

Section 68.110 requires all LECs to provide relevant information to all customers regarding network changes that would impact the function of CPE if changes:

> [C]an be reasonably expected to render any customer's terminal equipment incompatible with telephone company communications facilities, or require modification or alteration of such terminal equipment, or otherwise materially affect its use or performance.

Further, GTE's Consent Decree states:[153]

> No GTOC shall discriminate between the interexchange telecommunications services, information services or customer premises equipment of GTE (including any information services of a GTOC) and the interexchange telecommunications services, information services, or customer premises equipment of other persons in the:

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[151] 47 CFR Section 68.110.

[152] *Computer II Reconsideration Order*, 84 F.C.C.2d at 82-83.

[153] *See* GTE Consent Decree, V.B.

1. establishment and dissemination of technical information and interconnection standards;

2. interconnection and use of the GTOC's exchange telecommunications or exchange access services and facilities or in the charges for each element of service; and

3. provision of new exchange access and information access services and the planning for and implementation of the construction of facilities used to provide exchange access and information access.

Given GTE's position as a purchaser but not developer of network products, it is much more appropriate that GTE notify its **customers** of changes and new service deployment, than it is for GTE to notify the Enhanced Services **industry**. The focus of attention should be placed on the **deployment** of new network services and technical changes as opposed to the **development** of new services and technical changes.

Accordingly: Existing network information disclosure requirements applicable to GTE, coupled with limited GTE ability to discriminate against Enhanced Service competitors in the areas of new service development and technical network changes, obviate the need for the Commission to apply Phase II non-discrimination safeguard rules[154] to GTE since existing safeguards are sufficient to preclude any discriminatory behavior.

8. GTE continues its active program to determine ESP needs and to develop and implement services that meet those needs.

The *Notice* (at para. 17) proposes to require "that GTE demonstrate that its proposed initial offerings of ONA services will adequately meet the needs of ESPs' in its service areas."

This proposal does not reflect the already substantial offering of ONA services by GTE. GTE has many offerings that are comparable to those proposed by the BOCs and previously approved by this Commission. Any further demonstration by GTE that

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[154] These rules are set out in *BOC ONA Order*, 4 FCC Rcd 1, 252 (1988), footnotes omitted.

its offerings will adequately meet the needs of ESPs in its serving areas is unnecessary unless the Commission believes that the BOCs have not met ESP needs with their ONA service offerings.

Attachment U contains a comparison of BSEs and CNSs currently offered in intrastate tariffs by GTE and the BOCs. This comparison is reflected in a matrix which indicates those BSA/BSE/CNS offerings by either a BOC or GTE in at least one state. GTE makes 76 of these offerings, while the average BOC offers 73. As demonstrated by this matrix, while there are some differences in individual BSE/CNS offerings between GTE and the BOCs, GTE is actively developing and offering ONA services as their economics prove out -- without being subject to ONA rules.

The *Notice* (at n.43) states that, "Given the guidance provided by the BOCs' implementation of ONA, we encourage, but do not require, GTE to conduct interviews with ESPs in order to ascertain any special needs of ESPs in GTE's service areas." This statement implies that GTE has either ignored the activities of the BOCs and the IILC, or that GTE needs encouragement to work with ESPs to determine their needs.

GTE assures the Commission that neither is the case. GTE recognizes that the ESP market for basic services offers the potential for significant growth and views ESPs as important customers. GTE has taken a number of steps to determine ESP needs in order to offer services which satisfy their needs.

GTE has, at substantial cost, actively pursued a number of initiatives to understand the ESP market, the ESP participants in that market, and the needs of ESPs for basic communications services. In particular, GTE has:

(1) Completed three primary market research surveys using internal resources.[155]

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[155] *Telemessaging Company Survey*, completed October, 1990; *IXC/ESP Customer Survey*, completed December, 1991; and *Voice Messaging Access Survey*, completed September, 1992.

(2) Initiated a fourth primary market research survey, currently in progress.[156]

(3) Obtained numerous secondary research studies pertaining to the ESP market.[157]

(4) Completed three internal ESP studies.[158]

(5) Attended numerous IILC meetings and seminars.

(6) Met with several telemessaging service associations.

(7) Actively participated in the IILC.[159]

(8) Implemented a 120 Day ESP New Service Request Process.

Further, GTE sales personnel routinely meet with their ESP customers to determine their needs and to offer products and services to satisfy their communications needs.

GTE, in conjunction with ESP participants, has been and continues to be an active participant in the resolution of the following IILC issues pertaining to ESP needs for basic service:

1. Issue 025: ESP Access to Audible Ringing for Certain Originating Calls.
2. Issue 026: Long Term Unbundling and Network Evolution.

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[156] *ESP Wholesale Market Opportunities*, by the San Francisco Consulting Group for GTE Telephone Operations, initiated November, 1992.

[157] *Worldwide Telecom Services Market*, by Market Intelligence Research Corporation (MIRC), copyright 1992; *Worldwide Electronic Messaging Strategies and Issues*, by MIRC, copyright 1991; *U.S. Voice Messaging Services Markets: RHC Entry Provides Growth Opportunities*, by MIRC, copyright 1989; *Interactive Voice Services Forecast: 1990-1995*, by Link Resources, copyright 1992; *Voice Processing: The Second Generation of Equipment and Services*, by the Yankee Group, copyright 1991; *Voice Processing Industry Dynamics and Network Services: Voice Mail, voice Response, & Multi-Application Platforms Through 1996*, by the Insight Research Corporation, copyright 1992.

[158] *Enhanced Service Provider Industry Overview, A Custom Research Study*, prepared by LINK Resources Corp. for GTE Telephone Operations, completed October, 1989; *ESP Ownership*, prepared by GTE's market research department, completed November, 1991; *Enhanced Segment Profile for ESPs*, prepared by GTE's market research department, completed December, 1992.

[159] GTE also serves as an exchange carrier representative on the Interindustry Advisory Group ("IAG") of the IILC.