

recognize much less associate with long distance service. They are all companies that specialize the providing access to the Internet vBNS for business customers. They are not companies that market to end-users like residential customers, but rather, they sell access to the vBNS to ISPs. In a sense, they aggregate Internet traffic from a variety of ISPs and route that aggregated traffic on the vBNS. Clearly, customers are not establishing a customer-carrier relationship with the vBNS provider independent of subscribing to Bell Atlantic's Internet service. Bell Atlantic is buying and reselling the vBNS provided by these carriers. In contrast, many long distance carriers have billing arrangements with local telephone companies, but customers establish a customer relationship with their long distance carrier that is independent of the local telephone services they use.

In comments filed with the Common Carrier Bureau, Bell Atlantic argues that its relationship with these vBNS companies is appropriate because Bell Atlantic sent a letter announcing its Internet services roll-out to all potential IICs.^{28/} A letter to potential IICs announcing Bell Atlantic's Internet roll-out obviously does not relieve it of the requirements of the Telecommunications Act or authorize it to resell interLATA services.

^{28/} Bell Atlantic Comments at pg. 4.

AGIS (Apex Global Information Services) was founded in 1994, and sells only access to its vBNS comprised of ATM service purchased from LDDS/Worldcom. In its promotional materials, it states that

AGIS customers are Internet service providers, content providers and large corporations who need high speed access to the Internet. AGIS does not compete with its customers by selling retail access, making them unique in the Internet backbone business.^{29/}

Plainly, AGIS is a "carrier's carrier" and not a retail provider that establishes customer relationships with end-users. AGIS's list of California customers posted on its Web site includes Pacific Bell Internet Services. GridNet International is an affiliate of LDDS/Worldcom. It provides a range of data services. ICon is an Internet service provider that provides business customers with access to the Internet as well as providing assistance for companies that wish to develop an appropriate image on the Internet. Plainly, the companies that Bell Atlantic represents to customers as "global" Internet providers are not retail service providers, but firms that specialize in providing Internet services to large business customers, especially ISPs. Fundamentally, Bell Atlantic is offering Internet services by reselling these companies' vBNS long distance transmission services and simply showing on customers' bill the costs that these companies charge Bell Atlantic for access to the vBNS.

In its Order approving Bell Atlantic's Internet CEI Plan, the Common Carrier Bureau accepted Bell Atlantic's assertion that it was merely providing Internet access,

^{29/} AGIS World-Wide-Web home page , Company Background.

and not interLATA transport.^{30/} The access theory is unconvincing given the facts. Suppose, for example, that Bell Atlantic began offering customers an interLATA "access" service that allowed them to call anywhere in the country for 19¢ a minute, 2¢ of which would be shown on customer's bills as the interLATA transport services from the interLATA carriers selected by the customer. Suppose further that Bell Atlantic limited customers to three interLATA carriers -- AGIS, Gridnet and ICon -- and defended its limitation by saying that it sent a letter to all interLATA carriers announcing its plans. Simply labeling a service as "access" does not transform an interLATA offering into something that RBOCs are authorized to provide.

Bell Atlantic's offering does not comply with the Telecommunications Act because Bell Atlantic has not complied with Section 271 nor is it offering its Internet services through a separate subsidiary.

2. *Pacific Bell's Internet Offering*

Pacific Bell did not file a CEI Plan with the Commission in conjunction with its Internet service, and it has obviously not complied with the Section 271 checklist. Its Internet promotional literature from its web site are attached as Attachment 3. Like Bell Atlantic, it offers customers with dedicated or dial up access, browser software, and similar pricing. Pacific Bell's Internet service is priced at \$14.95 per month which

^{30/} Bell Atlantic Telephone Companies Offer of Comparably Efficient Interconnection to Providers of Internet Access Services, CCBPol 96-09 at ¶ 50.

includes 20 hours of usage with a charges of 50¢ per hour for additional hours up to a maximum of \$19.95 per month. It also offers a pricing plan of \$9.95 per month for 10 hours usage with additional usage billed at \$1 per hour. It claims that 10,000 Californians have signed up for the service. Pacific Bell's promotional literature does not require customers to select an IIC as does Bell Atlantic.

3. *Southwestern Bell's Planned Internet Offering*

In its CEI Plan filing with the Common Carrier Bureau, Southwestern Bell indicated that it intends to offer Internet service by the end of the year.^{31/} Obviously, Southwestern Bell has not met the requirements of Section 271. Southwestern Bell's CEI Plan and Internet offering, however, is substantially different than Bell Atlantic and Pacific Bell's Internet offerings. Southwestern Bell plans to offer Internet services through a separate subsidiary, Southwestern Bell Internet Services, Inc. ("SBIS"). In contrast with Bell Atlantic, Southwestern Bell indicates that end users will be required to obtain any interLATA services without involvement from Southwestern Bell. While Southwestern Bell indicated that it would make customers sales, referrals and billing services available to its SBIS, its CEI Plan do not indicate that it intended to make such

^{31/} Southwestern Bell Telephone Company's Comparably Efficient Interconnection Plan for the Provision of Internet Support Services, CC Docket Nos. 85-229, 90-623 & 95-20, DA-96-1031 (June 21, 1996).

marketing and customer services available to competing ISPs. Its CEI Plan focused on making available only its network services to competing ISPs.

Obviously, Southwestern Bell has not complied with the Section 271 checklist. Also, since the Commission has not yet developed its separate subsidiary rules applying the provisions of Sections 271 and 272, it is impossible to say with any certainty whether Southwestern Bell's separate subsidiary complies with the statutory requirements of the Telecommunications Act.

III. THE NON-DISCRIMINATION PROVISIONS OF SECTION 272 EXTEND VARIOUS RIGHTS TO COMPETING INFORMATION SERVICE PROVIDERS (¶¶ 65-93)

In its Notice, the Commission requested comments on the nondiscrimination safeguards of the Telecommunications Act.^{32/} In the context of enhanced services, the Commission has recognized that comparably efficient interconnection ("CEI") is fundamentally interconnection and access to unbundled network elements.^{33/} Sections 251 and 252 of the Telecommunications Act creates and explicitly describes the duties of incumbent local exchange carriers to provide interconnection and access to unbundled network elements. It is tempting to argue that the interconnection provisions

^{32/} Notice at ¶¶ 65-89.

^{33/} *In the Matter of: Amendment of Sections 64.702 of the Commission's Rules and Regulations (Third Computer Inquiry)*, CC Docket 85-229, 104 FCC 2d 958, 1039 (released June 16, 1986).

of Sections 251 and 252 do not apply to interconnection and access to unbundled network elements for Internet providers or other information service providers, but only apply to interconnection for the provision of telecommunications services. However, the non-discrimination provisions of Section 272(e)(2) clearly require that the RBOCs make the same facilities available to others that are used by its information service affiliate. In particular, a RBOC "may not discriminate between that company or affiliate and any other entity in the provision or procurement of goods, services, facilities, and information, or in the establishment of standards."^{34/} Similarly, the Telecommunications Act provides that a RBOC "shall not provide any facilities, services, or information concerning its provision of exchange access to the affiliate ... unless such facilities, services or information are made available to other providers of interLATA services in that market on the same terms and conditions."^{35/} The Telecommunications Act allows a RBOC to "provide any interLATA or intraLATA facilities or services to its interLATA affiliate if such services are made available to all carriers at the same rates and on the same terms and conditions, and so long as the costs are appropriately allocated."^{36/} For example, in contrast with the Commission's Open Network Architecture ("ONA")

^{34/} 47 U.S.C. § 272(c)(1). [emphasis added]

^{35/} 47 U.S.C. § 272(e)(2). [emphasis added]

^{36/} 47 U.S.C. § 272(e)(4).

rules that do not extend collocation rights to information service providers,^{37/} if a RBOC information services affiliate collocated a router or server in the RBOC's central office, this section of the Telecommunications Act appears to require that the RBOC make the same facilities and services available to a competing information service provider. Likewise, if a RBOC provides referral services to its information affiliate, this provision requires that the same referral services be made available to competitors, and by the explicit statutory language to any other entity that requests such services.

Likewise, as described above, under Section 271 a RBOC may only provide interLATA Internet services after it complies with the statutory checklist. It would not be sensible public policy for Congress to require the RBOCs to comply with a checklist, including the unbundling and interconnection requirements of Sections 251 and 252, as a prerequisite for the provision of interLATA Internet services if those unbundled elements and interconnection rights were not extended to information service providers.

Joint marketing activities of RBOCs and their information services affiliates are explicitly restricted. In particular,

A Bell operating company may not market or sell interLATA service provided by an affiliate required by this section within any of its in-region

^{37/} *Filing and Review of Open Network Architecture Plans*, 4 FCC Rcd at 94-95, ¶¶ 181-183 (1988), *recon.* 5 FCC Rcd at 3092, ¶¶ 69-72 (1990).

States until such company is authorized to provide interLATA services in such State under section 271(d).^{38/}

Also, an affiliate cannot sell or market RBOC-provided telephone exchange services unless the affiliate permits other entities offering the same or similar services to market and sell its telephone services.^{39/} For example, Bell Atlantic cannot market or sell its affiliate's interLATA information services within its states until it has interLATA authority. Also, if Bell Atlantic's information affiliate markets or sells Bell Atlantic's local telephone service, Bell Atlantic must allow other information providers to market and sell Bell Atlantic's local services. For example, if Bell Atlantic's Internet affiliate allowed users to select and subscribe to various Bell Atlantic local service offerings, it would also have to allow other Internet providers to sell Bell Atlantic local services presumably so that they were not competitively disadvantaged by Bell Atlantic's ability to provide "one-stop shopping."

IV. CONCLUSION

For the above reasons, MFS requests that the Commission declare that RBOC-provided Internet services are an interLATA service to which the requirements of Section 271 apply. Said differently, RBOCs may not provide Internet services until they satisfy the Section 271 checklist. Even after that, they may only provide Internet

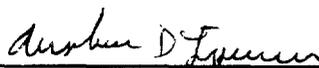
^{38/} 47 U.S.C. § 272(g)(2).

^{39/} 47 U.S.C. § 272(g)(1).

services through a separate subsidiary in compliance with Section 272. Finally, because the policy issues are similar, MFS urges the Commission to consolidate the CEI Plan proceedings being considered by the Common Carrier Bureau for Bell Atlantic and Southwestern Bell with this proceeding.

Respectfully submitted,

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August 15, 1996

Attachment 1

NUMERICAL ILLUSTRATION OF HOW A BELL OPERATING COMPANY COMPANY CAN LEVERAGE ITS CONTROL OVER ESSENTIAL FACILITIES TO OBTAIN A COMPETITIVE ADVANTAGE IN VERTICAL MARKETS

This attachment illustrates of how a Bell Operating Company (BOC) can leverage the contribution, subsidies or profits embedded in the price of its essential services (e.g., access services, interconnection services, traffic termination, etc.) to obtain an insurmountable competitive advantage in vertical markets. In particular, it shows that so long as essential services contain any economic margin, a BOC can leverage that margin to gain an unfair competitive advantage over rivals without raising the price of essential services and without pricing below a price floor that imputes the essential service price. Said differently, price caps regulation and imputation are insufficient to prevent anticompetitive abuse in a vertically integrated market.

Table 1 is the base case. Assume that the market consists of a BOC and its competitors who must purchase some essential service (e.g., access services, interconnection, collocation) from the BOC. The BOC sells two groups of services: (1) Essential services; and, (2) Competitive services. In long distance markets, essential services might include access services, which are essential to long distance firms. In local markets and information services markets, essential services might include interconnection services which are essential to local service competitors and information service providers who use the BOCs' local networks.

For purposes of simplification, the illustration assumes that all unit prices and costs apply on a per minute basis, although the same results would apply if prices and

costs were based on different units. The BOC in the illustration has two sources of revenues -- revenues from Competitive services and revenues from the Essential services it sells to competitors. Its costs consist of the unit costs associated with the provision of competitive and essential services and common or fixed costs that cannot be attributed to either competitive or essential services alone.

**TABLE 1
BASE CASE**

BELL OPERATING COMPANY -- BASE CASE						
Service	Price	Unit	Volume (minutes)	Total		Margin (Profits)
		Costs		Revenues	Costs	
Competitive	22¢	10¢ (3¢ essential + 7¢ other)	2 billion	\$440 million	\$200 million	\$240 million
Essential	7¢	3¢	10 billion	\$700 million	\$300 million	\$400 million
Common or Fixed Costs					\$400 million (44% of total costs) (approximately 3.3¢/minute)	(\$400 million)
Total				\$1.14 billion	\$900 million	\$240 million
COMPETITOR -- BASE CASE						
Competitive	22¢	13¢ (7¢ essential + 6¢ other)	10 billion	\$2.2 billion	\$1.3 billion	\$900 million
Common or Fixed Costs					\$300 million (33% of total costs) (approximately 3¢/minute)	(\$300 million)
Total				\$2.2 billion	\$1.6 billion	\$600 million
Comments	By construction, the Competitor is more efficient than BOC in every respect. Its unit costs (apart from the 7¢ per minute it pays to the BOC for essential services) are lower and its common or fixed costs are lower (both as a percentage of total costs and on a per unit basis).					

The Competitor has a similar cost structure, but by assumption, is more efficient than the BOC. The Competitor has lower unit costs (apart from the payments to the BOC for essential services) and lower common costs than the BOC. The Competitor's costs for its provision of Competitive services consist of the payments it makes to the BOC for essential services (7¢) plus the costs of the other inputs the Competitor uses to configure its Competitive services (6¢). In contrast, because the BOC self-provides its essential services (*i.e.*, it does not pay anyone for the essential services it uses in configuring its Competitive services, but merely uses its own essential services), its economic costs for Competitive services is the cost of the Essential services it provides to itself (3¢) plus the cost of the other inputs it requires (assumed to be 7¢ in the example) for its Competitive services.

The BOC's volumes for its Essential services (10 billion minutes) are the same as volumes sold by the Competitor because those Essential services are used in the provision of Competitive services. For example, if the competitive market being considered was the long distance market, the BOC's access volumes and revenues would correspond with the volumes of long distance traffic sold by long distance carriers. The Base Case also assumes that the BOC and the Competitor are already moderately competing with one another, and follow a single market price (22¢) in the competitive market. This limited competition might correspond to the limited competition that now occurs in intraLATA toll markets.

Table 2 presents what can happen if the BOC is allowed to compete on a vertically integrated basis providing both Essential services and Competitive services in competition with Competitors who must purchase the BOC's Essential services.

As shown in Table 2, the BOC reduces the price of its Competitive service to a level that exceeds the imputed price for Essential services (7¢) and the BOC's other costs associated with the Competitive service (3¢). The BOC's price also exceeds the Competitor's unit costs. The BOC's price reduction stimulates some demand for its Competitive service, but its Competitive service revenues decrease. The Competitor matches the BOC's Competitive price reduction, which stimulates demand for the BOC's Essential services. However, even though the Competitor has lower costs and the BOC never resorted to below cost pricing, the Competitor is forced into a loss situation because its margin is insufficient to cover its common costs. The BOC, however, experiences a total profit increase because the margin on the stimulated traffic for the BOC's Essential services more than compensates the BOC for any revenue/margin reductions it realized by reducing its Competitive service prices.

TABLE 2
INTEGRATED PROVISION OF
ESSENTIAL AND COMPETITIVE SERVICES

BELL OPERATING COMPANY						
LOWERS COMPETITIVE PRICE TO COSTS PLUS IMPUTED PRICE OF ESSENTIAL SERVICE						
Service	Price	Unit Costs	Volume (minutes)	Total		Margin (Profits)
				Revenues	Costs	
Competitive	14¢	10¢ (3¢ essential + 7¢ other)	2.7 billion	\$378 million	\$270 million	\$108 million
Essential	7¢	3¢	13.6 billion	\$952 million	\$408 million	\$544 million
Common or Fixed Costs					\$400 million (37% of total costs) (approximately 2.45¢/minute)	(\$400 million)
Total				\$1.33 billion	\$1.078 billion	\$252 million
COMPETITOR						
FORCED TO FOLLOW BOC'S COMPETITIVE PRICE REDUCTION						
Competitive	14¢	13¢ (7¢ essential + 6¢ other)	13.6 billion	\$1.904 billion	\$1.768 billion	\$136 million
Common or Fixed Costs					\$300 million (14% of total costs) (approximately 2.2¢/minute)	(\$300 million)
Total				\$1.904 billion	\$1.768 billion	(\$164 million)
Comments	<p>The BOC lowers the price of its Competitive service offering (which stimulates demand) to a level that exceeds the BOC's Competitive service cost (3¢) and imputes the price of the Essential service (7¢). In fact, the BOC's price exceeds the costs of the BOC's competitor. The Competitor matches the BOC price reduction, and even though it is more efficient, it is driven into a loss situation while the BOC experiences an increase in profits. The result is due to: (1) the Competitor's margin is squeezed to a point where it no longer covers its common or overhead costs; and, (2) the BOC realizes a total margin increase because it earns a margin on the Essential services stimulated by the Competitor's price reduction. The fact that the Competitor has lower costs than the BOC, price caps on essential services, imputation requirements and separate subsidiaries all fail to prevent this result.</p>					

It is important to emphasize three major points. First, price caps on the BOC's Essential services would be ineffective in preventing this anticompetitive result. The BOC drove a more efficient rival out of the market without raising its rivals' costs and without raising the price of the Essential service. Second, requiring that the BOC impute the price of the Essential service into the price of the BOC's Competitive service would also be ineffective in preventing this anticompetitive result. The BOC's Competitive price in the numerical example more than covered the unit costs of the Competitive service (3¢) and the imputed price of the Essential service (7¢). Separate subsidiaries (*i.e.*, adding an "Inc." after the Competitive services or the Essential services) would be ineffective in preventing this anticompetitive result.

Other than regulating the prices and profits of the BOC's Competitive services, the only effective policies for controlling the anticompetitive results illustrated above include, one or more of the following

- ▶ Develop mechanisms where competitors are not dependent on the BOC for essential services. That is, Competitors provide their own Essential services or are able to buy Essential services from other providers. Obviously, developing competitive alternatives to bottleneck local services is a major policy objective of the Telecommunications Act.
- ▶ Require that the BOC prices its essential services at incremental or unit cost (3¢ in the above example). The Commission's pricing and costing rules requiring

that interconnection and access to unbundled network elements at economic costs is an example of pricing essential services at cost.

Attachment 2

Bell Atlantic's Internet Promotional Literature

Bell Atlantic Internet Solutions



What's Hot: Bell Atlantic Launches Dial-up Internet Access

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Introduction

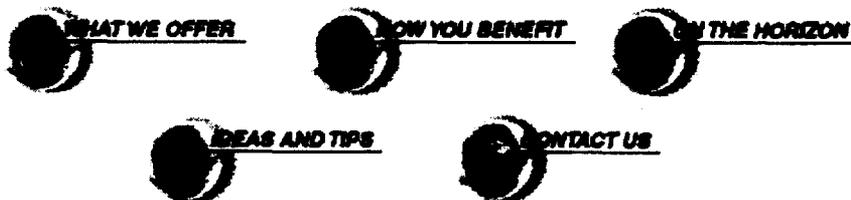
Bell Atlantic, the Heart of Communication, is the one source you've always trusted to understand your needs and to open doors for you and your business. Soon, Bell Atlantic will be your source for access to the Internet as well as communications services such as e-mail and chat, network integration, web site design, hosting, and consultation.

At Bell Atlantic Internet Solutions, we are committed to giving you a simple, reliable, and trusted source for Internet service. Your service will be custom-designed to enhance your communications capabilities and provide solutions that maximize your productivity ... as well as the information and excitement of the Internet. Let Bell Atlantic experience and expertise work with you -- and for you.

Bell Atlantic continues its commitment to find even better ways to serve you -- our personal, flexible, reliable, comprehensive Internet Solutions are proof of that commitment.

Visit all the areas in our site and see for yourself why Bell Atlantic Internet Solutions is the place to go for your Internet needs.

** Global Service Provider to be selected by customer and provided by a third party carrier.*



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Bell Atlantic Launches Internet Access

30 Days of Free Unlimited Access

Bell Atlantic.netSM, a dial-up Internet access service, is now available to consumers and businesses in the Washington, D.C., and Baltimore metropolitan areas. For a limited time, Bell Atlantic will offer new subscribers 30 days of free unlimited Internet access.

The dial-up service augments the high-speed private-line Internet access and World Wide Web services for businesses and governments that have been available from Bell Atlantic in these markets for the last several months.

Bell Atlantic .net



Bell Atlantic.net makes connecting to the Internet as easy as using the telephone. **Bell Atlantic.net** comes with everything you'll need to browse, e-mail, chat and search the Internet. Our site provides clear navigation and easy access to local information as well as numerous other sites on the World Wide Web.

You'll always spend more time finding and less time searching for what you want -- whether for pleasure or business. Take a short tour of **Bell Atlantic.net**, read the Bell Atlantic.net news release to find more information on areas of availability and pricing, and then contact us to request a free copy of **Bell Atlantic.net** software.



Bell Atlantic Internet Solutions provides a full suite of services -- plus the expertise to customize these services into a comprehensive Internet solution that fits your exact needs now . . . and as you grow. From high-speed connections to security features to hosting your own Internet site, you can count on Bell Atlantic to tailor these services into a fully integrated solution. Learn how Bell Atlantic Internet Solutions meets all of your needs. For Bell Atlantic Internet

Solutions service availability, check our Commercial Availability Schedule. Or simply contact us if you want more information.

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THE BELL ATLANTIC INTERNET SOLUTION

The connection that opens doors . . . and opportunities!

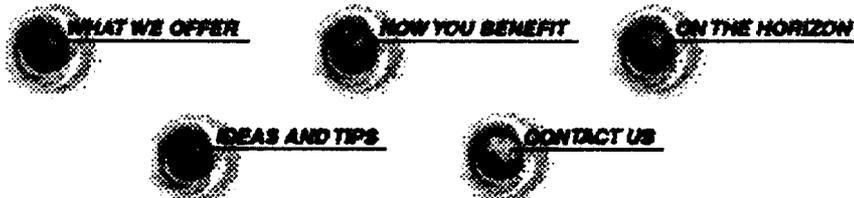
You want to establish a presence on the World Wide Web and mine the Internet for contacts, resources, and information! Bell Atlantic is your source for the tools and capabilities you'll need to translate the Internet into bottom-line benefits for your business.

To learn when Bell Atlantic Internet Solutions services will be available in *your* area, check the Commercial Availability Schedule.

Simply click on the choices below to explore how Bell Atlantic Internet Solutions can provide you with:

- Access and Connectivity
- Communications
- Network Configuration
- Web Services

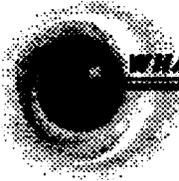
Bell Atlantic provides a full suite of services -- *plus* the expertise to *customize* these services into a comprehensive Internet solution that fits your exact needs now . . . and as you grow. These services may be purchased individually, or as a customized package. No matter what services you choose, you can count on Bell Atlantic to tailor those services into a fully integrated solution.



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**© Bell Atlantic Internet Solutions****WHAT WE OFFER****ACCESS & CONNECTIVITY***

- Internet Connection & Transport Service
- Dial-up Access (Plain Old Telephone Service)
- ISDN (Integrated Services Digital Network)
- Frame Relay Service
- SMDS (Switched Multi-megabit Data Service)
- DS0-DS1 (Digital Service)
- Equal Access to Inter-LATA Internet Carriers
- Installation and Consulting Services
- Help Desk and Technical Support
- Pricing

**Subject to receipt of regulatory approval.*

Internet Connection & Transport Service

Bell Atlantic offers you a variety of ways to connect with the Internet. What type of access is right for you? That depends on how you will use your Internet connection.

Below are brief descriptions of the options that may be considered.

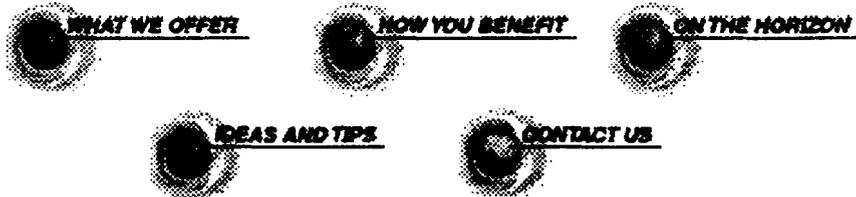
- **Dial-up access** is available through a standard analog telephone or Centrex line -- "Plain Old Telephone Service." Dial-up lines are ideal for limited Internet access because, other than a modem, no special equipment is required. In addition to providing an Internet connection, dial-up lines are well-suited for your other transactions, such as transmitting accounting information or customer records.
- **ISDN**. Integrated Services Digital Network, a dial-up service, increases the speed and capacity of your telephone lines. In addition, you get enhanced voice communications features and more. Think of being able to use your fax, phone, and computer -- all at one time with ISDN. The result is that you connect to the Internet with one phone line that can transmit voice, data, and video to and from distant locations *simultaneously*. ISDN's high capacity is an affordable way for small businesses to connect different locations and share in applications such as Web browsing, file transfer, desktop videoconferencing, and e-mail. If speed and time are critical, ISDN outpaces anything available today to business and residential customers. For high speed, high capacity Internet Access, ISDN is an excellent choice. This digital connection uses standard

Equal Access to Inter-LATA Internet Carriers

You've made a great decision in choosing Bell Atlantic as your Internet Service Provider. Bell Atlantic, with the Internet Inter-LATA Carrier (IIC) of your choice, brings you Internet access. For access to the Internet, you will need to select both a local service provider (you have chosen Bell Atlantic), and an IIC for the long-distance component of your service.

Through its homepage gateway, Bell Atlantic Internet Solutions give you access to information and services located on the global Internet. Simply tell us which Inter-LATA Internet Carrier you wish to select from the ballot provided or via onscreen registration and we'll configure your service accordingly.

For more information, go to our IIC Q&A section, or contact our representatives at baissales@bawave.com or call 1-888-NET-2100.

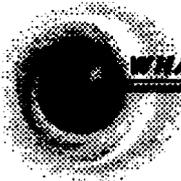


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WHAT WE OFFER

Inter-LATA Internet Carrier (IIC) - Frequently Asked Questions

Q. What is an IIC?

- IIC stands for Inter-LATA Internet Carrier. IICs are companies which provide connections directly to the Internet -- a service that Bell Atlantic cannot provide to its customers in-region at this time.

Q. Why do I have to choose an IIC?

- Communications over the Internet have been ruled a long-distance service. Until Bell Atlantic receives approval to enter the long-distance market in our 7-state region, you will be asked to choose a "long distance" Internet carrier for Internet connections. This is very similar to choosing your long distance carrier when you establish your local phone service with Bell Atlantic.

Q. Who will bill me?

- That depends on which IIC you choose. Bell Atlantic Internet Solutions may bill on behalf of an IIC, or the IIC may bill you independently.

Q. Is there anything else I need to know about IICs?

- You need to be aware that pricing may change. If you have additional questions or want further information, please call us at 1-888-NET-2100 anytime, 24 hours a day, 7 days a week. Or, you can e-mail us at baissales@bawave.com.

Thank you for choosing Bell Atlantic Internet Solutions to give your business the full reach and benefit of the Internet.



WHAT WE OFFER



HOW YOU BENEFIT



ON THE HORIZON



IDEAS AND TIPS



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**WHAT WE OFFER****PRICING AND BILLING INFORMATION**

If you are interested in business access pricing, see below.

If you are interested in dial-up Internet access, including ISDN, see individual services.

BUSINESS ACCESS PRICING - High Capacity Dedicated Internet Access Services**SUGGESTED RETAIL PRICE**

Transport Option	Speed	Monthly Rate	12-Month Contract	24-Month Contract	NRC
Frame Relay	56 Kbps	N.A.	\$225/month	\$200/month	\$500
	1 Mbps	N.A.	\$850/month	\$800/month	\$500
SMDS	56 Kbps	\$200/month	\$185/month	\$170/month	\$500
	1.17 Mbps	\$800/month	\$775/month	\$750/month	\$500
	4 Mbps	N.A.	\$3,000/month	\$2,800/month	\$1,000
	10 Mbps	N.A.	\$5,000/month	\$4,500/month	\$1,000
	16 Mbps	N.A.	\$7,000/month	\$6,300/month	\$1,000
	34 Mbps	N.A.	\$10,000/month	\$9,000/month	\$1,000
DS0	56 Kbps	N.A.	\$480/month	\$450/month	\$500
DS1	1.544 Mbps	N.A.	\$900/month	\$875/month	\$500

Transport prices not included.

Prices subject to change on 30 days notice.

Premise CSU/DSU and Router are not included.

All Dedicated Services include, at customer request:

- Domain Name Service (primary and/or secondary)
- Domain Name Registration
- Routing Service
- Appropriate Network-side Datacom Equipment
- Mail Relay Service