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PACIFIC X TELESIS
Group-Washington

January 31, 1997

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William F. Caton
Acting Secretary
Federal Communications Commission
Mail Stop 1170
1919 M Street, N.W., Room 222
Washington, D.C. 20554

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JAN 31 1997
FEDERAL COMMUNICATIONS
OFFICE OF SECRETARY

Dear Mr. Caton:

Re: Electronic Publishing, CC Docket No. 96-152

Today, I spoke to John Nakahata, Chief, and Tom Koutsky of the Competition Division, Office of General Counsel, regarding the services offered by Pacific Bell Interactive Media, and described in the attached material. We discussed the meaning of Section 274(a) in light of PBIM's use of a third-party connection to disseminate its material. We are submitting two copies of this notice, in accordance with Section 1.206(a)(1) of the Commission's rules.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions.

Sincerely yours,



cc: John Nakahata
Thomas Koutsky

Attachment

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CC Docket No. 96-152 Ex Parte

- Activities not subject to separation
- Joint marketing
- Structural separations

Exceptions to Section 274

Electronic Publishing Services Requirements

- Internet access services consisting of gateways, including introductory information content, and navigational systems, are not electronic publishing
- Electronic publishing services not disseminated by means of the BOC's basic telephone service are not subject to section 274

Internet Access Service Is Not Electronic Publishing

- Internet access service allows a customer to connect to an Internet service provider's (ISP's) point of presence (POP) using the traditional local loop
- Internet access service does not involve dissemination, provision, publication, or sale of information and is not "electronic publishing"
- Whether specific additional Internet services provided by a BOC-affiliated ISP involve "electronic publishing" should be determined on a case-by-case basis

Pacific Bell Internet Service (PBI)

- Internet access service
- Internet-related services that are not “electronic publishing”
 - Automated online installation and registration
 - Full, unrestricted access to the World Wide Web
 - Online navigational assistance and introductory information content
 - Domain Name Registration with the appropriate Internet address naming authority
 - Primary and backup Domain Name Services (“DNS”) which translates domain names to Internet Protocol Address (“IP Addresses”)
 - Electronic Messaging and Email Spooling Services (back-up email storage)
 - Access to Internet Usenet news feeds
 - Online and telephone-based customer service and support
 - Software for sending email and accessing web-based resources (aka “Browser”)

Pacific Bell Interactive Media (PBIM) At Hand_{sm} Service

- Allows customers to access an information guide to products and services throughout California
- Content is organized into themes of interest such as
 - Entertainment & Leisure
 - House & Home
 - Sports & Outdoors
- At Hand_{sm} information is obtained from the businesses listed in the guide and third-party content providers.
- At Hand_{sm} involves “electronic publishing” by PBIM

Dissemination of the At Hand_{sm} Product

- PBIM uses MFS links to make its At Hand_{sm} service available via the Internet
 - MFS provides transportation of information from PBIM's Pasadena corporate offices to PBIM's web site equipment in Mountain View
 - PBIM's web site equipment is located in a facility operated by Internet Systems, Inc. (ISI)
 - (ISI) connects PBIM's web site equipment to the Internet using MFS links
- PBIM does not use Pacific Bell's basic telephone service to disseminate At Hand_{sm}

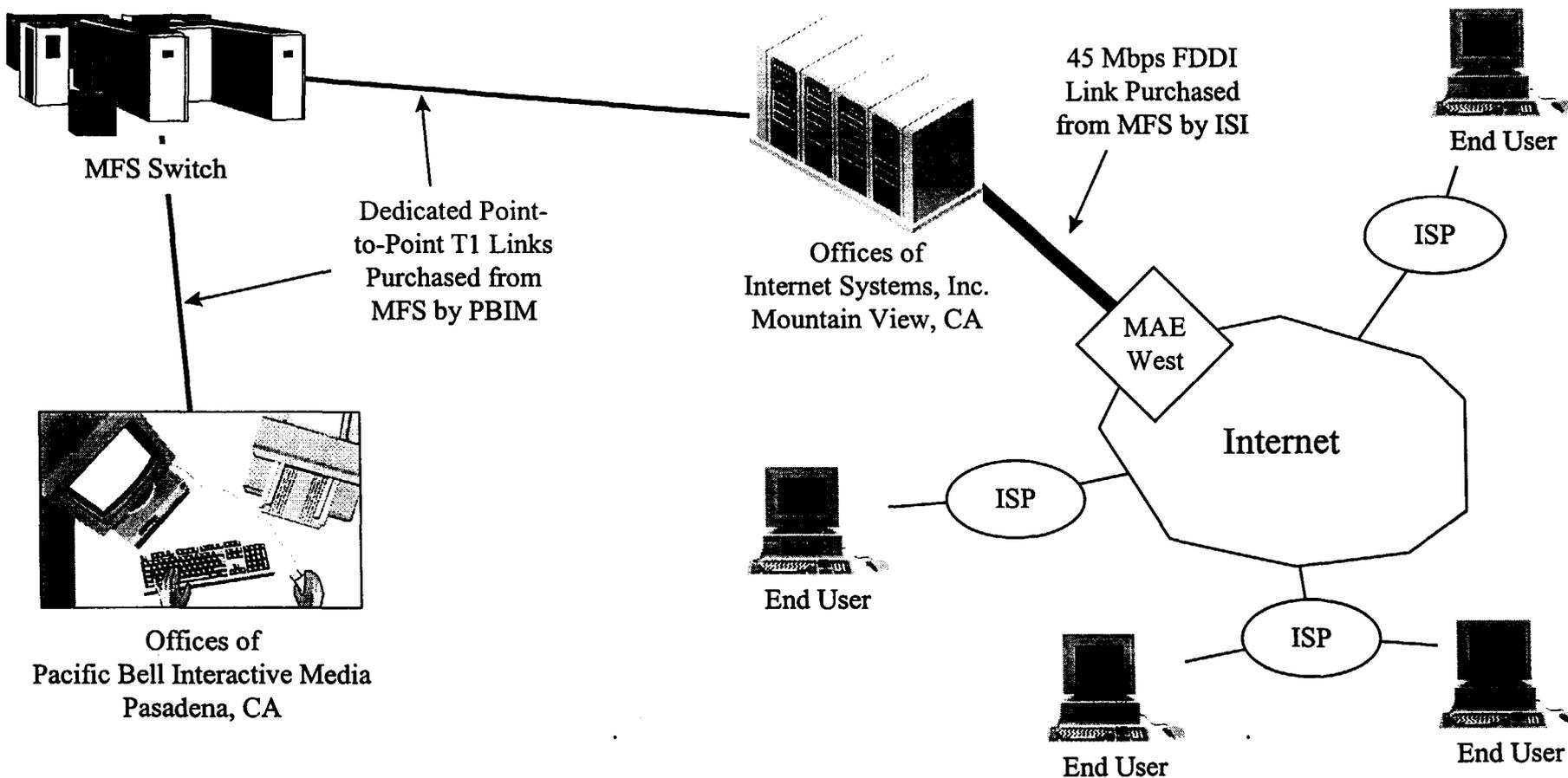
Consumer Access to At Hand_{sm}

- Consumers access At Hand_{sm} via the Internet
- Consumer selects an Internet Service Provider (ISP) and a means to connect to the ISP from the customer's computer
- Connection to the ISP can be made by numerous means—
 - Dial-up access via local service
 - Use of a dedicated facility
 - Use of a wireless or cellular provider
- These choices are made by the consumer, not Pacific Bell or PBIM

The Section 274 Separated Affiliate Requirement Does Not Apply to PBIM

- The separate affiliate requirement applies to electronic publishing services disseminated by means of the BOC's basic telephone service
- PBIM connects to the global Internet without using Pacific Bell basic telephone services in order to disseminate the At Hand_m product
- Consumers choose the means by which they access the Internet

PBIM Is Not Disseminated by Means of Pacific Bell's Basic Telephone Service



January 29, 1997

Pacific Telesis Group

Other Activities *Not* Subject to Structural Separation

- Video services may be provided by any company, including the electronic publishing affiliate

Section 274(c)—Joint Marketing

- Congress wanted to encourage joint activities between BOCs and others to promote the availability of electronic publishing
- Section 274(c)(1) only restricts BOC activities
 - The separated affiliate may promote, market, sell, or advertise the BOC's services
- Section 274(c)(2) allows teaming or business arrangements
 - These include any lawful arrangements that do not involve BOC "ownership" of the arrangement

Section 274(b)—Structural Separations

- The BOC, the holding company, or another affiliate may provide administrative and other services to the separated affiliate
- A BOC may share R&D with a section 274 separated affiliate as long as the R&D was not performed specifically “on behalf of” the affiliate
 - It is sufficient if the BOC performed the R&D for a purpose independent of the affiliate
 - For example, the BOC might engage in R&D to improve access to communications services by persons with disabilities. It could later share the results with the separated affiliate.

Summary

- Internet access is not subject to section 274 because it does not involve electronic publishing
- Pacific Bell Interactive Media is not subject to section 274 because its electronic publishing product, At Hand_{sm}, is not disseminated by means of Pacific Bell's basic telephone service
- The Commission should interpret the joint marketing and structural separations requirements consistently with Congress' intent to encourage the development of electronic publishing

News Release

Pacific Bell Interactive Media
35 North Lake Avenue, Suite 300
Pasadena, California 91101
Telephone: 1 888 4AtHand
Fax: 818.585.9774
www.athand.com



NEWS -- FOR IMMEDIATE RELEASE

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PACIFIC BELL AT HANDSM PREMIERES A MUST-SEE WEBSITE GUIDE TO MERCHANTS AND SERVICES THROUGHOUT CALIFORNIA

PASADENA, Calif., August 30, 1996 -- Californians can now utilize the vast information-gathering power of the World Wide Web to access a wealth of purchasing information with today's launch of Pacific Bell At HandSM (www.athand.com), a comprehensive on-line guide to merchants and services throughout the state. The free-to-use guide combines editorial content from 45 popular books and magazine titles with 1.2 million merchant listings and information from over 65 advertisers.

Pacific Bell At Hand has taken an innovative and ambitious approach for an on-line guide by thoroughly covering the entire state. By focusing on the area Pacific Bell has served for over 100 years, At Hand taps into the high concentration of Web users in the state in which approximately 40% of the world's Web traffic originates or arrives.

"We've used this new medium to create a truly useful guide that combines the functionality of a directory with the entertainment and reference value of books and magazines," said Jeff Killeen, CEO of Pacific Bell Interactive Media, Inc. "At Hand puts all this organized information at users' fingertips, then provides personalized services such as maps and lists to make their shopping easier."

Jeff Rios, manager of interactive services for The Good Guys, a consumer electronics retailer, explained why the company chose At Hand for its first Internet advertising effort, "The information Pacific Bell At Hand has pulled together would be costly and time-consuming for people to research on their own. We think this will be genuinely helpful for our customers. At Hand is a one-stop, problem-solver for shoppers."

Electronic, Theme-based Merchant Guides

At Hand is designed to make purchasing decisions more efficient and convenient for the need-it-now shopper while also providing the best possible information resource for the category enthusiast or careful purchaser. For example, shoppers who want to find a gift for a golfer can easily locate promising merchants near their home or work locations, find out store hours, and quickly get maps on any scale. Golf enthusiasts will be able to browse golf course reviews from Foghorn's California Golf and get tips from the pros in Golf Digest. And if they're thinking about making that big investment in a good set of clubs, they can peruse equipment reviews and find out about sales and special promotions.

Pacific Bell At Hand is organized according to an original and efficient hierarchy that groups hundreds of merchant categories into 13 themes. Comprehensive listings are included for all 13 theme guides. Initially, the listings in three of the guides have been enhanced with information such as business hours, credit card acceptance and special services. Ten additional guides will be enhanced in the months to come. The three showcased guides, House & Home, Entertainment & Leisure, and Sports & Outdoors are interwoven with articles and information from 45 books and magazines displayed next to related merchant listings.

Integrated Editorial Content

At Hand offers recognized editorial opinions to help shoppers make better purchasing decisions. Editorial content provided by 14 well-known publishers, including HarperCollins Publishers, Hearst HomeArts, New York Times Company Magazines Group and American Express Publishing, is featured throughout the enhanced guides. Titles such as People magazine's "Picks and Pans," Zagat's Restaurant Surveys and Playbill offer engaging and useful content accessible within At Hand's Entertainment & Leisure category. House & Home is decorated with content from Good Housekeeping, Food & Wine and over 1,000 Los Angeles Times Syndicate's "Do-It-Yourself...Or Not?" columns. Golf Digest, California Camping and Ski Country Access Guide bring all of California out to play on Sports & Outdoors.

Tim Albright, manager of new media for American Express Publishing said, "Pacific Bell's premier customer base and powerful brand make it an ideal online partner to showcase Travel & Leisure and Food & Wine. Many of our readers are on the Internet and we believe that matching the editorial recommendations of our publications with At Hand's extensive California database of restaurants, hotels, spas and vacation areas, creates a premium lifestyle information service."

Relevant Advertising

At Hand is a new kind of advertising medium for both consumers and merchants. Consumers encounter only advertising relevant to the content they are interested in, and advertisers benefit by being in the right place at the right time. With its unique ability to deliver messages to interested audiences, At Hand provides advertisers a cost-effective method for reaching the large audience that is rapidly coming on-line.

"We targeted mainstream retailers and services that have strong California presences to make sure customers see the businesses they know and trust," said Carla McMorris, At Hand's director of marketing, advertising and sales. "More than 20 national advertisers are on board, while many regional and local advertisers have found that At Hand is a place on the Web that is ready-made for them."

Customized California Mapping

At Hand's mapping function has been developed in cooperation with Thomas Brothers Maps, the West Coast leader in cartography. As a result, it may be the most detailed and scalable mapping function available on a commercial website today. Users of At Hand can specify any area in California, from a one-mile radius around a specific address to an entire city, and print out maps locating the retailers they have selected.

Corporate Description

Pacific Bell At HandSM is the product and service of Pacific Bell Interactive Media, a subsidiary of Pacific Telesis Group which is a diversified telecommunications

corporation based in San Francisco. At Hand acts as a localized and personalized electronic intermediary through which users can access a wide variety of theme-based information resources and through which businesses can advertise, communicate and transact with consumers. Pacific Bell Interactive Media is located at 35 North Lake Avenue, Suite 300, Pasadena, Calif. 91101. For business information call (888) 4AtHand, fax (818) 585-9774. The information email address is: reachus@athand.com.

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At HandSM is a trademark of Pacific Telesis. All other trademarks are the property of their respective owners.

NOTE TO EDITORS: Additional press releases are available describing each of the three theme guides, the participating publishers and licensed editorial content. Slides can also be provided upon request. Additional information is available from the contacts listed on this release.

**Pacific Bell
At HandSM**

PACIFIC * BELL

*at hand*SM

1-888-4ATHAND
707-441-1111
1-800-441-1111
www.athand.com

The 100% California Web SiteSM

It's 7 p.m. on a Friday and you're in the mood for an Italian dinner. You want something different than the neighborhood pizza place, but you don't feel like trekking too far. What's the top-rated Italian restaurant within a mile of your house?

Pacific Bell At Hand can tell you.

At Hand is part of today's fastest growing form of communication – the Internet. Created specifically for the California market, At Hand provides a unique combination of business listings, respected editorial and value-added advertising. It's the ultimate tool for consumers who want to inquire, shop, compare and find out what's happening in the California marketplace.

Local and Comprehensive

With over 1.2 million listings, At Hand is a comprehensive directory of information on just about every business in California - from restaurants to roofers and sporting goods retailers to spas. And with the enhanced merchant listings, you'll find hours of operation, payment options and special services. At Hand will even map the location for you.

Respected Editorial

Organized into thirteen themed categories, At Hand provides product reviews and editorial features from some of the nation's most popular and respected sources of information. You're a click away from reports on new products, how-to guides, survey results and articles from leading publications like People Magazine, Travel & Leisure, Zagats Restaurant Surveys, Good Housekeeping, Golf Digest, Billboard Magazine, Foghorn Press guidebooks and more.

Value-Added Advertising

At Hand aligns advertising with related product categories, providing targeted opportunities for both businesses and buyers. Consumers find the facts they need, and businesses can attract, inform and motivate them with specific messages, special offers and discount coupons.

Useful. Rewarding. Valuable. Free.

At Hand is useful because searching for a California business is quick and uncomplicated; rewarding because you find what you're looking for; valuable because business listings and advertising are integrated with product information and free because it costs nothing to use.

www.athand.com The 100% California Web SiteSM

**What is
At Hand_{SM}?**

PACIFIC * BELL

*at hand*SM

At Hand_{SM} is a
web site created
specifically for
California consumers.
www.athand.com

Pacific Bell At Hand_{SM} is part of today's fastest growing form of communication -- the Internet. At Hand provides a unique combination of business listings and merchant databases, respected editorial and value-added advertising. It is the ultimate tool for Californians and a completely fresh, brand new way to reach your customers.

There are a lot of guides on the Internet, but they're only as useful as the other sites they point you to.

How is At Hand different?

At Hand is a web site created specifically for California consumers. It's the Internet guide for all of California. Lots of information logically organized and easy to find. Regionally focused and comprehensive on a local and statewide level. At Hand has information on just about every business in California -- from restaurants to roofers and sporting good retailers to spas.

Users will search for a specific business, needed products and services, or research shopping interests on almost any topic. And the information is comprehensive statewide, so they will search for things in their neighborhood or in any other city in California.

And they get extra information along the way because At Hand is more than just listings -- At Hand gives access to the experts. Buyers are a click away from in-depth articles, product reports and more -- all from respected information sources.

At Hand makes finding information easy.

And that's a plus for advertisers as well as consumers. For example - let's say you own a popular restaurant in Monterey and you're interested in attracting new customers and staying close to your loyal ones. At Hand helps you reach your target by putting your business in front of Californians right when they want you:

- They will search for you by name...
- They will search for you by cuisine and location...
- They will search for you by reviews and ratings...

And they will find you.

Advertising is information when you need it.

Californians using At Hand are looking for information and they will find it quickly and easily. Make sure you're there to give them the information they're looking for.

For a variety of advertising opportunities, please call toll-free 1.888.4AtHand or email us at sales@athand.com

**At Hand.
Content Partners**

PACIFIC * BELL

at hand™

www.athand.com

The Pacific Bell At HandSM website provides a unique mix of respected editorial content with comprehensive merchant directories and relevant advertising. This combination makes At Hand a distinctive shopping guide that is informative and entertaining. We are proud to introduce the first group of content relationships with well-known and respected publishers with a focus on the California lifestyle.

Editorial Content Providers

At Hand has signed agreements with American Express Publishing, BAM Media, BPI Communications, California State Parks Foundation, Competitor, Inc., Foghorn Press, HarperCollins Publishers, Hearst HomeArts, Los Angeles Times Syndicate, New York Times Company Magazine Group, Playbill, Time Inc., Tribune Media, World Publications Inc., and Zagat Surveys.

Entertainment & Leisure

Travel & Leisure	Food & Wine	BAM Magazine
Billboard Magazine	Hollywood Reporter	LA Access Guide
SF Access Guide	San Diego Access Guide	Wine Country Access Guide
Ski Country Access Guide	Playbill Magazine	People Magazine
Siskel's Flick Picks	Zagat's Restaurant Surveys	Zagat's Marketplace Survey
Zagat's Hotel Surveys		

Sports & Outdoors

Golf Digest	Tennis	Sailing World
Cruising World	Snow Country	Sport Diver
Sport Fishing	Windsurfing	WaterSki
California City Sport	Competitor Magazine	

Foghorn Press Guidebooks: California Fishing, California Golf, California Beaches, California Camping, California Boating and Water Sports, California In-Line Skating, Tahoe: The Complete Guide

House & Home

Good Housekeeping	Redbook	Popular Mechanic
Country Living	Country Living Gardener	
Los Angeles Times "Do-It-Yourself...Or Not?"		

Pacific Bell At Hand - the 100% California Web SiteSM.

For a variety of advertising opportunities, please call toll-free 1.888.4AtHand or email us at sales@athand.com

Internet Demographics

PACIFIC * BELL

at hand

www.at-hand.com

Internet usage is growing rapidly. By the year 2000 it is expected that the Internet population will grow five fold, with 52 million users worldwide. And with 35% of all Internet traffic originating in California, there's a big opportunity you won't want to overlook.

Who's on the Internet?

Average Age	34
Male	68%
Female	32%
Married	41%
Average household income	\$59,000
College degree	65%

California is the single largest Internet marketplace:

California has three times the Internet connections of any other state.
Approximately 35% of all Internet traffic originates in California.

It is estimated there are nearly 18 million users worldwide on the Internet today.
The majority, or 14 million, live in the United States.

User growth on the World Wide Web increases approximately 10% each month.
The total number of online households (consumer online and Web-only users combined) is estimated to reach 55 million by the year 2000.

For a variety of advertising opportunities, please call toll-free 1.888.4AtHand or email us at sales@athand.com

**Internet?
World Wide Web?**

PACIFIC * BELL.

at hand

www.athand.com

You hear the hype wherever you are. The Internet. The World Wide Web. What does it all mean? And how can it work for you? Here's an overview of what it is, how it works, who's using it and how Pacific Bell At HandSM can make it work for you.

What is the Internet and the World Wide Web?

In simple terms it can be reduced to about three things: a global communications system, a resource for information of all kinds, and the newest opportunity for reaching consumers. Anyone with a computer, modem, phone line and Internet access can connect to the Net -- and more people are connecting every day. In fact, it's the fastest-growing medium around. It is estimated that nearly 14 million people in the US are using the Net.

The World Wide Web (www) is the part of the Internet that lets you see things graphically, not just text. The Web is a network of many different places called sites. These sites -- or home pages -- are put on the Web by a wide range of people for a wider range of use. Individuals have their own home pages, as do schools and universities, small merchants and large corporations. And the list continues to grow with domains increasing 60% to over 300,000 during the first quarter of 1996.

How does it work?

You travel from one site to another by typing in the site's address or URL (Uniform Resource Locator) or by clicking on highlighted words within a site. For example to reach At Hand's site, you type www.athand.com. When you get there you will find a wealth of information and links to other sites. **The Web is information at your fingertips. Click and go.**

Who uses the Web?

A lot of people including the customers you want to reach. And the numbers grow larger every day, especially in California. There are more connections to the Internet in California than anywhere else in the US:

- 35% of all global Internet traffic originates in California;
- 30% of North American domain names are registered in California.

As an advertiser, that's an audience you can't afford to overlook.

How it can work for you.

The Web is a dynamic, exciting and occasionally overwhelming medium -- how can you attract this audience and reach consumers? Pacific Bell At Hand makes the Web work for you. At Hand is a web site designed for California consumers -- a place they will use to find the information they want when they want it -- the place where they will find you.

Isn't the Internet - and Pacific Bell At Hand - where you want your business to be?

For a variety of advertising opportunities, please call toll-free 1.888.4AtHand or email us at sales@athand.com

Why At Hand..?

PACIFIC * BELL

at hand

www.at-hand.com

It's simple: if California is where you are -- or the market you're interested in -- At HandSM is where you want to be.

Ever heard of striking while the iron is hot?

The best place to advertise is where the buyer is looking for you. At Hand gives you the opportunity to get right in front of your target at the most critical stage of the buying cycle - when they're comparing products and services and choosing a merchant. A ready-to-buy customer, a comprehensive listing of information and your advertising ... there's no better place to connect with consumers.

Consumers will find Advertisers.

At Hand has created a comprehensive package of information that consumers will use to get things done -- to search, compare, locate and buy.

- When they're looking for a product that you carry ... they will find you in our **Theme-Based Shopping Categories.**
- When they're looking for advice ... they will find you in our **Branded Editorial Sections.**
- When they know you by name ... they will find you in the **Comprehensive Merchant Directory.**

With At Hand you select where you want to be on the site, and we'll put you in front of your customer. We can even help you build your ads.

For a variety of advertising opportunities, please call toll-free 1.888.4AtHand or email us at sales@athand.com

**Pacific Bell: In Touch
With California**

PACIFIC * BELL

at hand

www.athand.com

For over 100 years, Californians have counted on Pacific Bell to help them get things done. We've provided tools and resources to make life easier and better. In fact, many of our products -- like the Pacific Bell SMART Yellow Pages® and Pacific Bell Voice Mail -- are used by millions of people every day.

At Hand is something new. Nothing like it exists for Californians today.

Pacific Bell is dedicated to keeping pace with high tech. California is the home of technology. As the telephone company for the Silicon Valley and Hollywood, we must stay in touch with cutting edge technologies and new media. Our parent company, Pacific Telesis, has effectively pioneered interactive media and developed new technologies. Things like large scale audio and fax service, wireless video, voice recognition systems, and Personal Communications Services (PCS) keep Californians in front of the technology curve.

Pacific Bell Interactive Media is proud to introduce a product that sets a new standard for usefulness and value -- Pacific Bell At HandSM, an astonishingly comprehensive World Wide Web site that puts everything in California within reach.

If California is where you are or what you're interested in, Pacific Bell At Hand is where you want to be. You can get involved by advertising your business, linking complementary sites, providing editorial material or joining our team. Interested?

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