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GTE Service Corporation

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January 20, 1999

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

Ms. Magalie R. Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Washington, DC 20554

**Ex Parte:**        **Deployment of Wireline Services Offering Advanced Telecommunications  
Capability - CC Docket No. 98-147**

Dear Ms. Salas,

Today Jeff Linder and I, representing GTE met with Linda Kinney of Commissioner Ness' office. We reviewed GTE's current deployment of ADSL services through its incumbent local exchange carrier, the flexible collocation and loop unbundling practices adopted by GTE, and current operations of GTE's major non-ILEC affiliates. We stressed the importance of ensuring that any ruling adopted in this proceeding not impede the provision of advanced services currently offered by GTE's ILEC affiliate to consumers. In addition, we cautioned that the Commission should not adopt rules which would significantly impair the ability of GTE's other business units to develop and offer new advanced services to customers in the future or force them to make costly or unnecessary structural changes. The attached material was used in the discussions.

Pursuant to Section 1.1206(a)(1) of the Commission's rules, and original and one copy of this letter are being submitted to the Office of the Secretary. Please associate this notification with the record of CC Docket 98-147.

If you have any questions regarding this filing, please call me at (202) 463-5293.

Sincerely,

W. Scott Randolph  
Director - Regulatory Matters

Attachment

cc:        Linda Kinney

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## GTE Affiliate Structure

**Corporate Holding Company**, GTE Corporation. Issuer of debt and equity securities, owner of GTE name and trademark.

**Incumbent Local Exchange Company (ILEC)**, GTE Telephone Operating Companies (GTOCs) in 28 states. Advanced Service offerings – ADSL in 30 markets throughout 16 states. Currently provided in 339 central offices that serve over 6 million subscribers. Approximately 100 ISPs have subscribed to GTE's ADSL product. GTE's ISP, a structurally separate affiliate, provides Internet access services to approximately 20% of the total number of GTE ADSL users. By end of 1999, GTE expects to provide ADSL in about 550 offices and to have between 50,000 to 100,000 users.

**GTE Communications Corp.**, provides competitive local exchange, long distance and cable services, with over 3000 employees:

**Competitive Local Exchange Company (CLEC)**, GTE Communications Corp. Two-year old structurally separate, nondominant CLEC working toward nationwide service capability. Primarily provides service on a resale basis. Certified in 25 states with 4 others nearly completed. 9 outside the GTOC franchised states. Advanced service products - frame relay, private line and testing deployment of xDSL service in 1999.

**Interexchange Carrier (IXC)**, GTE Long Distance, in all 50 states. Two and one-half year old nondominant national and international provider of interexchange services currently on a resale basis to 2,832,764 subscribers. Advanced Service offerings - private line, frame relay, and ATM primarily on a resale basis.

**Title VI Cable Provider**, GTE Media Ventures. Two-year old provider of cable television, DSS services, and cable modem service. Offers cable television service in direct competition with traditional cable companies, in 3 states to 132,990 customers. Advanced Service offerings - cable modem service and testing deployment of xDSL service in 1999.

**GTE Internetworking** - Offers customers from consumers to Fortune 500 companies a full spectrum of integrated Internet services using IP networking technologies. Through BBN Technologies, operates a major national high-speed facilities-based Internet backbone network and enhanced IP services. Intelligent Network Services (INS) offers dial-up Internet access services, SS7, and Managed Connectivity Service to 496,465 consumers and small businesses in all 50 states.

## DESCRIPTION OF GTE'S NATIONAL ADVANCED SERVICES PLAN

### 1. Separate Affiliate Elements of the NASP

- An ILEC's advanced service affiliate should maintain separate books of account.
- The affiliate should not jointly own transmission or switching facilities with the ILEC, but should be permitted to transfer personnel and other resources or assets that were deployed before the final date of the Commission's order resulting from the *Advanced Services NPRM*.
- The affiliate should acquire any tariffed services from the ILEC at the tariffed rates and should be permitted to obtain unbundled network elements and services for resale pursuant to an approved interconnection agreement.
- The affiliate shall be a separate legal entity from the ILEC.
- The affiliate may be staffed by personnel hired from the ILEC and affiliate personnel should be housed in segregated space.
- The affiliate should not obtain credit under any arrangement that would permit a creditor, upon default, to have recourse to the assets of the ILEC. Holding companies typically finance both ILEC and other operations through the common corporate parent. The rule does not disturb this longstanding practice.
- Contracts between the ILEC and its affiliate should be disclosed to regulators upon request.

## 2. Collocation Elements of the NASP

- Upon request, collocating parties should have the flexibility to place their equipment in "shared" collocation space dedicated to CLEC use, with or without employing cages.
- CLECs should be permitted to use a third-party inspection in conjunction with state commission review to confirm that space in a central office is exhausted. Upon confirmation by the state commission, the third party's finding would be conclusive with respect to that central office unless and until space becomes available. Its fee would be paid by the CLEC if the ILEC's finding of exhaustion is upheld, and by the ILEC if the finding of exhaustion is overturned.
- CLECs should have the flexibility to lease collocation space in increments of 25 square feet.
- CLECs should be able to sub-lease space within collocation cages, as long as the original requesting party remains liable for payment to the ILEC and for security within its collocation cage.
- CLECs using common space (whether or not caged) should be permitted to use their own technicians to cross-connect their equipment with one another, provided that they do not use GTE infrastructure and follow all applicable building codes and GTE cabling standards.
- ILECs should remove obsolete equipment (if any) at the request of any collocating CLEC, so long as the CLEC agrees to pay the costs of such removal.
- On a case-by-case basis, ILECs should permit CLECs to lease unused ILEC property for the purpose of constructing their own adjacent facility where central office collocation space is exhausted.

## 3. Loop-Related Elements of the NASP

- ILECs should permit sub-loop unbundling upon bona fide request where technically feasible.
- ILECs may voluntarily provide conditioned loops even where they have not deployed advanced services, if they recover their actual costs of performing the conditioning.

DOCUMENT INDEX TERMS

3060-0486  
Expires 10/31/94

Public reporting burden for this collection of information is estimate to average 1 minute per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and reviewing the collection of information, including suggestions for reducing the burden to the Federal Communications, Information and Records Management Branch, Room 418, Washington, DC 20554 and to the Office of Information and Regulatory Affairs, Office of Management and Budget, Paperwork Reduction Project (3060-0486), Washington, DC 20503.

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- 6. Attorney/Author Name (last, first, mi) Randolph, W. Scott
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