

April 14, 2000

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

EX PARTE

Magalie Roman Salas
Secretary
Federal Communications Commission
445 Twelfth Street S.W.
Washington, D.C. 20554

Re: *In re GTE Corp. Transferor and Bell Atlantic Corp., Transferee for Consent to Transfer Control*
CC Docket No. 98 - ~~741~~
184

Dear Ms. Salas:

On April 13, 2000, Lisa R. Youngers and I of MCI WorldCom, Inc., and Jerry Epstein of Jenner and Block met with Jake Jennings, John Stanley, and Michael Jacobs of the Common Carrier Bureau, Policy and Program Planning Division to discuss Bell Atlantic/GTE's proposed uniform OSS merger condition in the above-referenced proceeding. MCI WorldCom's overall position is that the merger application of Bell Atlantic and GTE should be denied because of the potential public interest harm that would result from this merger.

Generally, we stressed the need for uniformity in OSS between Bell Atlantic and GTE, including uniformity in business rules, valid values, data format specifications and transport and security protocols. We also highlighted our experiences with Bell Atlantic and SBC to date regarding implementation of uniform interface obligations. In addition to summarizing the points made in our Comments, we emphasized the importance of including the following details in the OSS merger condition, should the merger be approved:

1. The change management paragraph should specify that Bell Atlantic must implement operationally ready interfaces and comply with all change management requirements, including, but not limited to, requirements for releasing production ready code to CLECs and maintaining a stable test environment. The conditions should clearly state that an interface is not considered timely implemented unless all change management rules have been complied with. The definition of change management rules that the combined company would be required to comply with region-wide must include the "CLEC Test

Environment for New Releases and New Entrant Testing” (July 20, 1999), which Bell Atlantic is already required to follow. The Commission should make clear that releasing interfaces that are not operationally ready and that have not fully complied with change management requirements will not satisfy this merger condition.

2. In order to ensure compliance with the conditions, the Arbitrator referred to in the proposed conditions must explicitly be given unlimited power to issue injunctive relief to enforce the conditions, including all requirements referenced in the conditions (such as the power to order specific interfaces or business rule solutions, mandate a schedule for compliance, and require strict adherence to testing requirements, other aspects of change management and implementation deadlines), and to issue monetary remedies for noncompliance with any of these conditions. Absent such authority, the Commission would be forced to adjudicate remedies for which the Arbitration Panel lacks authority.
3. The list of potential arbitrators should not be a list generated from Bell Atlantic/GTE but rather should come from a neutral source such as the American Arbitration Association or the CPR Institute, pursuant to rules established by those entities for selecting neutral arbitrators.
4. The language “substantial compliance” must be deleted from the merger conditions to avoid protracted litigation over ambiguous terms. If Bell Atlantic/GTE violate the conditions, the degree of noncompliance can be taken into account in assessing the appropriate remedy.
5. At a minimum, an effective Plan of Record must include the following so that CLECs can create business plans and work towards launch dates:
 - Identification of specific systems and documentation.
 - Planned enhancements.
 - Time line with specific dates/deadlines towards final implementation dates. The plan must include dates for specific deliverables (e.g. weekly deliverables) and should be subject to comment by CLECs. The Plan should include sufficient detail such as dates for publication of draft business rules, dates for review by CLECs and deadlines for distribution of final documentation. Deliverables should also be filed with the FCC. The Plan should also require regular (e.g. bi-monthly) status report meetings with CLECs concerning compliance with the plan.

Finally, we support using the New York change management process and rules as a starting point for a uniform change management system for a merged Bell Atlantic/GTE. There is no reason it should take 12 months for Bell Atlantic to export the existing change management system used in New York. This could be easily adopted in a time frame closer to 30 days.

In accordance with Section 1.1206 of the Commission's Rules, an original and two copies of this notice are being submitted to the Secretary of the FCC.

If you have any questions, please contact Lisa R. Youngers at (202)887-2828.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karen M. Johnson', with a long horizontal flourish extending to the right.

Karen M. Johnson
Associate Counsel

cc: Jake Jennings
John Stanley
Michael Jacobs

SETTLEMENT AGREEMENT

This Settlement Agreement (this "Agreement") is made this 20th day of August 1999, by and between MCI WorldCom, Inc. ("MCI WorldCom"), a corporation organized under the laws of the State of Georgia with its principal place of business at 500 Clinton Center Drive, Clinton, Mississippi 39056, AT&T Corp. ("AT&T"), a corporation organized under the laws of the State of New York, with its principal office at 32 Avenue of the Americas, New York, New York 10013 (collectively, "Complainants"), and Bell Atlantic Corporation ("Bell Atlantic"), a corporation organized under the laws of Delaware, with its principal place of business in New York, New York and with offices at 1320 North Court House Road, Arlington, Virginia 22201. The signatories to this Agreement will hereafter be referred to collectively as the "Parties."

This Agreement is made as a compromise between the Parties for the complete and final settlement of their claims, differences, and any causes of action with respect to the dispute described below.

PREAMBLE

WHEREAS, on August 14, 1997, the Federal Communications Commission ("FCC") approved the merger of the former Bell Atlantic Corporation and the former NYNEX Corporation subject to certain conditions. *See Memorandum Opinion and Order, In the Applications of NYNEX Corp. Transferor, and Bell Atlantic Corp. Transferee, For Consent to Transfer Control of NYNEX Corp. and Its Subsidiaries*, 12 F.C.C.R. 19985 (1997) (the "Merger Order");

WHEREAS, Condition 2 of the Merger Order provided as follows:

2. Bell Atlantic/NYNEX shall provide uniform interfaces for use by carriers purchasing interconnection to obtain access to operations support systems as follows:

a. Bell Atlantic/NYNEX shall undertake all commercially reasonable efforts to implement each industry adopted standard or guideline established by the Alliance for Telecommunications Industry Solutions (ATIS) for interfaces used by carriers purchasing interconnection to obtain access to operations support systems (OSS) as soon as reasonably possible, and in any event no later than 180 days after final adoption by ATIS. For those standards or guidelines that have been adopted prior to Commission approval of the merger, BA/NYNEX shall fully implement such standards or guidelines as soon as reasonably possible, and in any event no later than 180 days after final approval of the standards or within 150 days from the date of Commission approval of the merger, whichever is later.

b. For those functions for which ATIS has not adopted industry standards, Bell Atlantic/NYNEX initially shall undertake all commercially reasonable efforts to offer to all carriers purchasing interconnection uniform interfaces (including both a GUI-based or other comparable interface and an EDI-based or comparable application to application interface) within the NYNEX region as soon as reasonably possible and in any event within 120 days following Commission approval of the merger. Similarly, Bell Atlantic/NYNEX shall initially offer to all carriers purchasing interconnection uniform interfaces (including offering an EDI-based or comparable application-to-application ordering interface and making available, upon request, PC-based software comparable to a GUI-type interface) within the Bell Atlantic region as soon as reasonably possible and in any event within 120 days following Commission approval of the merger.

c. Subsequently, Bell Atlantic/NYNEX shall undertake all commercially reasonable efforts to offer to all carriers purchasing interconnection throughout the joint Bell Atlantic/NYNEX region uniform interfaces (including both a GUI-based or other comparable interface and an EDI-based or comparable application to application interface) as soon as reasonably possible and in any event no later than 15 months following Commission approval of the merger.

Merger Order, App. C, Conds. 2(a), (b) and (c);

WHEREAS, on June 30, 1999, Complainants filed a complaint with the FCC against Bell Atlantic, seeking: (a) a declaration that Bell Atlantic had failed to provide uniform

interfaces in violation of Merger Order Condition 2(c); (b) confirmation that in order for an interface to be considered uniform across the Bell Atlantic region, it must be defined by the same business rules, data format specifications, and transport and security protocols region-wide; and (c) the establishment of a further phase to address the issue of appropriate relief. *MCI WorldCom, Inc. and AT&T Corp. v. Bell Atlantic Corp.*, FCC File No. EAD-99-0003 (June 30, 1999) (“Complaint”). Complainants contend that Bell Atlantic has not used all commercially reasonable efforts to implement uniform interfaces and did not do so prior to the November 14, 1998 deadline in Condition 2(c);

WHEREAS, Bell Atlantic has denied all such claims and contends that it has fully met Merger Condition 2(c) by using all commercially reasonable efforts to implement prior to November 1998 uniform interfaces (both application-to-application and GUI-based) across its region for each of the OSS functions and that Merger Condition 2(c) does not require implementation of uniform business rules (the “Dispute”), but that in any event Bell Atlantic contends that it is already in the process of pursuing uniformity of its business rules;

WHEREAS, the Parties further recognize that the process of pursuing uniformity of business rules can be furthered through a collaborative process between the Parties;

WHEREAS, the Parties are desirous of resolving the Dispute in this proceeding by way of compromise rather than further pursuing litigation among them; and

WHEREAS, the Parties wish to settle the Dispute to avoid the necessity, expense, inconvenience, and uncertainty of litigation.

NOW, THEREFORE, in consideration of the mutual promises contained herein and other good and valuable consideration exchanged between Complainants and Bell Atlantic, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Dismissal of Complaint

1.1. In consideration of the following, Complainants voluntarily agree to file a motion to dismiss the Complaint with prejudice and agree fully and forever to release Bell Atlantic and its successors, assigns, subsidiaries, directors, officers, agents and employees from any and all past and present claims, demands, charges, complaints, rights or causes of action of any kind, whether arising under federal or local law, for damages, injunctive relief, declaratory relief, attorneys' fees, costs, or any other relief in any way relating to alleged non-compliance with the requirement of Condition Number 2(c) of the Merger Order to provide uniform application-to-application interfaces.

1.2. Except for actions to enforce this Agreement, AT&T and MCI WorldCom will not be a party to, or participate in any way in, any complaint or claim against Bell Atlantic during the term of this Agreement seeking to enforce the requirement of Condition Number 2(c) to provide uniform application-to-application interfaces, unless ordered by a court or a regulatory agency to do so.

1.3. Nothing in Section 1 shall prevent the Parties from asserting or pursuing any claim to enforce the terms of this Agreement.

2. Uniform Interfaces

2.1. Except as provided in sections 2.2 and 2.4 below, Bell Atlantic agrees to implement uniform, application-to-application interfaces across its current thirteen state region and the District of Columbia that provide access to Bell Atlantic's Operations Support Systems

("OSS") supporting the functions of pre-ordering, ordering, provisioning, repair and maintenance, and billing for resold services and unbundled network elements (as well as combinations of unbundled network elements where Bell Atlantic is providing, or at such time will be providing, combinations of unbundled network elements). For the purpose of this Agreement only, the term "interface" is defined to include the following components: business rules (including, e.g., business functionality, fields, and valid values), data format specifications, and transport and security protocols for each function.¹ The interfaces must be the same throughout the Bell Atlantic region. This provision is intended to enable a CLEC to use the same interfaces to perform each of the five OSS functions in all of the thirteen Bell Atlantic states and the District of Columbia.

2.2. The uniformity requirements set out in section 2.1 above do not apply to a particular component of an interface when:

- (a) state or federal regulatory requirements necessarily result in differences in a component of Bell Atlantic's interfaces; or
- (b) differences in Bell Atlantic's products or services² necessarily result in differences in a component of Bell Atlantic's interfaces, including variations due to product designations (e.g., USOCs and FIDs).

Bell Atlantic will explain to the CLECs during the collaborative process described in Section 4 below the reasons that a particular interface component falls within either of the two exceptions.

¹ Bell Atlantic does not agree that the term "interface" includes business rules, but has agreed to this definition for the purpose of this Agreement only. In particular, Bell Atlantic does not agree that the term "interface" as used in the Merger Order includes business rules.

² Differences in products or services include whether such products or services are offered at all.

In the case of differences attributable to state or federal regulatory requirements, this explanation should include a citation to the relevant state or federal requirement; an explanation of why these requirements result in different interface components; and a description of what steps Bell Atlantic has taken to minimize or eliminate the need for different interface components. In the case of product or service differences, this explanation should include a description of the different product or service offerings (with tariff citations where applicable); an explanation of why the differing product or service offerings require different interface components; and a description of what steps Bell Atlantic has taken to minimize or eliminate the need for different interface components. In no case shall the non-uniformity extend beyond that directly caused by the particular state or federal regulatory requirement or product/service difference.

2.3. The Parties will not pursue any course of action inconsistent with the requirements set forth in this Agreement. In particular, in any future collaboratives, the Parties will not take any action to undercut the region-wide uniformity requirement set forth in sections 2.1 and 2.2.

2.4. In attempting to provide uniform interfaces Bell Atlantic will not reduce the existing functionality, products, or services available to MCI WorldCom and AT&T, or decrease the capability to flow through transactions to its OSS systems. If Bell Atlantic cannot provide uniform interfaces without reducing existing functionality or flow through, Bell Atlantic will inform AT&T and MCI WorldCom, and if a mutually agreeable solution cannot be reached, the issue may be brought to the Arbitration Panel described in section 4.5. If the Arbitration Panel determines that the obligations under section 2.1 cannot be achieved without reducing existing functionality or flow through, the affected CIECs as a group may choose whether they

prefer uniformity or the reduction of functionality or flow through. Further, if Bell Atlantic determines that in order to make an interface uniform it must modify its back office systems in such a way that will impact the interfaces currently in use (e.g., LSOG 2 for ordering), Bell Atlantic will inform the affected CLECs, and the affected CLECs may choose whether they prefer uniformity or the impact on their current interfaces. The affected CLECs may also challenge Bell Atlantic's proposed solution, and if a mutually agreeable solution cannot be reached, the challenging party may submit the dispute to the Arbitration Panel described in section 4.5 for resolution consistent with the purposes of this Agreement.

2.5. Bell Atlantic's commitment to provide uniform interfaces shall not relieve Bell Atlantic from previous commitments it has made in collaborative sessions, or other regulatory proceedings without the agreement of the Parties.

2.6. The requirements set forth in section 2.1 apply to future implementation of interfaces beginning with commitments arising from this Agreement and do not require changes to pre-existing interfaces not otherwise addressed in this Agreement.

2.7. In the absence of industry standards, nothing in this Agreement requires Bell Atlantic to implement more than one application-to-application interface for each OSS function unless required by sections 6.1 or 6.3.

3. Pre-Collaborative Submissions

3.1. By September 1, 1999, Bell Atlantic will notify all CLECs on the existing Bell Atlantic Change Management distribution list of the opportunity to participate in the collaborative process described in section 4. CLECs must indicate their intent to participate in writing to Bell Atlantic by September 7. Bell Atlantic will also notify the state regulatory commissions in the states in which Bell Atlantic provides telecommunications service as an

incumbent local exchange company as of the date of this Agreement of the collaborative workshop.

3.2. As part of its September 1, 1999 notification, Bell Atlantic shall provide a list of the existing documentation required to analyze the uniformity of Bell Atlantic's interfaces in the collaborative workshops, including current and planned interfaces. Bell Atlantic will provide copies of this documentation upon request.

3.3. By September 13, 1999, Bell Atlantic will use best efforts to identify for the collaborative participants the non-uniform components for pre-ordering, ordering, provisioning, billing, and repair and maintenance that exist for its business rules, data format specifications, and transport and security protocols that are currently offered or planned to be offered. Bell Atlantic shall further identify which non-uniform components fall within the exceptions set forth in paragraph 2.2.

3.4. On or before September 21, 1999, the CLECs shall provide Bell Atlantic comments on the submission described in sections 3.2 and 3.3. The CLECs will use best efforts to provide a list of any additional fields that they believe are non-uniform. The CLECs will also provide their preliminary reaction to the non-uniform fields that Bell Atlantic contends fall within the exceptions in section 2.2.

4. The Collaborative Process

4.1. The Parties will work in a collaborative workshop in order to establish the uniform interfaces required by the Agreement, as well as interim dates needed to meet the implementation schedule set forth in Section 6. The collaboratives will occur at least 2 days a week and shall commence no later than September 23, 1999. An executive body shall be established to manage the administrative affairs of the collaboratives and appoint persons to

chair the subcommittees described below. The executive body shall consist of one member each from Bell Atlantic, AT&T, MCI WorldCom, and two representatives selected by the remaining participating CLECs.

4.2. The collaboratives will be broken out into subcommittees, which shall run concurrently.

4.3. The collaboratives shall first address the February 2000 I.SOG 4 release. These issues will be resolved no later than September 30, 1999, including resolution of all disputes submitted to the Arbitration Panel as described in this Agreement. Bell Atlantic will use its best efforts to prioritize the following items for the I.SOG 4 February 2000 release. For pre-ordering: parsed CSR, address validation (direct mode), telephone number selection (direct mode), due date availability, and directory listing. For ordering: UNE-P, UNE loops, LNP, XDSL, and directory listing (straight line and complex).

4.4. The work of the remaining collaborative subcommittees shall conclude by December 16, 1999 (including resolution of all disputes submitted to the Arbitration Panel). These collaboratives may be extended by written agreement of the participants in the collaborative sessions.

4.5. A panel of three independent arbitrators ("Arbitration Panel") (or their designated representatives) will oversee the collaborative process. One arbitrator will be selected by the Complainants and one by Bell Atlantic by September 7, 1999. These two arbitrators will jointly choose a third arbitrator by September 15, 1999. None of the arbitrators need to be a member of any approved arbitration body, including the CPR Institute. However, if the Parties agree on a mutually acceptable arbitrator, they can choose to have this arbitrator alone

oversee the collaborative process. The cost of the arbitrators will be divided as follows: Bell Atlantic will pay 50% of the Arbitration Panel costs and the CLECs will divide the remaining portion.

4.6. Bell Atlantic will keep a record of the actions agreed to in these collaborative sessions and circulate it to the CLECs for comments after each meeting. To the extent that a CLEC disagrees with the record, it will note the disagreement in writing.

4.7. As part of the collaborative process, Bell Atlantic commits to making modifications to its documentation that reflect either the agreement of the participants on a particular item or, where applicable, the Arbitration Panel's ruling on that item. Bell Atlantic will share such documentation changes with the other participants in batches no later than the fourth business day of the week after the agreed-upon change or the Arbitration Panel's ruling. Final documentation on agreements and rulings reached during the collaboratives concerning interfaces ("Baseline Documentation") will be provided to the participants no later than two weeks after each subcommittee completes its work and all arbitration issues related to that work are resolved. In all events the Baseline Documentation shall be provided in advance of the dates required under the Change Management process that is currently in place.

4.8. If Bell Atlantic identifies a particular component of an interface as one that may remain non-uniform pursuant to section 2.2 above, it will explain to the CLECs during the collaboratives the reasons for the non-uniformity. Bell Atlantic will work with MCI WorldCom and AT&T and other CLECs in the collaboratives to determine whether there is an acceptable way to make that component uniform. For each component that Bell Atlantic has agreed that it will make uniform or the Arbitration Panel rules shall be made uniform, Bell

Atlantic will work with the collaborative participants to ensure that it is made uniform in a manner that is acceptable to all participants to the collaboratives.

4.9. The collaborative process defined herein constitutes the Change Management steps in which the changes for the new uniform releases will be determined and the documentation for the interfaces will be created.

5. Disputes During the Collaborative Process

5.1. If a CLEC disagrees with Bell Atlantic's conclusion that one or more interface components cannot be made uniform or disagrees with any interim dates proposed by Bell Atlantic,³ the CLEC shall inform Bell Atlantic in writing no later than the date of the conclusion of the relevant subcommittee's work explaining its position and requesting that the matter be scheduled for arbitration. If the dispute involves the February release of LSOG 4 or if any participant believes that resolution of the dispute is necessary in order to proceed with the collaboratives, the matter will immediately be scheduled for arbitration. The participants seeking expedited resolution of a matter other than one related to the February release of LSOG 4 shall state in writing why they are seeking such treatment. All other matters referred to arbitration shall be considered after each subcommittee completes its work.

5.2. Except for the matters relating to the February release of LSOG 4, Bell Atlantic shall have 5 business days after the completion of each subcommittee's work to submit the disputed issues and Bell Atlantic's explanation to the Arbitration Panel. The CLECs will have 5 business days to respond to this submission. The Arbitration Panel will decide whether to hold a hearing and will decide within 10 business days after the CLECs' submissions whether

³ Interim dates are those proposed by Bell Atlantic during the collaboratives. Those dates shall not affect in any way the deadlines imposed by Section 6.

Bell Atlantic has met its burden of demonstrating that the non-uniform fields fall within the exceptions set forth in section 2.2 or that its proposed timeframes are reasonable. The decision of the panel will be final. For matters involving the February release of LSOG 4, Bell Atlantic will have two business days to submit its explanation, CLECs will have one business day to respond, and the Arbitration Panel will have one business day to decide, unless due to multiple requests such a timeline would be unreasonable.

5.3. Disputes regarding the documentation requirement set forth in section 4.7 will be submitted to the panel for resolution. The panel will decide within 5 business days whether the documentation must be revised.

6. Specific Commitments

6.1. *Pre-Ordering.* Bell Atlantic will implement a hybrid LSOG 3/ LSOG 4 release no later than March 1, 2000 that will contain the uniform interface components set forth in the documentation that Bell Atlantic will provide pursuant to section 3.2, together with the additional uniform interface components that are agreed to in the collaborative or that the Arbitration Panel rules should be included in this release. Bell Atlantic will provide this release in two different data format specifications -- EDI and CORBA. By July 1, 2000, Bell Atlantic will implement a subsequent release of this interface that will incorporate all of the changes established by the end of collaborative and that will be 100% uniform across the Bell Atlantic region, with the exception of those interface components that the parties do not dispute, or that the Arbitration Panel rules may be non-uniform because they fall into the exceptions set forth in sections 2.2 and 2.4, or that result from the back-end billing systems referred to in sections 6.4

and 6.4.1.⁴ Bell Atlantic will also provide this release in both EDI and CORBA data formats and will continue to support both formats through the term of this Agreement. The CORBA format will be included in the change management process beginning October 31, 1999.

6.2. *Ordering and Provisioning.* Bell Atlantic will implement an LSOG 4 release no later than March 1, 2000 that will contain the uniform interface components set forth in the documentation that Bell Atlantic will provide pursuant to section 3.2, together with the additional uniform interface components that are agreed to in the collaborative or that the Arbitration Panel rules should be included in this release. By July 1, 2000, Bell Atlantic will implement a subsequent release of this interface that will incorporate all of the changes established by the end of the collaborative and that will be 100% uniform across the Bell Atlantic region, with the exception of those interface components that the parties do not dispute, or that the Arbitration Panel rules may be non-uniform because they fall into the exceptions set forth in sections 2.2 and 2.4, or that result from the back-end billing systems referred to in sections 6.4 and 6.4.1, subject to the limitations in footnote 4. Bell Atlantic will continue to support the LSOG 2 ordering and provisioning release in place today until it implements LSOG 5.

Beginning in June 2000, CLECs will be able to order DS-1 loops for enhanced extended loops

⁴ Any disputes that relate to non-uniformity arising from back-end billing systems may be submitted to arbitration. To prevail, Bell Atlantic must demonstrate that the non-uniformity is directly related to differences in its back-end billing systems and that the non-uniformity will be eliminated with the rollout of expressTRAK. In no event shall the number of non-uniform fields in the July 1 release of LSOG 4 for ordering that are caused by differences in back-end billing systems be greater than twelve (12). In no event shall the number of non-uniform fields in the July 1 hybrid LSOG3/LSOG 4 release for pre-ordering that are caused by differences in the back-end billing system be greater than six (6), excluding the fields in the CABS CSR in the former NYNEX states. Bell Atlantic further warrants that it will use best efforts to minimize such non-uniformity in the July 1, 2000 releases for pre-ordering and ordering. Additionally, the CLECs will have the right to show that a more efficient fix for the non-uniformity is available and that it is reasonable that it be used.

(where applicable) in the former Bell Atlantic states on the ASR.

6.3. *Maintenance and Repair.* Bell Atlantic will make available to AT&T in New York by March 31, 2000 an electronic bonding interface for repair and maintenance based on TIM1 standards 227, 227A, 228 and 262 pursuant to a Joint Implementation Statement (JIS) to be negotiated by November 1, 1999. The interface will include trouble ticket status, trouble ticket creation, trouble ticket closure, trouble ticket modification, trouble ticket cancellation, and mechanized line testing ("MLT") for POTS, including UNE-P. Bell Atlantic will also implement a uniform region-wide electronic bonding interface for repair and maintenance that includes the above attributes as well as additional trouble ticket status information attribute value change ("AVC"), status change notification AVC, the authorization list AVC and the escalation list AVC. Pursuant to the November, 1999 JIS, this uniform interface will be made available region-wide by July 1, 2000, subject to the exceptions in sections 2.2 and 2.4. With respect to both of the interfaces, Bell Atlantic will provide AT&T with at least 30 days to test prior to implementation. If there are disputes in the development of the JIS for the uniform electronic bonding interfaces, these disputes are subject to the arbitration procedures described in this Agreement.

6.3.1. By February 29, 2000, Bell Atlantic will implement an electronic bonding interface for repair and maintenance in the former NYNEX states pursuant to a JIS to be negotiated with MCI WorldCom. This interface will be based on TIM1 standards 227, 227A, 228, and 262 and the electronic bonding interface in the former Bell Atlantic states and will include trouble ticket status, trouble ticket creation, trouble ticket closure, trouble ticket modification, trouble ticket cancellation, and MLT testing for POTS, including UNE-P. By

March 31, 2000, Bell Atlantic will add functionality for additional trouble status information AVC, status change notification AVC, escalation list AVC and set, and authorization list AVC and set. By July 1, 2000, Bell Atlantic will implement with MCI WorldCom, pursuant to the November 1999 JIS described below, an electronic bonding interface for maintenance and repair that contains all of the above-listed attributes and that is uniform region-wide, subject to the exceptions in sections 2.2 and 2.4. With respect to each of the implementation dates in this section, Bell Atlantic will provide MCI WorldCom with at least 30 days to test prior to implementation. Bell Atlantic agrees to finalize the JIS with MCI WorldCom no later than November 1, 1999. If there are disputes in the development of the JIS for the electronic bonding interfaces, these disputes are subject to the arbitration procedures described in this Agreement.

6.4. *Billing.* Bell Atlantic agrees to provide uniform daily usage files region-wide using Exchange Message Interface ("EMI") via Network Data Mover ("NDM") in two separate feeds: (1) one feed for category 10 and 01 records (local), and (2) a separate feed for category 11 records (access and meet point billing). Bell Atlantic further agrees to provide all wholesale billing (for all wholesale services including, but not limited to, resale, UNE-platform (where applicable), UNE-loops, permanent Local Number Portability ("LNP"), and reciprocal compensation billing) using Carrier Access Billing Systems/Billing Output Specifications ("CABS/BOS") Version 31 or higher by January 1, 2000. Bell Atlantic will provide test files, and the schedule for the exchange of those files will be established in the collaboratives.

6.4.1. Subject to the exceptions in sections 2.2 and 2.4, Bell Atlantic agrees to make billing interfaces uniform, including CSRs and billing account structures (including BAN) region-wide over time through roll out of its expressTRAK system. Bell Atlantic will implement

expressTRAK for unbundled loops and the unbundled platform (where applicable) in Maryland, Virginia, New Jersey, and Pennsylvania by September 1, 2000 for new customers, with the roll out completed for existing customers by April 1, 2001. Bell Atlantic will implement expressTRAK for unbundled loops and the unbundled platform (where applicable) in New York and Massachusetts by December 31, 2000 for new customers, with the roll out completed for existing customers by June 1, 2001. The implementation of these interfaces will be managed as a project. A CLEC will not be required to convert its customers to expressTRAK in any given state or the District of Columbia until 6 months after Bell Atlantic begins to implement expressTRAK for retail customers in that jurisdiction. Furthermore, by September 30, 1999, Bell Atlantic will provide MCI WorldCom and AT&T all of the USOCs and FIDs owned by Bell Atlantic, or which Bell Atlantic is authorized to provide to MCI WorldCom and AT&T, associated with expressTRAK and that are available by September 30, 1999, and will provide any changes and updates to these codes as they occur.

6.4.2. With respect to the remaining states, Bell Atlantic plans to begin deployment of expressTRAK for UNE loops and UNE-P no later than December, 2001. Bell Atlantic will use its best efforts to comply with this schedule. Bell Atlantic's failure to meet this schedule set forth in this section 6.4.2 should not be considered a breach of Section 6 and will not be subject to the remedies set forth in Section 9.

6.5. Bell Atlantic is committed to achieving the dates in Section 6. Each Party recognizes the importance of the dates and will use its best efforts to achieve them. If, however, Bell Atlantic cannot meet a deadline imposed in Section 6, it shall immediately notify the CLECs, provide a detailed explanation of the reasons for the delay, and propose a new

completion date. If the CLECs disagree with Bell Atlantic's proposed postponement, they may seek relief from the Arbitration Panel as described in this Agreement. To be relieved of a particular deadline, Bell Atlantic bears the burden of demonstrating to the satisfaction of the Arbitration Panel that it has acted in good faith and has used all reasonable efforts to meet the deadline. If the Arbitration Panel decides Bell Atlantic has met its burden, the Arbitration Panel shall establish a new deadline.

7. Post-Collaborative Implementation

7.1 Bell Atlantic will implement the uniform interfaces identified above and defined in the collaborative process based on the schedule set out in Section 6. The uniform interfaces will be implemented using the Change Management process.

7.2. For purposes of Section 6 the interfaces will be considered implemented when Bell Atlantic conducts successful region-wide integration testing of the pre-ordering, ordering and provisioning interfaces in accordance with Bell Atlantic's September enhancements to its testing environment entitled "CLEC Test Environment for New Releases and New Entrant Testing (July 20, 1999)." The evidence that will be used to evaluate the success of the integration testing will include the quality assurance test deck results produced by Bell Atlantic and the results of test scenarios provided by participating CLECs. The quality assurance test deck will include accounts from New York, Massachusetts, Pennsylvania, New Jersey and Maryland.

7.3. The CLEC testing environment will remain available for CLEC testing of both the new and immediately preceding versions of the interfaces that Bell Atlantic is required to support following implementation of the uniform interfaces.

7.4. For testing other than for the ISOG 4 release in February, Bell Atlantic

will internally verify and confirm to the CLECs the continuing accuracy of the Baseline Documentation 45 days before implementation.

7.5. Bell Atlantic further agrees to include in its quality assurance test deck any reasonable CLEC requests for additional test accounts and scenarios.

7.6. Prior to release into production of the new software, Bell Atlantic will engage in carrier-to-carrier testing with AT&T and MCI WorldCom for each state or the District of Columbia where either requests such testing. The results of such testing will be relevant to a determination of whether the interface has been implemented under Section 6.

7.7. If, during software development, integration testing, or implementation of the uniform interfaces pursuant to Section 6, Bell Atlantic concludes that additional changes to the interfaces must be made as a result of problems identified in testing, Bell Atlantic will attempt to obtain the agreement of the CLECs to the proposed changes. If agreement cannot be obtained, Bell Atlantic may make the changes, and the CLECs objecting to those changes may request review by the Arbitration Panel for resolution consistent with the purposes of this Agreement.

8. Future Releases

8.1. During the term of this Agreement, in any releases subsequent to the date of this Agreement that address features, products or services, Bell Atlantic will provide uniform business rules, data format specifications, and transport and security protocols, subject to the exceptions set forth in sections 2.2 and 2.4 above.

8.2. During the term of this Agreement, in any releases subsequent to the date of this Agreement, Bell Atlantic will not introduce or re-introduce non-uniform business rules,

data format specifications, or transport and security protocols, subject to the exceptions set forth in sections 2.2 and 2.4 above.

8.3. Nothing in this Section shall accelerate the specific commitments set forth in Section 6.

9. Remedies

9.1. Subject to section 6.5, if the Arbitration Panel determines that Bell Atlantic has failed to meet the dates specified in Section 6, it shall determine whether to provide remedies of between \$5,000 to \$100,000 per business day, or an appropriate cure period, if justified, by which Bell Atlantic can bring itself into compliance with the Arbitration Panel's decision. In determining the effective date of the remedies, the Arbitration Panel should take all relevant factors into account, including when the complainants brought the issue to the attention of Bell Atlantic; provided, however, the Arbitration Panel may not impose a remedy effective earlier than the date of the violation.

9.2. If the Arbitration Panel determines that a cure period is justified and if Bell Atlantic fails to bring itself into compliance with the decision of the Arbitration Panel within any cure period, the Arbitration Panel shall provide remedies of between \$5,000 to \$100,000 per business day for each day after the cure period that Bell Atlantic fails to be in compliance.

9.3. The total amount of the remedy for all violations of this Settlement Agreement may not exceed \$15,000,000 annually, except that if Bell Atlantic willfully, in bad faith, or intentionally violates any deadlines specified in Section 6, or engages in an efficient breach of the Agreement, the total amount of the remedy may not exceed \$30,000,000 annually.

9.4. If AT&T and MCI WorldCom both participate in the arbitration of an issue of Bell Atlantic's failure to meet the implementation deadlines in Section 6, they shall share the remedies described in this section equally. Otherwise, the remedies shall be distributed to the party that arbitrates the issue.

10. Enforcement

10.1. The Arbitration Panel shall have the power to issue injunctive relief. The Arbitration Panel shall decide any disputes brought before it (both at the collaborative stage and at the enforcement stage) in accord with the rules of the CPR Institute for Dispute Resolution, except to the extent that such rules are inconsistent with any provision of this Agreement.

10.2. An action to enforce the decision of the Arbitration Panel may be brought before the Arbitration Panel or a federal court, at the option of the Party bringing the action.

10.3. If a Party seeks to enforce this Agreement or a decision of the Arbitration Panel before a federal court it shall bring the action before the United States District Court for the Eastern District of Virginia.

10.4. The Parties retain the right to seek all available remedies at equity and law, subject to the remedies already set forth in Section 9.

11. No Admission of Liability

11.1. Bell Atlantic's entry into this settlement is not, and shall not be construed as, an admission by Bell Atlantic of any issue of fact or law alleged in the Complaint. MCI WorldCom and AT&T shall not assert in any proceeding or public forum that by settling this complaint, Bell Atlantic has conceded in this proceeding that it has breached Condition 2(c), or that the existence of the settlement raises any inference or implication that Bell Atlantic has breached Condition 2(c).

11.2. Bell Atlantic, MCI WorldCom and AT&T recognize that the process of pursuing uniformity of business rules can be furthered through a collaborative process between the Parties.

12. Notice

12.1. All notices pertaining to this Agreement shall be provided in writing to the following individuals or their successors designated by the particular Party:

MCI WorldCom:
Thomas F. O'Neil III
Chief Litigation Counsel
MCI WorldCom
1133 19th Street, N.W.
Washington D.C. 20036

Lisa B. Smith
Senior Policy Counsel
MCI WorldCom
1801 Pennsylvania Ave. NW
Washington D.C. 20006

For AT&T:
Mark C. Rosenblum
Vice President – Law
Room 1146M2
295 North Maple Avenue
Basking Ridge, NJ 07920

For Bell Atlantic:
Edward D. Young III
Senior Vice President and Deputy General Counsel
Bell Atlantic
1320 N. Courthouse Road, 8th Floor
Arlington, VA 22201

13. Miscellaneous Terms and Conditions

13.1. This Agreement constitutes the entire agreement among the Parties on the matters raised herein, and the Parties agree that it supersedes and controls any and all prior

communications, correspondence, memorialization of agreement, or prior agreement between the Parties or their representatives relative to the matters contained herein. Except as explicitly set forth in this Agreement, there are no representations, warranties, or inducements, whether oral, written, expressed, or implied, that in any way affect or condition the validity of this Agreement or alter its terms. This Agreement is a compromise and settlement of disputed issues and claims and is a product of arms-length negotiations and the drafting of all Parties. Ambiguities in this Agreement are not to be construed by operation of law against any Party. This Agreement has no precedential value other than as to the matters within its scope and then only as among the Parties.

13.2. This Agreement may be modified only by a written document signed by the Parties. No waiver of this Agreement or of any of the promises, obligations, terms, or conditions hereof shall be valid unless it is written and signed by the Party against whom the waiver is to be enforced.

13.3. In the event of extraordinary and unforeseeable technological or regulatory changes that make it unreasonable for Bell Atlantic or the CLECs to comply with obligations imposed by this Agreement, either the CLECs or Bell Atlantic, individually or jointly, may seek from the Arbitration Panel a modification of the obligations.

13.4. This Agreement shall be binding upon and shall inure to the benefit of the Parties thereto, their predecessors, successors, parents, subsidiaries, affiliates, assigns, agents, directors, officers, employees, and shareholders.

13.5. The failure or invalidation of any particular provision or portion of a provision shall not in any way affect the validity of this Agreement or its remaining portions,

which shall continue to have full force and effect, unless their enforcement would substantially impair the purpose of this Agreement.

13.6. Section titles and other headings contained in this Agreement are included only for ease of reference and shall have no substantive effect.

13.7. This Agreement shall be governed, in all respects, under the laws of the State of New York, irrespective of its choice of law rules.

13.8. This Agreement does not constitute an interconnection agreement under §§ 251 and 252 of the Telecommunications Act of 1996.

14. Representations and Warranties

14.1. Each Party hereby represents and warrants to each of the Parties that: (a) it has full legal right, power and authority to enter into and perform this Agreement; and (b) the execution and delivery of this Agreement by it and the consummation by it of the transactions contemplated hereby have been duly authorized by it.

14.2. Each Party hereby represents and warrants to each other Party that the execution, delivery and performance of this Agreement and the consummation by it of the transactions contemplated hereby will not result in a violation of its certificate of incorporation, partnership agreement or by-laws, or any law, rule, regulation, order, judgment or decree applicable to it or by which any of its properties or assets is bound or affected; or require the consent, authorization or order of, or filing or registration with, any governmental authority or any other person for the execution, delivery and performance by it of this Agreement.

14.3. This Agreement shall be binding upon and for the benefit of the Parties and their respective affiliates, parents, subsidiaries, officers, directors, partners, employees, agents, attorneys, conservators, successors, devisees and assigns.

14.4. Each Party warrants that it is represented by competent counsel with respect to this Agreement and all matters covered by it; that it has been fully advised by said counsel with respect to its rights and obligations and with respect to the execution of this Agreement; and that it authorizes and directs its attorneys to execute such papers and to take such other action as is necessary and appropriate to effectuate the terms of this Agreement.

14.5. Immediately upon execution of this Agreement, Complainants will file with the FCC a motion to dismiss the Complaint with prejudice, with each Party to bear its own costs, expenses and fees.

14.6. This Agreement may be executed in one or more counterparts, each of which shall be considered an original, and all of which taken together shall constitute one and the same instrument and shall be effective on the latest date signed.

14.7. This Agreement shall sunset thirty-six months after the date of this Agreement. If the Arbitration Panel finds that Bell Atlantic has not complied with a deadline set forth in Section 6, it may extend the sunset date by a period up to the amount of time Bell Atlantic was out of compliance.

SO AGREED

FOR BELL ATLANTIC CORPORATION

Edward D. Young III
Senior Vice President and Deputy General Counsel

Date: _____

FOR AT&T CORP.

Mark C. Rosenblum
Vice President – Law

Date: _____

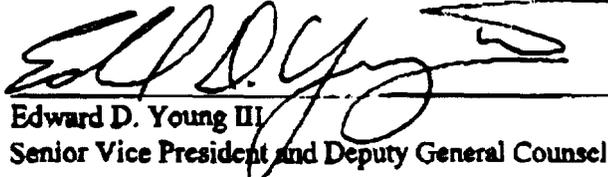
FOR MCI WORLDCOM, INC.

Jonathan B. Sallet
Senior Vice President and
Chief Policy Counsel

Date: _____

SO AGREED

FOR BELL ATLANTIC CORPORATION



Edward D. Young III
Senior Vice President and Deputy General Counsel

Date: 8/20/99

FOR AT&T CORP.

Mark C. Rosenblum
Vice President - Law

Date: _____

FOR MCI WORLDCOM, INC.

Jonathan B. Sallet
Senior Vice President and
Chief Policy Counsel

Date: _____

SO AGREED

FOR BELL ATLANTIC CORPORATION

Edward D. Young III
Senior Vice President and Deputy General Counsel

Date: _____

FOR AT&T CORP.

Mark C. Rosenblum / dsr

Mark C. Rosenblum
Vice President - Law

Date: 8/20/99

FOR MCI WORLDCOM, INC.

Jonathan B. Sallet
Senior Vice President and
Chief Policy Counsel

Date: _____

SO AGREED

FOR BELL ATLANTIC CORPORATION

Edward D. Young III
Senior Vice President and Deputy General Counsel

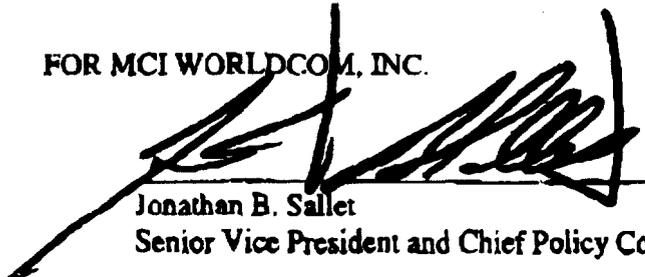
Date: _____

FOR AT&T CORP.

Mark C. Rosenblum
Vice President - Law

Date: _____

FOR MCI WORLDCOM, INC.



Jonathan B. Sallet
Senior Vice President and Chief Policy Counsel

Date: August 20, 1999