Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

JUN 1 3 2000

In the Matter of	)	
	)	
GTE CORPORATION,	)	
	)	
Transferor,	)	
	)	
and	)	CC Docket No. 98-184
	)	
BELL ATLANTIC CORPORATION,	)	
	)	
Transferee,	)	
	)	
For Consent to Transfer of Control	)	

PROPOSED CONDITIONS FOR BELL ATLANTIC/GTE MERGER

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PROPOSED CONDITIONS FOR BELL ATLANTIC/GTE MERGER

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CONDITIONS

As a condition of exercising the grant authorized herein, Bell Atlantic and GTE shall comply with the following enumerated Conditions. Unless otherwise specified herein, the Conditions described herein shall become effective 10 business days after the Merger Closing Date. The Conditions described herein shall be null and void if Bell Atlantic and GTE do not merge and there is no Merger Closing Date.

It is not the intent of these Conditions to restrict, supersede, or otherwise alter state or local jurisdiction under the Communications Act of 1934, as amended, or over the matters addressed in these Conditions, or to limit state authority to adopt rules, regulations, performance monitoring programs, or other policies that are not inconsistent with these Conditions. Nor do the Conditions reflect or constitute any determination or standard regarding Bell Atlantic/GTE's compliance or non-compliance with 47 U.S.C. §§ 251, 252, 271, or 272 or limit in any way the legal rights of Bell Atlantic/GTE with respect thereto.

For the purposes of these Conditions, the term "Merger Closing Date" means the day on which, pursuant to their Merger Agreement, Bell Atlantic and GTE cause a Certificate of Merger to be executed, acknowledged, and filed with the Secretary of State of New York as provided in New York Corporation Law, Section 907. The term "prior to the Merger Closing Date" means prior to the time that Bell Atlantic and GTE cause a Certificate of Merger to be executed, acknowledged, and filed with the Secretary of State of New York as provided in New York Corporation Law, Section 907.

For purposes of these Conditions, the term "Bell Atlantic/GTE" shall mean Bell Atlantic-Delaware, Inc., Bell Atlantic-Washington, D.C., Inc., Bell Atlantic-Maryland, Inc., Bell Atlantic-New Jersey, Inc., Bell Atlantic-Pennsylvania, Inc., Bell Atlantic-Virginia, Inc., Bell Atlantic-West Virginia, Inc., New York Telephone Company, New England Telephone and Telegraph Company, GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, The Micronesian Telecommunications Corporation,[1] GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE South Incorporated, GTE Southwest Incorporated, Contel of Minnesota, Inc., GTE West Coast Incorporated, and Contel of the South, Inc.; and any successor or assign of such company that provides wireline telephone exchange service and that is an affiliate of Bell Atlantic/GTE.

For purposes of these Conditions, the term "Bell Atlantic/GTE Service Area" shall mean the combined service areas of Bell Atlantic-Delaware, Inc., Bell Atlantic-Washington, D.C., Inc., Bell Atlantic-Maryland, Inc., Bell Atlantic-New Jersey, Inc., Bell Atlantic-Pennsylvania, Inc., Bell Atlantic-Virginia, Inc., Bell Atlantic-West Virginia, Inc., New York Telephone Company,

[1] Because of the insular nature of the Commonwealth of the Northern Marianas Islands (CNMI), only the following Conditions shall apply in the CNMI: Section IV (Non-discriminatory Rollout of xDSL Services); Section XIV (Alternative Dispute Resolution through Mediation); Section XVII (InterLATA Services Pricing); Section XVIII (Enhanced Lifeline Plans); Section XIX (Additional Service Quality Reporting); Section XXI (Compliance Program); Section XXII (Independent Auditor); Section XXIII (Enforcement); Section XXIV (Sunset); and Section XXV (Effect of Conditions).

New England Telephone and Telegraph Company, GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, The Micronesian Telecommunications Corporation, GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE South Incorporated, GTE Southwest Incorporated, Contel of Minnesota, Inc., GTE West Coast Incorporated, and Contel of the South, Inc. where those companies operated as incumbent local exchange carriers ("incumbent LECs") as of January 27, 2000.[2]

For purposes of these Conditions, the term "Bell Atlantic Service Area" shall mean the service areas of Bell Atlantic-Delaware, Inc., Bell Atlantic-Washington, D.C., Inc., Bell Atlantic-Maryland, Inc., Bell Atlantic-New Jersey, Inc., Bell Atlantic-Pennsylvania, Inc., Bell Atlantic-Virginia, Inc., Bell Atlantic-West Virginia, Inc., New York Telephone Company, New England Telephone and Telegraph Company where those companies operated as incumbent local exchange carriers ("incumbent LECs") as of January 27, 2000. For purposes of these Conditions, the term "GTE Service Area" shall mean the service areas of GTE California Incorporated, GTE Florida Incorporated, GTE Hawaiian Telephone Company Incorporated, The Micronesian Telecommunications Corporation, GTE Midwest Incorporated, GTE North Incorporated, GTE Northwest Incorporated, GTE South Incorporated, GTE Southwest Incorporated, Contel of Minnesota, Inc., GTE West Coast Incorporated, and Contel of the South, Inc. where those companies operated as incumbent local exchange carriers ("incumbent LECs") as of January 27, 2000.

For purposes of these Conditions, the term "Bell Atlantic States" shall mean Connecticut, Delaware, District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia. The term "GTE States" shall mean Alabama, California, the Commonwealth of the Northern Marianas Islands, Florida, Hawaii, Idaho, Illinois, Indiana, Kentucky, Michigan, Missouri, Nevada, North Carolina, Ohio, Oregon, Pennsylvania, South Carolina, Texas, Virginia, Washington, and Wisconsin. The term "Bell Atlantic/GTE States" shall mean the Bell Atlantic States and GTE States as defined above.

For purposes of these Conditions, the term "affiliate" shall have the same meaning as in 47 U.S.C. § 153(1).

For purposes of these Conditions, the term "telecommunications carrier" shall have the same meaning as in 47 U.S.C. § 153(44).

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[2] The terms Bell Atlantic States and Service Area and GTE States and Service Area include only those states and service areas where Bell Atlantic/GTE will have incumbent local telephone operations after the Merger Closing Date and after execution of planned sales of local exchange properties. If these planned sales are not executed, then those States and Service Areas shall also be subject to these conditions.

PROMOTING EQUITABLE AND EFFICIENT ADVANCED SERVICES DEPLOYMENT

I. Separate Affiliate for Advanced Services

1. Bell Atlantic/GTE shall provide all Advanced Services in the Bell Atlantic/GTE Service Area through one or more affiliates that are structurally separate from the Bell Atlantic/GTE incumbent LECs in accordance with the provisions of this Section and the schedule set forth below. As described below, Bell Atlantic and GTE shall establish separate Advanced Services affiliates prior to the Merger Closing Date. Upon receiving state approval of any necessary interconnection agreements and obtaining any necessary state authority or certification that does not subject the Advanced Services affiliate to regulation substantially the same as that to which the incumbent LEC is subject, Bell Atlantic/GTE shall transition the provisioning of Advanced Services to one or more separate Advanced Services affiliates. Nothing in this Section is intended to prohibit Bell Atlantic/GTE's separate Advanced Services affiliate(s) from providing services that are not Advanced Services in accordance with any applicable federal or state laws or regulations.

2. Advanced Services. For purposes of these Conditions, the term "Advanced Services" means intrastate or interstate wireline telecommunications services, such as ADSL, IDSL, xDSL, Frame Relay, and asynchronous transfer mode ("ATM") that rely on packetized technology and have the capability of supporting transmissions speeds of at least 56 kilobits per second in both directions. This definition of Advanced Services does not include (1) data services that are not primarily based on packetized technology, such as ISDN, as well as comparable dial-up services such as Internet Protocol Routing Service and CyperPOP, (2) x.25-based and x.75-based packet technologies, or (3) circuit switched services (such as circuit switched voice grade service) regardless of the technology, protocols or speeds used for the transmission of such services. Notwithstanding the other provisions of this Section, Bell Atlantic/GTE retains the right to invest in any technology or asset as long as it is not used to provide Advanced Services.

3. Section 272 Requirements for the Separate Advanced Services Affiliates. Subject to the transitional mechanisms discussed below, the separate Advanced Services affiliate(s) required by this Section I shall operate in accordance with the structural, transactional, and non-discrimination requirements that would apply to a separate affiliate's relationships with a Bell Operating Company ("BOC") under 47 U.S.C. § 272(b), (c), (e), and (g), as interpreted by the Federal Communications Commission (the "Commission") as of January 27, 2000, except to the extent those provisions are inconsistent with the provisions of this Paragraph, in which case the provisions of this Paragraph shall apply. Except as provided in Subparagraph 3i below, Bell Atlantic/GTE shall comply with the Commission's accounting safeguards pursuant to 47 U.S.C. § 272 for all transactions (including chaining transactions)[3] between an incumbent LEC and a separate Advanced Services affiliate and shall continue to do so regardless of, and consistent with, the specific accounting method Bell Atlantic/GTE uses. If the separate Advanced Services

[3] The term "chaining transactions" refers to transactions between the incumbent LEC and separate affiliate through other Bell Atlantic/GTE entities.

affiliate does not deviate (other than in an inadvertent or incidental manner) from the requirements of 47 U.S.C. § 272(b), (c), (e), and (g) except as described in this Paragraph and Subparagraphs below, such separate affiliate(s) shall not be deemed a successor or assign of a BOC or incumbent LEC for purposes of applying 47 U.S.C. §§ 153(4) or 251(h). Moreover, if Advanced Services assets[4] or employees are transferred, assigned, or sold from a Bell Atlantic/GTE incumbent LEC to the separate Advanced Services affiliate consistent with these Conditions, the incumbent LEC's obligations under 47 U.S.C. §§ 251, 252, or 272 shall not be assigned or transferred to the separate Advanced Services affiliate.

a. Any Bell Atlantic/GTE separate Advanced Services affiliate and any Bell Atlantic/GTE incumbent LEC may joint market their services with the services of the other, and provide related customer care on behalf of the other, without being subject to any non-discrimination requirement under these Conditions. Permitted joint marketing by the incumbent LEC that may be conducted on an exclusive basis would include the sale of Advanced Services provided by the Advanced Services affiliate and the transfer of the customer's Advanced Services order or customer identified by the incumbent LEC through inbound or outbound marketing to the affiliate for completion in accordance with Subparagraph 4b(5). When performing these joint marketing activities later than 180 days after the Merger Closing Date, the employees of the incumbent LEC may only access the incumbent LEC's loop information through the same interfaces, Operations Support Systems ("OSS"), processes, and procedures as are made available to unaffiliated telecommunications carriers. Permitted joint marketing by the Advanced Services affiliate would include sales and completing the sales function, up to and including the taking of an order, for Advanced Services and local services by the affiliate (using the same interfaces and processes used by unaffiliated telecommunications carriers as required by these Conditions) and the transfer of customer orders or calls identified by the affiliate to the Bell Atlantic/GTE incumbent LEC for provisioning of the customer's local service order. Permitted joint marketing by either the incumbent LEC or the separate Advanced Services affiliate would include customer contacts up to and including the completion of the order taking process, including responding to customer inquiries, sales, and order-taking. For purposes of these Conditions, "customer care" means the following functions performed after the sale: on-going customer notification of service order progress, response to customer inquiries regarding the status of an order, changes to customer information, and receipt of customer complaints (other than receipt and isolation of trouble reports, such as reports of service outages or service impairment, which shall be processed in accordance with Subparagraph 4(j)).

b. The Bell Atlantic/GTE incumbent LEC may provide billing and collection services to the separate Advanced Services affiliate on a non-discriminatory basis. Permitted billing and collection services include payment arrangements, account adjustment, responding to account balance inquiries, account closure, responses to legal action affecting or involving the customer, and receipt and resolution of customer billing and collection complaints.[5] In the event that the Bell Atlantic/GTE ILEC provides billing and collection services to the separate

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[4] The term "assets" is defined as equipment, software, customer accounts, initial capital contribution, and real estate.

[5] Billing and collection services will be offered on a sufficiently disaggregated basis so that an unaffiliated telecommunications carrier may select only the particular services it requires.

Advanced Services affiliate within a state under this Subparagraph, it shall provide the same billing and collection services to unaffiliated providers of Advanced Services in that state on nondiscriminatory rates, terms, and conditions, including start-up costs and timeframes. Transactions between the incumbent LEC and a separate Advanced Services affiliate that are permitted by this Subparagraph shall be made pursuant to a written agreement between the incumbent LEC and the affiliate.

c. Any Bell Atlantic/GTE incumbent LEC may provide the operations, installation, and maintenance ("OI&M") services permitted under Paragraph 4 to any separate Advanced Services affiliate on a non-discriminatory basis pursuant to a tariff, written affiliate agreement, or approved interconnection agreement, provided that the same services made available to the separate affiliate are made available to unaffiliated providers of Advanced Services in that state on a non-discriminatory basis consistent with the requirements of 47 U.S.C. § 272(c) and the Commission's implementing rules as in effect on January 27, 2000, where not inconsistent with the provisions of this Section. Because such OI&M services are not UNEs and, therefore, are not subject to forward-looking pricing methodologies, they will be priced and made available on a non-discriminatory basis according to the Commission's affiliate transaction rules. The following additional provisions shall apply to the incumbent LEC's provision of OI&M services:

(1) With respect to transactions for OI&M services, Bell Atlantic/GTE shall comply with the Commission's Section 272 accounting safeguards and will continue to do so regardless of, and consistent with, the specific accounting method Bell Atlantic/GTE uses.

(2) Processes, systems, and procedures made available by the incumbent LEC for use by the separate Advanced Services affiliate to obtain OI&M services from the Bell Atlantic/GTE incumbent LEC under this Subparagraph shall be available for use by unaffiliated providers of Advanced Services in that state on non-discriminatory rates, terms, and conditions.

(3) In order to provide for an orderly and efficient transfer of personnel and systems to the separate Advanced Services affiliate, for a period of not more than 180 days after the Merger Closing Date, the incumbent LEC may provide, under a written agreement, network planning, engineering, design, and assignment services for Advanced Services Equipment as defined in Subparagraph 3d (including the creation and maintenance of customer records), including the use of systems and databases associated with these services, on an exclusive basis to the separate Advanced Services affiliate. After 180 days, the separate affiliate shall not obtain such services from any Bell Atlantic/GTE incumbent LEC.

d. The incumbent LEC and separate Advanced Services affiliate(s) may separately own facilities or network equipment used specifically to provide Advanced Services ("Advanced Services Equipment"), provided that the separate Advanced Services affiliate shall own (or lease from an entity other than a Bell Atlantic/GTE incumbent LEC) and operate all new Advanced Services Equipment (as defined below) used to provide Advanced Services (including equipment used to expand the capability or capacity of existing Advanced Services Equipment)

put into service by Bell Atlantic/GTE after the later of (i) 90 days after the Merger Closing Date, or (ii) issuance of a final order in the pending proceeding involving interpretation of the SBC/Ameritech merger condition relating to provision of services through equipment in remote terminals, DA 00-335 (Public Notice rel. Feb. 18, 2000).

(1) Repair and/or replacement of Advanced Services Equipment owned by the incumbent LEC shall not be considered to be new Advanced Services Equipment put into service. For purposes of this Section I, Advanced Services Equipment is: (1) DSLAMs or functionally equivalent equipment; (2) spectrum splitters that are used solely in the provision of Advanced Services; (3) packet switches and multiplexers such as ATMs and Frame Relay engines used to provide Advanced Services; (4) modems used in the provision of packetized data; and (5) DACS frames used only in the provision of Advanced Services.[6] Spectrum splitters (or the equivalent functionality) used to separate the voice grade channel from the Advanced Services channel shall not be considered Advanced Services Equipment; any such splitters installed after the Merger Closing Date that are located at the customer premises shall be considered network terminating equipment.[7] Bell Atlantic/GTE also agrees that the results of any decision in the pending proceeding involving interpretation of the SBC/Ameritech merger condition relating to provision of services through equipment in remote terminals, DA 00-335 (Public Notice rel. Feb. 18, 2000), and any applicable rulemaking addressing this issue, will supersede the provisions of this subparagraph 3(d).

(2) In order to allow an efficient transition to the non-discriminatory use of Advanced Services Equipment or an efficient transfer of Advanced Services Equipment to the separate Advanced Services affiliate, any Advanced Service Equipment that was utilized by the incumbent LEC to provide an Advanced Service to its embedded base of customers in a state as of the Merger Closing Date may continue to be utilized by the incumbent LEC and access may be provided (under a written agreement) to the separate Advanced Services affiliate on an exclusive basis within the state during a transitional period. The transitional period shall be until such time as Bell Atlantic/GTE is required to provide all Advanced Services utilizing the Advanced Services Equipment through a Separate Advanced Services affiliate in that state, in accordance with the provisions of Paragraph 6. Additionally, the incumbent LECs may provide the ADSL service derived from the integrated combination of an unbundled loop, a DSLAM, and spectrum splitters at each end of the unbundled loop where the unbundled loop is also used to provide voice grade service ("Interim Line Sharing"), including OI&M functions associated with Interim Line Sharing, to the separate Advanced Services affiliate(s) on an exclusive basis within any geographic area until line sharing is provided to unaffiliated providers of Advanced Services within the same geographic area, as described in Paragraph 7, provided that the incumbent LEC provides unaffiliated providers of Advanced Services within the same geographic area the Discounted Surrogate Line Sharing Charges, as described in Paragraph 13.

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[6] Advanced Services Equipment does not include DACS frames used for voice services.

[7] Splitters and other equipment on customer premises will continue to be classified as CPE where such equipment is CPE under the Commission's rules.

e. The incumbent LEC may (but shall not be required to) transfer or sell to the separate Advanced Services affiliate(s), on an exclusive basis, any Advanced Services Equipment (including any associated intellectual property rights or licenses), including supporting facilities, systems, and personnel, during a "Grace Period." The Grace Period shall be from January 3, 2000 until the date that is 180 days after the Merger Closing Date. In states where regulatory approval is required to transfer Advanced Services Equipment, if Bell Atlantic/GTE seeks such required regulatory approval during the Grace Period, and completes the transfer of Advanced Services Equipment for which regulatory approval is required within 180 days after receiving such approval, then such Advanced Services Equipment shall be deemed to have been transferred during the Grace Period. Such Advanced Services Equipment that may be transferred to the separate affiliate on an exclusive basis is limited to that equipment described in Subparagraph d above. If Bell Atlantic/GTE transfers to its separate affiliate a facility that is deemed to be a UNE under 47 U.S.C. § 251(c)(3), the Commission's unbundling requirements will attach with respect to that UNE as described in section 53.207 of the Commission's rules, 47 C.F.R. § 53.207.

f. The separate Advanced Services affiliates may use the incumbent LEC's name, trademarks, or service marks on an exclusive basis.

g. Employees of the separate Advanced Services affiliate(s) may, on an exclusive basis, be located within the same buildings and on the same floors as employees of the incumbent LECs.[8]

h. For a transition period of up to 12 months after the Merger Closing Date, a Bell Atlantic/GTE incumbent LEC may receive and process Advanced Services-related trouble reports and perform related trouble isolation, as described in Subparagraph 4j, on behalf of a separate Advanced Services affiliate on an exclusive basis.[9]

i. Public disclosure of the governing interconnection agreement (including the prices, discounts, terms, and conditions associated with that agreement) shall replace the transaction disclosure requirements (including Internet posting) that otherwise would apply to the incumbent LEC and separate Advanced Services affiliate under Section 272(b)(5) and the Commission's implementing rules for facilities and services provided pursuant to such agreement.

j. Notwithstanding Section I of these Conditions, Bell Atlantic/GTE retains the option on a state-by-state basis of providing Advanced Services through a separate affiliate that

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[8] Where transactions between the incumbent LEC and the separate affiliate are required to be on a non-discriminatory basis, such transactions between the separate affiliate and the incumbent LEC shall be conducted in the same manner in which unaffiliated entities conduct transactions with the incumbent LEC.

[9] The corporate compliance officer described in Paragraph 54 of these Conditions will notify appropriate Commission staff when the transaction period ends (*i.e.*, when Bell Atlantic/GTE has stopped receiving and processing Advanced Services-related trouble reports and performing related trouble isolation on behalf of the separate Advanced Services affiliate on an exclusive basis).

complies with all of the requirements of 47 U.S.C. § 272 as well as the Conditions, unless they conflict.

4. Steady-State Provisioning of Advanced Services.[10] After a transition period (as defined in Subparagraph 4n below), all Advanced Services offered by Bell Atlantic/GTE in the Bell Atlantic/GTE Service Area will be provisioned in accordance with the terms of this Paragraph, which provisions are consistent with the provisions of Paragraph 3. After such transition period, the overall responsibility for providing Advanced Services in the Bell Atlantic/GTE Service Area shall rest with a separate Advanced Services affiliate. In fulfilling those responsibilities a separate Advanced Services affiliate may utilize the facilities and services of an incumbent LEC consistent with the provisions of Paragraph 3. Specifically, with respect to Bell Atlantic/GTE's steady-state provisioning of Advanced Services in the Bell Atlantic/GTE Service Area, this Paragraph describes (1) the activities that a Bell Atlantic/GTE incumbent LEC may undertake, and associated conditions that apply if an incumbent LEC chooses to perform such activities, and (2) the activities that are the responsibility of a separate Advanced Services subsidiary and which may not be performed by an incumbent LEC.

a. Creating an Inventory of Advanced Services Equipment and Advanced Service Capability. Consistent with the Commission's rules implementing the provisions of 47 U.S.C. § 272(b)(1), the separate Advanced Services affiliate shall be responsible for all network planning and engineering functions related to Advanced Services, and these functions may not be provided by an incumbent LEC.[11] The network planning and engineering functions related to Advanced Services that are the responsibility of the separate Advanced Services affiliate and which may not be performed by an incumbent LEC include (but are not limited to):

(1) Determining where, when, and how much Advanced Services Equipment needs to be deployed to meet forecasted customer demands, and ensuring that such equipment is compatible with the interconnection services (e.g., unbundled local loops) and/or tariffed services (e.g., DS1 special access service) the separate Advanced Services affiliate will purchase from the incumbent LEC.

(2) Arranging for the purchase of Advanced Services Equipment.

(3) Arranging and negotiating for collocation space with the incumbent LEC under the same terms and conditions and utilizing the processes that are made available to unaffiliated telecommunications carriers, and arranging for any new Advanced Services Equipment to be delivered.

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[10] If a conflict arises between paragraphs 3 and 4 of these Conditions, the provisions of paragraph 4 will control.

[11] This means that these functions may not be provided by the incumbent LEC as part of the OI&M contemplated in Subparagraph 3c.

(4) Inventorying, in systems and databases owned by the separate Advanced Services affiliate, its Advanced Services Equipment deployed and identifying whether such equipment is used or available to provide Advanced Services to customers.

The incumbent LEC may, pursuant to the OI&M provisions of Subparagraph 3c, perform the following tasks that are associated with creating an inventory of Advanced Services Equipment and Advanced Service capability. Processes, systems, and procedures used by the separate Advanced Services affiliate to obtain OI&M services under this Subparagraph shall be available to unaffiliated providers of Advanced Services on a non-discriminatory basis.

(5) The incumbent LEC may install the affiliate's Advanced Services Equipment. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers of Advanced Services.[12]

(6) An incumbent LEC technician may connect together various items of Advanced Services Equipment owned by the affiliate located in virtual collocation space or other space controlled by the incumbent LEC, or may connect various items of Advanced Services Equipment owned by the affiliate located in such space with telecommunications services and/or unbundled network elements ordered by the affiliate (e.g., the incumbent LEC technician could connect a DSLAM to an ATM switch via a DS3 special access service ordered by the affiliate), in strict accordance with a work order from the affiliate.[13] If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers.[14]

(7) An incumbent LEC technician may connect together various items of Advanced Services Equipment owned by the affiliate located in physical collocation space, or may connect various items of Advanced Services Equipment owned by the affiliate located in physical collocation space with telecommunications services and/or unbundled network elements ordered by the affiliate, in strict accordance with a work order from the affiliate.[15] If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers.

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[12] The brand and model number of the particular Advanced Services Equipment will generally not be a material term or condition, so that the incumbent LEC will provide non-discriminatory service regardless of the specific equipment brand and model selected by unaffiliated carriers. Unaffiliated entities shall pay reasonable costs to train the incumbent LEC's employees to service the equipment.

[13] For example, the incumbent LEC may not make engineering or design changes to the work order; all such modifications and amendments must be made by the Advanced Services Affiliate without any engineering or design assistance from the ILEC. *See also* paragraphs 4c-4f. The incumbent LEC may assist the Advanced Services Affiliate with the ministerial preparation and administration of work orders only to the extent that it provides such assistance to unaffiliated carriers.

[14] Incumbent LEC work order processes, including interfaces, must also be non-discriminatory.

[15] *See* note 13, *supra*.

b. Customer Sales Process for New Installations. Consistent with the joint marketing provisions of Subparagraph 3a, the incumbent LEC may, on an exclusive basis, complete the sale of, up to and including the taking of an order for, Advanced Services on behalf of the separate Advanced Services affiliate by performing any of the following activities:

(1) On inbound customer calls, the incumbent LEC service representative may discuss Advanced Services with the customer and obtain the customer's agreement to purchase an Advanced Service provided by the separate Advanced Services affiliate.

(2) An incumbent LEC service representative may make outbound calls to discuss Advanced Services with a customer and may obtain the customer's agreement to purchase an Advanced Service provided by the separate Advanced Services affiliate.

(3) During a sales discussion with a customer, an incumbent LEC service representative may review loop information to determine if it is possible to provide an Advanced Service to the customer provided, however, that the incumbent LEC service representative may only have access to the same loop information of the incumbent LEC as is available to unaffiliated telecommunications carriers and may only access such loop information through the same electronic OSS interfaces, Internet access, and/or manual methods, as are made available to unaffiliated telecommunications carriers.

(4) During a sales discussion with a customer, an incumbent LEC service representative may review Advanced Services availability information provided to the incumbent LEC by the separate Advanced Services affiliate to determine whether the affiliate offers a certain Advanced Service in the area where the customer resides.

(5) Upon securing a customer's agreement to purchase an Advanced Service provided by the separate Advanced Services affiliate, the incumbent LEC service representative may obtain from the customer all customer information necessary to complete the order (e.g., name, address, due date, premises access information, services, ISP information, CPE information). The incumbent LEC service representative must pass such information to the separate Advanced Services affiliate for placement of any necessary service order(s) by the affiliate. The separate Advanced Services affiliate shall use the same interfaces and associated processes and procedures made available by the incumbent LEC for placing Advanced Services orders with the Bell Atlantic/GTE incumbent LEC as are made available by the incumbent LEC to unaffiliated providers of Advanced Services.

(6) Consistent with regulatory requirements, the separate Advanced Services affiliate and unaffiliated providers of Advanced Services shall have access to the same customer-specific information for pre-ordering and ordering, other than credit history, that is available to the incumbent LEC, through the same interfaces that are made available on a non-discriminatory basis by the incumbent LEC.

c. Design of the Customer's Advanced Service. Consistent with the Commission's rules implementing the provisions of 47 U.S.C. § 272(b)(1), a separate Advanced Services affiliate shall be responsible for all design functions related to a customer's Advanced Services sales order, and these functions may not be performed by an incumbent LEC.[16] The separate Advanced Services affiliate is responsible for the overall design of the Advanced Service, but the incumbent LEC is responsible (and the affiliate is not responsible) for the design of unbundled network elements or telecommunications services used in the Advanced Service where these elements or services are provided by the incumbent LEC. The design functions related to a customer's Advanced Services order that are the responsibility of the separate Advanced Services affiliate include (but are not limited to):

(1) The identification of Advanced Services network components, unbundled network elements, telecommunications services and work activities necessary to provision the Advanced Service to the customer's premises;

(2) The determination of the routing of the Advanced Service and the location(s) of the identified Advanced Services network components, unbundled network elements, and telecommunications services;

(3) The creation of a work order to have all such Advanced Services network components, unbundled network elements and telecommunications services made available and all such activities completed. Examples of Advanced Services network components, unbundled network elements and telecommunications services that would be identified in the design stage are (i) unbundled local loops and DS1 special access circuits provided by the incumbent LEC, and (ii) DSLAMs and ATM switch ports provided by the separate Advanced Services affiliate. Examples of work activities that would be identified in the design stage are (i) the conditioning of an unbundled local loop, (ii) the cross-connections required to connect all of the components, and (iii) the installation of Advanced Services Customer Premises Equipment ("CPE") at the customer premises.

d. Assignment of the Advanced Services Equipment Required to Provide the Customer's Advanced Service. Consistent with the Commission's rules implementing the provisions of 47 U.S.C. § 272(b)(1), the separate Advanced Services affiliate shall be responsible for the assignment functions related to the Advanced Services Equipment used to provision a customer's Advanced Services order, and these functions may not be performed by an incumbent LEC. Examples of the assignment functions related to a customer's Advanced Services order that are the responsibility of the separate Advanced Services affiliate include (i) assignment of the DSLAM equipment, and (ii) assignment of the ATM switch port.

e. Creating and Maintaining the Customer's Record, Including the Customer's Advanced Service Circuit Layout Record. The separate Advanced Services affiliate shall be responsible for creating and maintaining all records associated with the customer's Advanced Services account, and these records may not be created or maintained by an incumbent

[16] This means that the functions may not be provided by the incumbent LEC as part of the OI&M contemplated in Subparagraph 3c.

LEC. These records may be provided to an incumbent LEC for its use in providing joint marketing, customer care, and billing and collection services to the separate Advanced Services affiliate.[17] The records that the separate Advanced Services affiliate shall be responsible for creating and maintaining include:

(1) The record that describes the Advanced Services network components, unbundled network elements, and telecommunications services (including location, identification numbers, etc.) utilized by the separate Advanced Services affiliate to provision the customer's Advanced Service. Where the separate Advanced Services affiliate utilizes the telecommunications services or unbundled network elements of the incumbent LEC, the incumbent LEC will be responsible for all records associated with how such services or unbundled network elements are provisioned.[18] For example, if the affiliate orders (from the incumbent LEC) a DS1 special access service from location A to location Z, (i) the affiliate's circuit layout record will reflect the DS1 service from location A to location Z, and (ii) the incumbent LEC's record will reflect the layout of the circuit utilized to provision the DS1 service (e.g., that the circuit routes from location A through locations B and C before it terminates at location Z).

(2) The record that contains the information necessary to facilitate billing the customer for the Advanced Service being provided to the customer.

f. Ordering, from the Incumbent LEC, the Interconnection Facilities and Telecommunications Services Required to Provide the Customer's Advanced Service. The separate Advanced Services affiliate shall be responsible for ordering all interconnection facilities (e.g., unbundled local loops) and all telecommunications services (e.g., DS1 special access service) from the incumbent LEC, and the ordering of such facilities and services may not be performed by an incumbent LEC.[19] The incumbent LEC must permit unaffiliated telecommunications carriers to order such facilities and services under the same rates, terms, and conditions, and to utilize the same interfaces, processes, and procedures as are made available to the separate Advanced Services affiliate. In particular, the separate Advanced Services affiliate may utilize only those OSS interfaces for ordering unbundled network elements and other interconnection services as are made available to unaffiliated telecommunications carriers.

g. Connecting and Testing the Network Components and Telecommunications Services Required to Provision the Customer's Advanced Service. An incumbent LEC technician may, pursuant to the OI&M provisions of Subparagraph 3c, perform the following tasks:

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[17] Only the information required to perform the permitted function may be extracted from the record, and such information may be used only for a permitted purpose. Systems used for providing information to the incumbent LEC are to be designed consistent with these limitations.

[18] The ILEC will provide access to all records associated with services or unbundled elements provided to the separate affiliate and unaffiliated providers of Advanced Services in a non-discriminatory fashion, and will keep all such records in a manner equally useful to the separate affiliate and unaffiliated providers of Advanced Services.

[19] This means that the functions may not be provided by the ILEC as part of the OI&M contemplated in Subparagraph 3c.

(1) An incumbent LEC technician may, in strict accordance with a work order received from the separate Advanced Services affiliate, connect the various network components and telecommunications services utilized to provision the customer's Advanced Service. These connections could include (but would not be limited to) the connection from an unbundled loop to a DSLAM port identified by the affiliate, and the connection from a DS1 special access service to an ATM switch port identified by the affiliate. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers, and it must provide unaffiliated telecommunications carriers access to the same process for sending work orders to the incumbent LEC as the incumbent LEC provides to the affiliate.

(2) An incumbent LEC technician may, in strict accordance with a work order received from the separate Advanced Services affiliate, test the customer's Advanced Service circuit after all of the various network components and telecommunications services utilized to provision the service have been connected together. In performing this test, the technician may use whatever test systems or equipment are typically made available to the technician. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers, and it must provide unaffiliated telecommunications carriers access to the same process for sending work orders to the incumbent LEC as the incumbent LEC provides to the affiliate. If the test reveals any problems, the technician may confirm that the work has been done in strict accordance with the work order, and the technician may communicate the results of the test to the Advanced Services Affiliate. The Advanced Services Affiliate is solely responsible for changing the work order or issuing a new one without any engineering or design assistance from the incumbent LEC, unless the incumbent LEC offers such assistance for unaffiliated advanced service providers on a non-discriminatory basis."

h. Installing and Testing any CPE Associated with the Customer's Advanced Service. An incumbent LEC technician may, pursuant to subparagraph 3c, install and test CPE at the customer premises on behalf of the separate Advanced Services affiliate. If the incumbent LEC provides these services to the separate Advanced Services affiliate, it must provide the same services under the same rates, terms, and conditions to unaffiliated telecommunications carriers.

i. Advising the Customer of the Status of the Order. Consistent with the customer care provisions of Subparagraph 3a, an incumbent LEC service representative may, on an exclusive basis on behalf of the separate Advanced Services affiliate, provide ongoing customer notification of service order progress and respond to customer inquiries regarding the status of the customer's order. The incumbent LEC service representative must obtain all information regarding the status of the customer's Advanced Service order from the separate Advanced Services affiliate.

j. Receipt and Isolation of Troubles Affecting the Customer's Advanced Service. In the event that an end user customer contacts the Bell Atlantic/GTE incumbent LEC to report a trouble that may affect an Advanced Service provided by the separate Advanced Services affiliate, the incumbent LEC may perform the following trouble-related functions for the

affiliate, provided that the same functions and related processes and procedures provided to the affiliate are made available to unaffiliated providers of Advanced Services in the same state on non-discriminatory rates, terms, and conditions:

(1) Where the customer contacting the incumbent LEC is a customer of the incumbent LEC, the incumbent LEC may perform a line test of facilities the incumbent LEC uses to provide its services to the customer, to indicate whether the trouble is associated with or affects services provided to the customer by the incumbent LEC. If the incumbent LEC's line test indicates that the trouble is associated with or affects services provided to the customer by the incumbent LEC, the incumbent LEC may resolve the trouble.

(2) Where the customer contacting the incumbent LEC is a customer of the incumbent LEC, and the incumbent LEC's line test of facilities the incumbent LEC uses to provide its services to the customer indicates that the trouble is not associated with and/or does not affect services provided to the customer by the incumbent LEC, the incumbent LEC may transfer the trouble report (including the results of any line test performed by the incumbent LEC) or refer or transfer the end user customer to the separate Advanced Services affiliate. If the incumbent LEC provides the separate Advanced Services affiliate such referral or transfer services, the incumbent LEC shall offer the same referral or transfer services to unaffiliated providers of Advanced Services, on non-discriminatory rates, terms, and conditions. In the event that the incumbent LEC uses an electronic system to transfer trouble reports to its affiliate in a state, (i) the affiliate shall pay its appropriate share of the costs of that system in accordance with the Commission's accounting safeguards pursuant to 47 U.S.C. § 272 in accordance with Paragraph 3 above and (ii) the incumbent LEC shall offer to develop in that state, within 12 months of a written contract for development of such access, nondiscriminatory access to the same electronic system for unaffiliated Advanced Services providers. In the event that the incumbent LEC uses an electronic system to transfer trouble reports to its affiliate, the incumbent LEC shall also provide unaffiliated Advanced Services providers the option of receiving trouble reports through a public Internet connection. If more than one Advanced Services provider requests access to the same electronic system used by the incumbent LEC to transfer trouble reports to its affiliate, each provider entering into a written contract to obtain such access will pay its proportionate share of the costs associated with developing the access based upon the number of providers requesting access. If the requested access has already been developed for another provider, Bell Atlantic/GTE shall provide the access without a development charge. Bell Atlantic/GTE shall develop and pay for a training package, and the requesting Advanced Services provider shall pay for the costs of delivery of the training.

(3) Where the customer contacting the incumbent LEC is not a customer of the incumbent LEC, but contacts the Bell Atlantic/GTE incumbent LEC to report a trouble affecting an Advanced Service, the incumbent LEC shall not perform testing on the line, but will refer the customer to the customer's Advanced Services provider, if known, for resolution of the trouble.

k. Repair of Troubles. A separate Advanced Services affiliate is responsible for maintaining and repairing any Advanced Services Equipment it owns or leases. To fulfill this

responsibility, a separate Advanced Services affiliate may contract with an incumbent LEC, pursuant to the OI&M provisions of Subparagraph 3c, to maintain and repair Advanced Services Equipment owned or leased by the affiliate. If the incumbent LEC provides these maintenance and repair services for Advanced Services Equipment to the separate Advanced Services affiliate, it must offer to provide the same services under the same rates, terms, and conditions to unaffiliated providers of Advanced Services. All maintenance and repair that is provided by the incumbent LEC, including maintenance and repair in connection with its provision of interconnection, unbundled network elements, or resold services, shall be made available to the separate Advanced Services affiliate using the same interfaces, processes, and procedures as are made available to unaffiliated providers of Advanced Services.

l. Servicing the Customer's Account. Consistent with the joint marketing and customer care provisions of Subparagraph 3a, an incumbent LEC service representative may, on an exclusive basis on behalf of the separate Advanced Services affiliate, perform certain tasks to service the account of a separate Advanced Services affiliate customer. Specifically, these tasks are:

(1) on-going customer notification of service order progress,

(2) response to customer inquiries regarding the status of an order,

(3) changes to customer information, and

(4) receipt of customer complaints (other than receipt and isolation of trouble reports, such as reports of service outages or service impairment, which shall be processed in accordance with Subparagraph 4(j)).

m. Billing and Collecting for the Advanced Service. A Bell Atlantic/GTE incumbent LEC may provide billing and collection services consistent with the provisions of Subparagraph 3b.

n. Transitional Mechanisms. In recognition of the fact that the Bell Atlantic/GTE incumbent LECs provided most Advanced Services prior to the Merger Closing Date and to minimize any disruption to the efficient and timely delivery of Advanced Services to customers, several transitional mechanisms have been adopted to permit an orderly transition to the steady-state provisioning of Advanced Services described in Subparagraphs (a) through (m) above:

(1) Interim Line Sharing. Pursuant to the provisions of Subparagraph 3d, an incumbent LEC may provide, on an exclusive basis, Interim Line Sharing (as defined in Subparagraph 3d) including OI&M functions associated with Interim Line Sharing to a separate Advanced Services affiliate. The duration of this transition mechanism, with respect to new activations, is dependent on when the Commission requires Bell Atlantic/GTE to provide line sharing to unaffiliated telecommunications carriers.

(2) State Approvals for Providing New Activations of Advanced Services. Pursuant to the provisions of Subparagraphs 5a, 6a, and 6c, an incumbent LEC may continue to provide new activations of Advanced Services in a state until the separate Advanced Services affiliate is required to provide Advanced Services in strict accordance with Subparagraphs 6a and 6c or is operating, pending such approvals, in accordance with Subparagraph 5a.

(3) State Approvals for Providing Advanced Services to Embedded Advanced Services Customers. Pursuant to the provisions of Subparagraphs 5a, 6b and 6d, an incumbent LEC may continue to provide Advanced Services to embedded customers in a state until the later of 270 days after the Merger Closing Date or 30 days after Bell Atlantic/GTE have obtained all necessary approvals in that state to transfer or assign the embedded customers to the separate Advanced Services affiliate.[20] The affiliate is required to file for all such approvals (other than approvals for asset transfers as described in Subparagraphs 3(d) and 3(e)) prior to the Merger Closing Date, and the incumbent LEC is required to file for any required tariff approvals pursuant to Subparagraph 6(e).

(4) Network Planning, Engineering, Design, and Assignment. Pursuant to the provisions of Subparagraph 3c, the incumbent LEC may, on an exclusive basis, provide network planning, engineering, design and assignment services for Advanced Services Equipment (including the creation and maintenance of customer records) to the separate Advanced Services affiliate for a period of no more than 180 days after the Merger Closing Date.

(5) Advanced Services Equipment. Pursuant to the provisions of Subparagraph 3d, the incumbent LEC may continue to own Advanced Services Equipment that was installed no later than the date that is 30 days after the Merger Closing Date. After Bell Atlantic/GTE is required to provide all Advanced Services through a separate Advanced Services affiliate in accordance with the provisions of Paragraph 6, if the incumbent LEC permits the separate Advanced Services affiliate to use such equipment (except for such equipment that is used to provide Interim Line Sharing) the incumbent LEC must permit unaffiliated telecommunications carriers to use the equipment under the same rates, terms, and conditions.

(6) Loop Information. Pursuant to the provisions of Subparagraph 3a, the incumbent LEC, when engaged in the joint marketing permitted by Subparagraph 3a, may access loop information through an OSS interface that is not available to unaffiliated telecommunications carriers for a period of no more than 180 days after the Merger Closing Date. During this transition, unaffiliated telecommunications carriers will be able to access the same loop information as is available to the incumbent LEC but may do so through a different interface.

5. Requests for State Approval and Schedule for Establishing Advanced Services Affiliates. Bell Atlantic/GTE will establish the separate Advanced Services affiliate(s) required by Section I in accordance with the following provisions and schedule:

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[20] New activations for embedded customers are governed by Subparagraph (2).

a. In any state where Bell Atlantic/GTE will be providing Advanced Services on the Merger Closing Date, the separate Advanced Services affiliate(s) shall, prior to the Merger Closing Date: negotiate[21] and file for approval pursuant to 47 U.S.C. §§ 251 and 252 interconnection agreement(s) with the affiliated incumbent LEC setting forth terms, conditions and prices for the provision of interconnection, telecommunications services, and network elements that the affiliated incumbent LEC shall provide to the separate Advanced Services affiliate for the purposes of the separate affiliate's provision of Advanced Services. Such agreement(s) shall be sufficiently detailed to permit telecommunications carriers to exercise effectively their "pick-and-choose" rights under 47 U.S.C. § 252(i) and the Commission's rules implementing that section. A telecommunications carrier may pick and choose the specific types of OI&M services that the incumbent LEC has agreed to provide to the separate Advanced Services affiliate in that state. If a Bell Atlantic/GTE incumbent LEC provides OI&M services to a separate Advanced Services affiliate within a state, the incumbent LEC shall offer those OI&M services (excluding those OI&M services associated with Interim Line Sharing) to unaffiliated telecommunications carriers within the same state on a non-discriminatory basis. If the interconnection agreement negotiated between the Bell Atlantic/GTE incumbent LEC and its separate affiliate has not become effective within 90 days of the filing date pursuant to 47 U.S.C. § 252(e)(4), the separate affiliate and the incumbent LEC, subject to applicable state law, will operate for jurisdictionally interstate services as if the interconnection agreement were in effect for those services.

b. In any state where Bell Atlantic/GTE will be providing Advanced Services on the Merger Closing Date, the separate Advanced Services affiliate(s) shall, prior to the Merger Closing Date, consistent with state law, file for any required state certifications (for intrastate services) or approvals necessary for the separate affiliate to provide Advanced Services.

c. In any state where a Bell Atlantic/GTE incumbent LEC will provide Advanced Services on the Merger Closing Date, Bell Atlantic/GTE shall establish prior to the Merger Closing Date a separate Advanced Services affiliate.

d. Bell Atlantic/GTE shall incorporate and establish a separate Advanced Services affiliate to provide Advanced Services prior to the Merger Closing Date.

e. Notwithstanding Subparagraphs b-d of this Paragraph or Paragraph 6 below, Bell Atlantic/GTE may provide Advanced Services through a Bell Atlantic/GTE incumbent LEC (or other entity that does not comply with the provisions of Paragraph 3) in any state until Bell Atlantic/GTE has obtained all necessary state authorizations and approvals to provide Advanced Services through the separate Advanced Services affiliate in that state. Bell Atlantic/GTE shall make good-faith efforts to secure the necessary state authorizations and approvals.

6. Providing Advanced Services through the Separate Advanced Services Affiliate. Bell Atlantic/GTE shall phase-in the provision of Advanced Services through its separate Advanced Services affiliate(s), as follows:

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[21] These negotiations are to be on an "arm's length" basis.

a. New Activations for Advanced Services Customers that are Providers of Internet Services. In each Bell Atlantic/GTE State, Bell Atlantic/GTE shall provide new activations of Advanced Services to customers that are providers of Internet services through a separate Advanced Services affiliate no later than the later of: (i) the date on which any asset transfers are completed pursuant to Paragraph 3e or (ii) 180 days after the Merger Closing. Any tariffs necessary for the separate Advanced Services Affiliate to provide such Advanced Services shall be filed prior to the date on which Bell Atlantic/GTE is required to provide new activations through an Advanced Services affiliate, as defined in this Paragraph. The terms of this Subparagraph a are established in recognition of, and are expressly contingent upon, the fact that the FCC has determined that Advanced Services used to provide Internet services are jurisdictionally interstate services. In the event such services are determined to be jurisdictionally intrastate, and state certification is required to provide new activations of Advanced Services to customers that are providers of Internet services through a separate Advanced Services affiliate, the obligations of this Subparagraph a shall apply 30 days after state approval of any necessary tariffs that the state deems required for the separate Advanced Services affiliate to provide new activations of Advanced Services to customers that are providers of Internet services.

b. Incumbent LEC's Embedded Base of Advanced Services Customers That Are Providers of Internet Services. In each Bell Atlantic/GTE State, any Advanced Services provided by Bell Atlantic/GTE's incumbent LEC in that state to customers that are providers of Internet services shall be transferred or assigned, along with the associated customer relationship, to the separate Advanced Services affiliate no later than the later of: (i) the date on which any asset transfers are completed pursuant to Paragraph 3e or (ii) 180 days after the Merger Closing Date. Any tariffs necessary for the separate Advanced Services Affiliate to provide such Advanced Services shall be filed prior to the date on which Bell Atlantic/GTE is required to provide Advanced Services to the incumbent LEC's embedded base of customers that are providers of Internet services. The terms of this Subparagraph b are established in recognition of, and are expressly contingent upon, the fact that the Commission has determined that Advanced Services used to provide Internet services are jurisdictionally interstate access services. In the event such services are determined to be jurisdictionally intrastate, and state certification is required to transfer Advanced Services provided by Bell Atlantic/GTE's incumbent LEC to customers that are providers of Internet services to the separate Advanced Services affiliate, the obligations of this Subparagraph b shall apply 30 days after state approval of any necessary tariffs, certifications, or agreements that the state deems required for the separate Advanced Services affiliate to provide Advanced Services to customers that are providers of Internet services if later than the date set forth in (i) and (ii) above.

c. New Activations for Other Advanced Services Customers. In each Bell Atlantic/GTE State, Bell Atlantic/GTE shall provide new activations of Advanced Services to customers that are not providers of Internet services through a separate Advanced Services affiliate no later than the later of: (i) the date on which any asset transfers are completed pursuant to Paragraph 3e or (ii) 180 days after the Merger Closing Date. Such tariffs shall be filed no later

than 3 business days after state approval of any certification that the state deems required for the separate Advanced Services affiliate to provide Advanced Services in that state.

d. Incumbent LEC's Embedded Base of Other Advanced Services Customers. In each Bell Atlantic/GTE State, any Advanced Services provided by Bell Atlantic/GTE's incumbent LEC in that state to customers that are not providers of Internet services shall be transferred or assigned, along with the associated customer relationship, to the separate Advanced Services affiliate no later than the later of: (i) 30 days after state approval of any necessary certification, tariffs, or any other required state authorization, (ii) 30 days after state approval of all necessary agreements, including any agreement to transfer or assign customers from the incumbent LEC to the separate Advanced Services affiliate, (iii) 180 days after the Merger Closing Date, or (iv) completion of any asset transfers pursuant to Paragraph 3e. Any necessary tariffs shall be filed no later than 3 business days after state approval of any certification that the state deems required for the separate Advanced Services affiliate to provide Advanced Services in that state.

e. Existing Tariffs. To comply with the requirements of this Paragraph, Bell Atlantic/GTE shall, no later than the date on which the separate Advanced Services affiliate may begin offering Advanced Services to existing customers of the incumbent LEC in a state, (i) file any necessary tariff changes with the Commission and/or the state commission to terminate the offering of such Advanced Service by the incumbent LEC, and (ii) cease initiating any marketing or sales of such Advanced Service by the incumbent LEC. Notwithstanding the requirements of Subparagraphs a and c above, until such tariff changes are approved by the Commission and/or the state commission (including any mandatory customer notification period), the Bell Atlantic/GTE incumbent LEC shall comply with such tariffs as then in effect if the incumbent LEC receives a request for a new activation of an Advanced Service.

f. State Denial. Notwithstanding Paragraphs 5a and 6a-6d, if a state commission fails to provide the necessary approvals within 180 days of the Merger Closing Date, so that Bell Atlantic/GTE's Advanced Service Affiliate is impaired from providing Advanced Services in strict accordance with these Conditions, Bell Atlantic/GTE shall petition the Chief of the Common Carrier Bureau for an extension of the relevant deadline. During the pendency of the waiver request, Bell Atlantic/GTE and its Advanced Service Affiliate shall continue to operate as if the transition period had not expired.

g. Transition Period. In the Bell Atlantic/GTE Service Areas in each Bell Atlantic/GTE State, until such time as Bell Atlantic/GTE is required, pursuant to the provisions of subparagraph a or c, above to provide new activations of Advanced Services through the separate Advanced Services affiliate in that state, Bell Atlantic/GTE shall be permitted to provision such services in that state in the following manner, which is intended to be the "functional equivalent" of provisioning service through a separate Advanced Services affiliate.

(1) Either the Bell Atlantic/GTE incumbent LEC or the separate Advanced Services affiliate may joint market Advanced Services to customers;

(2) Except for orders that contain ADSL service that uses Interim Line Sharing, as provided for in Paragraph 7, customer orders for Advanced Services obtained by the incumbent LEC must be passed to the separate Advanced Services affiliate for processing. For customer orders that contain ADSL service that uses Interim Line Sharing, as provided for in Paragraph 7, the incumbent LEC may, on an exclusive basis pursuant to a written agreement with the separate Advanced Services affiliate, process the order;

(3) Except for orders that contain ADSL service that uses Interim Line Sharing, as provided for in Paragraph 7, the separate Advanced Services affiliate shall order the facilities and/or services needed to provide the Advanced Service from the incumbent LEC. Within 180 days of the Merger Closing Date, the separate Advanced Services affiliate shall order such facilities utilizing the same interfaces with the incumbent LEC as the incumbent LEC provides to unaffiliated providers of Advanced Services. For customer orders that contain ADSL service that uses Interim Line Sharing, as provided for in Paragraph 7, the incumbent LEC may, on an exclusive basis pursuant to a written agreement with the separate Advanced Services affiliate, order the facilities needed to provide the ADSL service; and

(4) Any Advanced Services orders received by the separate Advanced Services affiliate shall be passed to the incumbent LEC, which shall provide Advanced Services to the Bell Atlantic/GTE customer. The Bell Atlantic/GTE incumbent LEC may lease from the separate Advanced Services affiliate any Advanced Services Equipment required for the incumbent LEC to provide any Advanced Service.

7. Provisioning of Interim Line Sharing to the Separate Advanced Services Affiliate. This Paragraph shall apply only when line sharing is not required as a result of a final, non-appealable judicial decision. Notwithstanding the non-discrimination provisions of Paragraph 3 above, a Bell Atlantic/GTE incumbent LEC may provide Interim Line Sharing (as defined in Subparagraph 3d), including OI&M functions associated with Interim Line Sharing, to a separate Advanced Services affiliate on an exclusive basis in accordance with the following provisions:

a. The Bell Atlantic/GTE incumbent LEC may provide Interim Line Sharing capability to the separate Advanced Services affiliate within a certain geographic area for the provision of Advanced Services activated prior to the time that line sharing is provided to unaffiliated providers of Advanced Services within the same geographic area.

b. The Bell Atlantic/GTE incumbent LEC shall establish and make available through interconnection agreements with the separate Advanced Services affiliate (and with unaffiliated telecommunications carriers pursuant to the provisions of Paragraph 13) surrogate charges for the costs incurred in making available an unbundled local loop capable of providing Advanced Services (such as ADSL) in combination with voice grade services ("Surrogate Line Sharing Charges"). For purposes of this Section I, "voice grade service" means the transmission of an analog signal within an approximate bandwidth of 300 to 3000 Hz. The Surrogate Line Sharing Charges shall be 50 percent of the lowest monthly recurring charge, 50 percent of the lowest non-recurring line or service connection charge and 100 percent of the lowest non-recurring service order charge (i.e., there is no discount for the service order charge), for the

unbundled local loop then effective that have been established by the state commission pursuant to 47 U.S.C. § 252(d)(1). The lowest non-recurring charges used in calculating the Surrogate Line Sharing Charges shall be the set of non-recurring charges contained in a tariff and/or single interconnection agreement for which the sum of the non-recurring line or service connection charge and the non-recurring service order charge is the lowest. The Bell Atlantic/GTE incumbent LEC shall charge the separate Advanced Services affiliate these Surrogate Line Sharing Charges for the affiliate's shared use of a local loop if: (i) the Bell Atlantic/GTE incumbent LEC is able to provision the Advanced Service of the separate Advanced Services affiliate over the same loop that the incumbent LEC is using to provide voice grade services on either a retail or wholesale basis, and (ii) the Advanced Service is within a spectral mask that is compatible with the incumbent LEC's voice grade service and the filters used by the incumbent LEC to provide Interim Line Sharing. The compatibility standard in the previous sentence shall be presumptively met if the Advanced Service utilizes a technology for which the spectral mask complies with an industry-recognized standard that would be compatible with both (i) the incumbent LEC's voice grade service, and (ii) the filters specified in Annex E to ANSI standard T1.413-1998. For any other technology, the separate Advanced Services affiliate may meet the compatibility standard by showing that the technology (i) would be compatible with the incumbent LEC's voice grade service and (ii) is compatible with the filters specified in Annex E to ANSI standard T1.413-1998. Surrogate Line Sharing Charges shall not apply retroactively to charges for an unbundled loop incurred prior to the effective date of the Surrogate Line Sharing Charges, but will apply to charges incurred after the effective date of the Surrogate Line Sharing Charges for both (i) recurring charges for qualifying loops in service, and (ii) recurring and non-recurring charges for new installations of qualifying loops. In order to be entitled to the Surrogate Line Sharing Charges, however, the Bell Atlantic/GTE separate Advanced Services affiliate must certify to the incumbent LEC that it is not providing voice grade service in conjunction with Advanced Services over the broadband channel. The Surrogate Line Sharing Charge may be billed through credits, true-ups, or other billing mechanisms provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service.

8. The separate Advanced Services affiliate(s) required by this Section shall, to the extent that they provide jurisdictionally interstate services, be regulated by the Commission as non-dominant carrier(s) with respect to the provision of Advanced Services. The separate Advanced Services affiliate shall comply with the Commission's rules regarding tariffs, including the Commission's rule that non-dominant telecommunications carriers that provide interstate access services are subject to permissive detariffing.

9. The Performance Measurements required by Section V of these Conditions shall be reported separately to the Commission, on a proprietary basis and in accordance with Paragraph 1 of Attachment A, by each Bell Atlantic/GTE incumbent LEC for each separate Advanced Services affiliate required by this Section I to the extent that such Performance Measurements are applicable. These Performance Measurements reports shall only be made available to other parties subject to a protective agreement. Within 30 days of the Merger Closing Date, Bell Atlantic/GTE shall propose to the Chief of the Common Carrier Bureau an additional performance measurement, or an additional sub-measurement, to measure Bell

Atlantic/GTE's performance with respect to the provisioning of line sharing. Within 90 days of receiving written notice that the Chief of the Common Carrier Bureau agrees that a line sharing measurement should be implemented, Bell Atlantic/GTE shall implement the new measurement consistent with the provisions of Section V.

10. In setting the annual bonuses paid to officers and management employees of a separate Advanced Services affiliate, Bell Atlantic/GTE shall give substantial weight to the performance of the separate Advanced Services affiliate.

11. Separate Advanced Services Affiliate Sunset Provisions. The requirements of this Section I requiring Bell Atlantic/GTE to provide Advanced Services through one or more separate affiliates, as described in this Section, shall terminate immediately upon any of the following events:

a. In each Bell Atlantic/GTE State, the date that is the later of (i) 42 months after the Merger Closing Date or (ii) 36 months after the incumbent LEC ceases to process trouble reports for the separate Advanced Services affiliate on an exclusive basis under the provisions of Subparagraph 3h; or

b. The date upon which (i) legislation enacted by the U.S. Congress that specifically prohibits the Commission from requiring incumbent LECs to establish separate affiliates for the provision of Advanced Services becomes law, and (ii) the Commission modifies its rules and regulations in a manner that materially changes the substance of what is covered in this Section I (e.g., if the Commission were to establish rules that prohibit an incumbent LEC from providing joint marketing to the separate Advanced Services affiliate on an exclusive basis, or rules that prohibit an incumbent LEC from providing OI&M services to the separate Advanced Services affiliate on a non-discriminatory basis, either such change would be an example of a change that would be considered a material change).

c. Subject to the sunset provisions of Subparagraphs 11a-b, nine months after the date upon which a final and non-appealable judicial decision by a court of competent jurisdiction determines that the separate Advanced Services affiliate must be deemed a successor or assign of the incumbent LEC for the purposes of applying 47 U.S.C. §§ 153(4) or 251(h). However, such a judicial decision that is based in whole or in substantial part on conduct of, or relationship between, the Bell Atlantic/GTE incumbent LEC and/or the separate Advanced Services affiliate not expressly permitted by these Conditions, shall not be a basis for terminating any of the separate affiliate provisions of this Section I.

12. Upon the date that Bell Atlantic/GTE determines, as a result of one or more of the provisions of Paragraph 11 above, to no longer provide Advanced Services through a separate affiliate in a particular state, then Bell Atlantic/GTE shall be required to comply with the following provisions in that state until the date that is 48 months after the Merger Closing Date:

a. The Discounted Surrogate Line Sharing Charge provisions of Paragraphs 7b and 13, if the Bell Atlantic/GTE incumbent LEC uses Interim Line Sharing (as defined in

Paragraph 3d) to provide new activations of ADSL service;

b. The Advanced Services OSS discount provisions of Paragraph 25;

c. The incumbent LEC shall provide Advanced Services through a separate Advanced Services office or division within the LEC and shall comply with the following provisions:

(1) The Advanced Services office or division within the LEC will continue to use the same interfaces, processes, and procedures made available by the incumbent LEC to unaffiliated providers of Advanced Services for pre-ordering, ordering, provisioning, and repair and maintenance of Advanced Services;

(2) The Bell Atlantic/GTE retail operations within the incumbent LEC shall use the interfaces available to CLECs for processing a substantial majority (i.e., at least 75 percent of pre-order inquiries and at least 75 percent of orders) of Advanced Services orders;

d. The incumbent LEC will continue to make available to unaffiliated Advanced Services providers the OI&M services that were previously made available to such providers by the LEC pursuant to these Conditions; and

e. The incumbent LEC shall provide unaffiliated telecommunications carriers with the same OI&M services at the customer premises that it provides for its own retail operations in the same Bell Atlantic/GTE State with respect to the offering of Advanced Services.

f. The incumbent LEC shall be required to provide the enhanced OSS interfaces for provisioning Advanced Services as discussed in Paragraph 18, below.

II. Discounted Surrogate Line Sharing Charges

13. This Paragraph shall apply only when line sharing is not required as a result of a final, non-appealable judicial decision. The terms for Surrogate Line Sharing Charge discounts offered by Bell Atlantic/GTE to unaffiliated providers of Advanced Services for inclusion in interconnection agreements shall reflect the following:

a. In any geographic area where the Bell Atlantic/GTE incumbent LEC either (i) provides Interim Line Sharing for new activations of ADSL service to a separate Advanced Services affiliate per the provisions of Paragraph 7, above, or (ii) utilizes Interim Line Sharing to provide new activations of ADSL service provided by the incumbent LEC, the incumbent LEC shall charge unaffiliated providers of Advanced Services the same Surrogate Line Sharing Charges as described in Paragraph 7 for use of an unbundled local loop in the same geographic area, where: (i) the unaffiliated provider purchases the unbundled local loop to provide Advanced Services only and does not use the unbundled local loop to provide any voice grade service; (ii) the unaffiliated provider's Advanced Services are provided to an end user customer to whom the incumbent LEC provides voice grade service, on either a retail or wholesale basis, at the same

premises; and (iii) the unaffiliated provider's Advanced Services are within a spectral mask that would, if line sharing were available, be compatible with the incumbent LEC's voice grade service and the filters used by the incumbent LEC to provide Interim Line Sharing. The compatibility standard in the previous sentence shall be presumptively met if the unaffiliated provider's Advanced Services utilize a technology for which the spectral mask complies with an industry-recognized standard that would be compatible with both (i) the incumbent LEC's voice grade service, and (ii) the filters specified in Annex E to ANSI standard T1.413-1998. For any other technology, the unaffiliated provider of Advanced Services may meet the compatibility standard by showing that the technology (i) would be compatible with the incumbent LEC's voice grade service and (ii) is compatible with the filters specified in Annex E to ANSI standard T1.413-1998.

b. Surrogate Line Sharing Charges shall not apply retroactively to charges for an unbundled loop incurred prior to the effective date of the Surrogate Line Sharing Charges, but will apply to charges incurred after the effective date of the Surrogate Line Sharing Charges for both (i) recurring charges for qualifying loops in-service, and (ii) recurring and non-recurring charges for new installations of qualifying loops. Bell Atlantic/GTE may provide the Surrogate Line Sharing Charges discounts through credits, true-ups, or other billing mechanisms, provided, however, that such credits, true-ups or other mechanisms are applied within 60 days of the initial billing for the service. To obtain the Surrogate Line Sharing Charges, a telecommunications carrier must provide written notification (which may include e-mail) to Bell Atlantic/GTE identifying the unbundled loops that it is using or will use to provide a qualifying Advanced Service. For unbundled loops ordered after the effective date of the Surrogate Line Sharing Charges, notification must be given at the time the order is placed. For unbundled loops in service prior to the effective date of the Surrogate Line Sharing Charges, the Surrogate Line Sharing Charges will only apply to unbundled loops for which such notification is received within 30 days of the date that Bell Atlantic/GTE notifies the telecommunications carrier that the Surrogate Line Sharing Charges are in effect. Not less than 3 business days after the availability of Surrogate Line Sharing Charges in the relevant geographic area, Bell Atlantic/GTE shall provide notice of that availability to telecommunications carriers having unbundled loops in service in that geographic area as of the effective date of the Surrogate Line Sharing Charges.

c. Unaffiliated providers of Advanced Services that obtain unbundled local loops for the Surrogate Line Sharing Charges shall, on a quarterly basis, certify to Bell Atlantic/GTE and the appropriate state commission that they are using all unbundled local loops provided at the Surrogate Line Sharing Charges in accordance with Subparagraph a above. Bell Atlantic/GTE shall have the right to hire, at its own expense, an independent third-party auditor to perform all necessary audits and inspections needed to assure that unbundled local loops provided for the Surrogate Line Sharing Charges are used in accordance with Subparagraph b above. Unaffiliated providers of Advanced Services that obtain unbundled local loops for the Surrogate Line Sharing Charges shall agree to cooperate in the performance of such audits and inspections.[22] Audit information shall be restricted to Bell Atlantic/GTE regulatory, legal, and/or wholesale personnel, and Bell Atlantic/GTE shall prohibit those personnel from disclosing audit-

[22] Any such audit or inspection is limited to being a "technical" audit.

related, customer-specific or company-specific proprietary information to Bell Atlantic/GTE retail personnel.[23] If Bell Atlantic/GTE conducts any audit of an unaffiliated Advanced Service provider's use of unbundled local loops in a state, under this Subparagraph c, Bell Atlantic/GTE's annual compliance report for the calendar year in which the investigation was concluded shall describe the uses of shared loops by Bell Atlantic/GTE's separate Advanced Services affiliate(s) in the same state.

d. Any unaffiliated provider of Advanced Services found by the appropriate state commission to have violated the use restrictions of this Paragraph or that fails to cooperate in an audit may be denied the Surrogate Line Sharing Charges on any unbundled local loop for which the use restrictions or audit provisions are violated. In addition, any such provider that intentionally and repeatedly violates the use restrictions of Subparagraph a may be denied the Surrogate Line Sharing Charges for unbundled local loops ordered or installed after the date of such a finding by a state commission.

e. Bell Atlantic/GTE shall waive all non-recurring charges for new installations of line sharing on behalf of unaffiliated providers of Advanced Services, where such new installations are (i) ordered no later than 60 days after the date on which line sharing is offered to unaffiliated providers of Advanced Services in the geographic area ("the line sharing date"), with a requested installation date of no later than 90 days after the line sharing date and (ii) installed to replace an unbundled local loop provided at the Surrogate Line Sharing Charges at the same customer premises to the same provider of Advanced Services. In addition, for line sharing installations meeting the requirements of the previous sentence, Surrogate Line Sharing Charges shall continue to apply to the unbundled loop until Bell Atlantic/GTE has completed all work necessary for the conversion to line sharing to be completed. Unless the Commission establishes other notification requirements for deployment of line sharing, Bell Atlantic/GTE shall provide unaffiliated providers of Advanced Services not less than 60 days advance notice of the line sharing date.

III. Loop Conditioning Charges and Cost Studies

14. No later than 180 days after the Merger Closing Date, Bell Atlantic/GTE shall file cost studies and proposed rates for conditioning xDSL loops in the Bell Atlantic/GTE Service Area within each Bell Atlantic/GTE State that has not already started or completed cost proceedings for these services. Bell Atlantic/GTE's cost studies and proposed rates shall be prepared in compliance with the methodology set forth in the Commission's and the relevant state commission's pricing rules for UNEs. The cost-based rates resulting from these proceedings shall be effective in that state. In Bell Atlantic/GTE States where rates have not been approved by the state commission or are not in effect for the removal of load coils, bridged taps, and/or voice-grade repeaters, Bell Atlantic/GTE shall make available to Advanced Services providers, pending the approval of state-specific rates and subject to true-up, the rates for these xDSL loop conditioning services that are contained in any effective interconnection agreement, to which any Bell Atlantic/GTE incumbent LEC is a party, that is identified by the Advanced

[23] This restriction includes, in particular, employees of the separate Advanced Services affiliate or Bell Atlantic/GTE personnel who perform the retail functions contemplated in Subparagraphs 3a-3c.

Services provider in any state, provided that the rates for these services provided in the agreement are greater than zero. Provided, however, that during this interim period and subject to true-up, unbundled loops of less than 12,000 feet (based on theoretical loop length) that could be conditioned to meet the minimum requirements defined in the associated technical publications of Bell Atlantic and of GTE through the removal of load coils, bridged taps, and/or voice grade repeaters will be conditioned at no charge to the requesting Advanced Services provider. Where a Bell Atlantic/GTE incumbent LEC identifies conditioning (with associated conditioning charges) that is necessary for an unbundled loop ordered by a provider of Advanced Services, Bell Atlantic/GTE will obtain the provider's authorization to perform, and agreement to pay for, each type of conditioning before proceeding with any conditioning work.[24] The foregoing interim provisions do not constitute or reflect any determination by the Commission regarding the lawfulness or appropriateness of the interim rates, and are not intended to delay or otherwise influence approval of state-specific rates by other state commissions in the Bell Atlantic/GTE States.

IV. Non-discriminatory Rollout of xDSL Services

15. Bell Atlantic/GTE shall take the following steps to ensure that its deployment of xDSL services (viewed on an aggregated basis and including existing deployment, without regard to the entity through which Bell Atlantic/GTE provides those services) in the Bell Atlantic/GTE Service Area is not discriminatory:

a. In consultation with the relevant state commission, if the state commission chooses to engage in such consultation, Bell Atlantic/GTE shall within 90 days of the Merger Closing Date reasonably classify all Bell Atlantic/GTE wire centers as either urban or rural wire centers for purposes of this Paragraph.

b. Bell Atlantic/GTE shall identify the 10 percent of urban wire centers within the Bell Atlantic/GTE Service Area in each Bell Atlantic/GTE State that have the greatest number of low-income households, as estimated by using the latest available census data ("Low Income Urban Pool"). After the date that is 180 days after the Merger Closing Date, by the time Bell Atlantic/GTE has deployed xDSL in at least 20 urban wire centers in a particular state, and for at least 36 months thereafter, at least 10 percent of the urban wire centers in which Bell Atlantic/GTE deploy xDSL in that state shall be wire centers from the Low Income Urban Pool.

c. Bell Atlantic/GTE shall identify the 10 percent of rural wire centers within the Bell Atlantic/GTE Service Area in each Bell Atlantic/GTE State that have the greatest number of low-income households, as estimated by using the latest available census data ("Low Income Rural Pool"). After the date that is 180 days after the Merger Closing Date, by the time Bell Atlantic/GTE has deployed xDSL in at least 20 rural wire centers in a particular state, and for at least 36 months thereafter, at least 10 percent of the rural wire centers in which Bell Atlantic/GTE deploys xDSL in that state shall be wire centers from the Low Income Rural Pool.

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[24] The rates, terms, and conditions associated with loop conditioning will be sufficiently disaggregated so that an unaffiliated telecommunications carrier may select only the conditioning it requires on a particular loop.

d. Bell Atlantic/GTE shall file a quarterly report with the Commission describing the status of its xDSL roll-out. This report shall include xDSL deployment information by Bell Atlantic/GTE state, including the number and name/location of urban and rural wire centers and low-income wire centers where Bell Atlantic/GTE has deployed xDSL. The report shall be submitted 180 days after the Merger Closing Date and on a quarterly basis thereafter.

ENSURING OPEN LOCAL MARKETS

V. Carrier-to-Carrier Performance Plan (Including Performance Measurements)

16. In the Bell Atlantic/GTE Service Area, Bell Atlantic/GTE shall implement the Carrier-to-Carrier Performance Assurance Plan ("the Plan") described herein and in Attachment A. The Plan has two elements. First, it requires Bell Atlantic/GTE to report, on a monthly basis and in each of the Bell Atlantic/GTE States, its performance in the 17 measurement categories (with sub-measurements) identified in Attachments A-1a and A-1b that address functions that may have a particularly direct effect on Bell Atlantic/GTE's local competitors and their customers. This information will be made available on an Internet web-site and will provide the Commission, state commissions, and CLECs new tools to verify and benchmark Bell Atlantic/GTE's performance in these measurement and sub-measurement categories. Second, the Plan obligates Bell Atlantic/GTE to make voluntary payments of up to $1.164 billion over 3 years to the U.S. Treasury based on Bell Atlantic/GTE's performance in the measurement categories identified in Attachments A-1a and A-1b. These payments may reach as much as $259 million in the first year, $389 million in the second year, and $516 million in the third year. The $1.164 billion total voluntary payment for which Bell Atlantic/GTE may be liable may be reduced by up to $125 million if Bell Atlantic/GTE completes the OSS commitments provided for in these Conditions ahead of schedule. See Attachment A, Paragraph 11. The Plan does not limit the authority of any state to adopt additional or different state performance monitoring requirements or associated remedies.

17. The Plan shall be effective for the Bell Atlantic/GTE Service Area within each Bell Atlantic/GTE State until the earlier of (i) 36 months after the date that Bell Atlantic/GTE is first potentially obligated to make Plan payments for that state, (ii) for the Bell Atlantic Service Areas on a state-by-state basis, the first date on which Bell Atlantic is authorized to provide in-region, interLATA services in that state pursuant to 47 U.S.C. § 271(d)(3), or (iii) on a state-by-state basis, the effective date of a comprehensive performance plan adopted by a state commission applicable to Bell Atlantic/GTE. Not later than 10 business days after the relevant deadlines under this Section V, Bell Atlantic/GTE shall file with the Secretary of the Commission notices regarding its satisfaction of the deadlines listed below.

a. In the Bell Atlantic Service Areas, Bell Atlantic/GTE shall implement the performance measurements shown on Attachments A-2a and A-5a (which are based on the performance plan adopted by the New York Public Service Commission in connection with Bell Atlantic's Section 271 proceeding) and provide the Commission with 2 months of performance

data on these measurements, by the first day of the first month that begins more than 90 days after the Merger Closing Date. Beginning with the first month that starts at least 270 days after the Merger Closing Date, Bell Atlantic/GTE's performance shall be used to determine whether Bell Atlantic/GTE shall be obligated to make voluntary payments to the U.S. Treasury, as set forth in the Plan. Bell Atlantic/GTE's performance in prior months shall not be used to determine whether Bell Atlantic/GTE shall make voluntary payments.

b. For the GTE Service Areas, Bell Atlantic/GTE shall implement the performance measurements shown in Attachments A-2b and A-5b (which are based on the California Public Utilities Commission's performance plan applicable to GTE) and provide 2 months of performance data on these measurements, by the first day of the first month that begins more than 90 days after the Merger Closing Date, except for performance measurements PR-3 and NP-2 which shall be implemented no later than 150 days after the Merger Closing Date. Beginning with the first month that starts at least 270 days after the Merger Closing Date, Bell Atlantic/GTE's performance shall be used to determine whether Bell Atlantic/GTE shall be obligated to make voluntary payments to the U.S. Treasury, as set forth in the Plan. Bell Atlantic/GTE's performance in prior months shall not be used to determine whether Bell Atlantic/GTE shall make voluntary payments.

VI. Uniform and Enhanced OSS and Advanced Services OSS

18. Within 90 days after the Merger Closing Date, Bell Atlantic/GTE will develop a plan to implement uniform, electronic OSS interfaces and business rules (including for pre-ordering and ordering components used to provide digital subscriber line ("xDSL") and other Advanced Services) within the Bell Atlantic Service Areas and separately within the GTE Service Areas. This plan shall also address how Bell Atlantic/GTE will implement uniform transport and security protocols, but not business rules, across the merged Bell Atlantic/GTE Service Areas. The OSS interfaces proposed in the plan shall be commercially ready, uniform application-to-application interfaces using standards and guidelines as defined, adopted, and periodically updated by the Alliance For Telecommunications Industry Solutions ("ATIS") for OSS, e.g., Electronic Data Interchange ("EDI") and Common Object Request Broker Architecture ("CORBA") and graphical user interfaces (e.g. GUI Version 3 and WISE Phase 1) that support the pre-ordering, ordering, provisioning, maintenance/repair, and billing of resold local services and unbundled network elements ("UNEs") that meet the requirements of 47 U.S.C. § 251(c)(3). For purposes of these Conditions, "uniform interfaces" means interfaces that present telecommunications carriers that are users of the interfaces with the same version(s) of industry standards for data formatting specifications, and transport and security protocols.

19. a. The Plan shall include an assessment of Bell Atlantic's and GTE's existing interfaces and business rules, and Bell Atlantic's and GTE's plans for developing and deploying uniform application-to-application interfaces and business rules for OSS within the Bell Atlantic Service Areas and separately within the GTE Service Areas. The Plan will also report on existing commitments related to interfaces and business rules, including any outstanding scheduled changes, resulting from collaborative proceedings conducted with CLECs as part of the Petition of New York Telephone Company for Approval of its Statement of Generally