

EX PARTE OR LATE FILED



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August 29, 2000

Ms. Magalie Roman Salas  
Secretary  
Federal Communications Commission  
445 Twelfth Street, S.W.  
Room TWB-204  
Washington, DC 20554

RECEIVED  
AUG 29 2000  
FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

**EX PARTE**  
**CC Docket No. 98-184**

Dear Ms Salas:

Per the above referenced proceeding order released June 16, 2000 @ Appendix D ¶55(b), this letter provides notice that Verizon submitted a copy of our plan for compliance with the merger conditions today to the Common Carrier Bureau's Audit Staff .

¶ 55(b) requires Verizon to make a copy of the compliance plan available to the public. Please place a copy of the attached compliance plan in the Ex Parte file of the above referenced proceeding.

Sincerely,

Attachment

No. of Copies rec'd 0+1  
List A B C D E

**Verizon Communications Inc.**

**Bell Atlantic/GTE Merger Conditions  
Compliance Plan**

**Jeffrey W. Ward  
Sr. VP Regulatory Compliance  
Verizon Communications Inc.**

**August 29, 2000**

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**Introduction**  
**Verizon Merger Compliance Plan**  
**August 18, 2000**

On June 16, 2000, the Federal Communications Commission adopted and released its Memorandum Opinion and Order in CC Docket No. 98-184 granting the applications for transfer of licenses and lines pursuant to the merger of GTE Corporation and Bell Atlantic Corporation. The merger closing was subject to a number of conditions including compliance with specified Genuity relationships and compliance with twenty-five (25) market opening conditions. The merger closing date was June 30, 2000.

Verizon is providing this Compliance Plan to the FCC Common Carrier Bureau's Audit Staff as required by paragraph 55 (b) in Appendix D of the Order. The plan is divided into two sections:

- ◆ The Introduction outlines the overall internal control and compliance efforts that Verizon has put in place to communicate, track, and monitor the timely satisfaction of these Merger Conditions.
  
- ◆ The second portion of the plan provides the following information for each individual Merger Condition:
  - a summary statement of the Condition;
  - identification of the Responsible Executive(s) accountable for that Condition;
  - an outline of the internal controls established or that will be established to ensure compliance; and
  - examples of documentation Verizon will collect and review to substantiate compliance with the Condition.

Appended to the end of the document is a copy of the Merger Milestone Timeline that was first provided to the Commission on July 7, 2000.

Verizon is committed to satisfying all Merger Conditions as ordered by the FCC and specified in this Compliance Plan. Adequate resources and processes are being dedicated to ensure satisfaction of and ongoing compliance with these requirements. Under the direction of the Senior Corporate Compliance Officer, Verizon has established a rigorous internal control and project management approach to ensure compliance with all Merger Conditions. The key components of that environment are described below.

## **Merger Compliance Organization**

Ivan Seidenberg, President and Chief Executive Officer, has appointed Jeffrey W. Ward as Senior Vice President- Regulatory Compliance. In this capacity, Mr. Ward is the Senior Corporate Compliance Officer with responsibility for all regulatory compliance activities, including compliance with merger-related conditions. The Verizon Board of Directors has directed the Audit Committee of the Board of Directors to oversee the activities of the Compliance Officer. As Senior Corporate Compliance Officer, Mr. Ward's responsibilities relative to the Merger Conditions include:

- oversight of the implementation of the Merger Conditions, including monitoring implementation of and compliance with all deadlines and activities specified in the Merger Conditions;
- compliance with FCC Merger Condition reporting Requirements; and
- consultation with the Chief of the Common Carrier Bureau regarding Verizon's compliance with Merger Conditions.

Mr. Ward has established the following organization for regulatory compliance:

Ivan Seidenberg, President and Chief Executive Officer, has also named Susan Kennedy as Vice President - Merger Compliance. Responsibilities of this position include supporting the Senior Corporate Compliance Officer in the execution of his responsibilities, and day-to-day program management of all merger compliance related activities, including:

- merger issue identification and resolution;
- merger compliance tracking integrity;
- merger compliance document retention;
- external audit oversight; and
- FCC interface and reporting.

Mary Jo Howe, David Gudino, and Susan Browning have accountability as the primary regulatory experts and initial interfaces with the Responsible Executives and Compliance Managers for Merger Conditions in their respective areas of responsibility.

## **Responsible Executive/Compliance Manager Model**

One or more Responsible Executives have been assigned to each Merger Condition. Each Responsible Executive has clearly acknowledged and accepted this role and is actively involved in the development and execution of plans to satisfy the requirements associated with his/her assigned Conditions. The duties of the Responsible Executive

include executive sponsorship and oversight of the Condition, leadership of the team tasked with developing and executing the plan to satisfy each Condition, and serving as a point of escalation to resolve any potential jeopardy conditions. In addition, the Responsible Executive regularly reports to the Senior Corporate Compliance Officer on the status of Merger Conditions and notifies the Senior Corporate Compliance Officer of any issues that are impacting or have the potential to impact compliance with Merger Conditions.

Each Responsible Executive has named one or more Compliance Managers within his/her organization, to manage those compliance activities. The Compliance Manager coordinates the development of comprehensive work plans with the individuals performing the tasks and monitors and reports progress toward the pre-established due dates.

### **Executive Management Compliance Council (EMCC)**

An Executive Management Compliance Council, chaired by the Merger Compliance Officer, has been established to provide executive oversight and accountability for compliance with all Merger Conditions. Membership includes the Responsible Executives, the Compliance Managers and the Senior Leadership of the Regulatory Compliance Organization. Committed to meeting all Merger Condition requirements, the EMCC serves to ensure that proper resources and responsibilities have been assigned to achieve complete and timely compliance, and that conditions impacting multiple work groups are coordinated. This upper level management commitment and involvement is a cornerstone of the Verizon compliance environment, establishing the level of importance executive management places on merger compliance.

In addition to each member's normal organizational responsibilities, the EMCC establishes the overall leadership for merger compliance and provides direct support to the Senior Corporate Compliance Officer to ensure accurate and timely implementation and reporting.

The EMCC meets regularly to report on the status of Merger Conditions and resolve issues.

## **Project Management Approach**

A structured, mechanized project management environment has been established to aid in the management and tracking of deliverables associated with each Condition. Using standard software tools and project management techniques, the Merger Compliance Officer has established the following work plan to keep all levels of management informed as to timely progress toward meeting all Conditions.

- Define and document each individual requirement and the due date by which it must be met per the language in the Order.
- Identify the specific business unit owner for each requirement.
- Define timeframes and ensure proper resources are identified for each task.
- Using project management techniques, track all compliance deliverables, resource assignments and due dates.
- On a regularly scheduled basis, identify critical items, and refer to Compliance Managers for action/update.
- Implement, document, and communicate internal project management change control process.
- Regularly review overall progress, key milestones and potential issues.

The output from this process is the basis for the report used to facilitate the EMCC meetings. In addition, an internal merger web site will be available to the EMCC to provide regularly updated statuses and deliverables.

## **General Employee Communication and Training**

Keeping employees informed and educated about requirements associated with the Merger Conditions is another critical component of Verizon's commitment to compliance with all Conditions. Starting before Merger close, general information was provided to Bell Atlantic and GTE employees regarding conditions for merger. The intent of these early communications was to inform the employee base of both companies that there would be obligations from regulators, and to communicate executive management commitment to these obligations.

Immediately following Merger Close, communication was made to Verizon employees covering the following federal merger related issues:

- federal affiliate transaction rules;
- long distance affiliate (Section 272) rules;
- Genuity relationship rules; and
- federal merger conditions, with special emphasis on the Advanced Services affiliate.

This communication emphasized the critical nature of compliance with all federal rules and regulations and provided a number of contact points for employees with questions or concerns regarding these matters.

Since merger close, education and training sessions have been held for Responsible Executives, Compliance Managers and other employees working on delivery of one or more of the Conditions. Individual Condition work plans include development of individual departmental and job-specific training to educate existing employees in impacted work groups on how their job duties, tools and processes may have changed as a result of implementing the requirements associated with the Merger Conditions. In addition, ongoing training curricula for new employees are being modified to reflect these changes.

### **Methods and Procedures Assessment and Enhancement**

In conjunction with the development and implementation of employee training materials, an in-depth assessment of various Verizon methods and procedures is also required. This assessment includes, but is not limited to:

- procedural or process documentation;
- desk instructions;
- on-line reference tools;
- job aids; and
- other function-specific reference materials.

This effort encompasses any tools or written materials (on-line or hard copy) of any kind that are used to document how a particular job or function is to be performed, or that are used to aid and direct day-to-day job tasks, for those work groups and departments whose responsibilities are critical to achieving compliance with these Conditions. Such materials will be developed or updated to reflect the requirements of these Conditions. Staff support groups for these impacted functional areas will continue to maintain this job-specific information for the life of the requirements. These materials and their use will be subject to internal review and internal audit.

### **Communications with Competing Carriers (CLEC Outreach)**

Keeping our CLEC customers aware of the merger conditions which may benefit or impact CLECs is an important component of the Verizon compliance plan. An overall summary of all the Merger Conditions and their impact on the CLEC universe of customers was delivered by Verizon on July 24, 2000, at the ASCEND Conference in Denver, Co. Ongoing information will be posted on our Wholesale Customer Website.

Several of the Market Opening Conditions contain provisions that provide specific benefits to telecommunications carriers that do business with Verizon ILECs. To clearly communicate the availability, terms and conditions of those specific benefits to non-affiliated carriers, Verizon is using numerous different means of communication

media, with the selection of various communications means tailored to the requirements of the specific conditions and the needs of the carriers:

- Industry Letters;
- Wholesale Customer Websites;
- OSS Assistance with Qualifying CLECs;
- CLEC User Group meetings;
- Change Management including the CLEC Test Process;
- Wholesale Customer Newsletters;
- Resale and CLEC Wholesale Handbooks;
- Customer Contract Negotiations Packages; and
- Individual Client Meetings with their Account Team.

### **Internal Controls Workshop**

PricewaterhouseCoopers LLP (PwC), the independent auditor engaged to perform the general merger conditions compliance audit, conducted several half-day internal control orientation workshops for Compliance Managers and members of the Compliance Office. The objective of the workshops was to familiarize the Compliance Managers and the members of the Compliance Office with the Committee of Sponsoring Organizations of the Treadway Commission (COSO) model of internal controls. The focus of the workshops was on the five components of internal control, which are the control environment, risk assessment, information and communication, monitoring activities and control activities. Examples were discussed that demonstrated the application of the COSO framework to the Company's compliance efforts.

### **Document Retention Requirements**

Each Responsible Executive will identify the documentation required to establish compliance with his/her assigned conditions and implement appropriate document retention procedures. In addition, a merger compliance document retention library will be established under the direction of the Merger Compliance Officer to store a copy of the completion documentation associated with each Merger Condition.

### **Non-Compliance Reporting**

The Merger Compliance Officer is responsible to ensure processes are in place to detect and resolve possible instances of non-compliance with Merger Conditions. The Responsible Executive has been directed to report instances of non-compliance and any potential non-compliance to the Senior Corporate Compliance Officer and the Merger Compliance Officer at the EMCC meetings. Appropriate corrective action will be taken to resolve any instances of non-compliance.

### **Internal Audit Consultation**

Verizon's Internal Audit group is available to serve in an advisory or consultative capacity throughout the planning and execution of all Merger deliverables with respect to internal controls. This group's existing knowledge of former Bell Atlantic and GTE business processes and current control environments combined with their professional knowledge of internal controls qualifies them to serve in this capacity. Verizon Internal Audit representatives participated in the Internal Controls Workshops conducted by PwC and have been conducting work sessions with Responsible Executives and Compliance Managers to ensure adequate internal controls are built into plans and procedures for satisfaction of and compliance with these Conditions.

### **Summary**

These major components of Verizon's Merger Compliance process clearly demonstrate the Company's commitment to fully satisfy all merger requirements. The additional details provided in the following sections, dealing with condition-specific requirements, will further demonstrate this commitment.

**Condition Number:** 1  
**Condition Name:** Separate Affiliate for Advanced Services

**Section 1: Summary**

Verizon shall transition the provisioning of Advanced Services in Verizon service areas to one or more structurally separate affiliates in accordance with the schedule and operating provisions set forth in Merger Condition I (¶ 1). These provisions include the following:

- Subject to certain transitional mechanisms and timeframes, the separate Advanced Services Affiliate shall operate in accordance with the structural, transitional, and non-discrimination requirements of 47 USC ¶ 272(b), (c), (e) and (g) except for activities permitted by the Merger Conditions (¶ 3.a).
- Subject to certain transitional mechanisms, timeframes and non-discrimination requirements, any Verizon incumbent LEC and the Advanced Services Affiliate may jointly market each others' services and perform certain services for each other in accordance with specified parameters (¶ 3.a).
- After the transition period, all Advanced Services offered by Verizon will be provisioned in accordance with specified "steady-state" conditions (¶ 4).
- Verizon shall establish the Advanced Services Affiliate prior to merger close and make the necessary certification and interconnection agreement filings with state regulatory commissions prior to merger close (¶ 5).

The Advanced Services Affiliate shall provision Advanced Services to new and Verizon incumbent LEC embedded base customers according to specified conditions and timeframes (¶ 6).

**Section 2: Executives Responsible**

Name	Title
Virginia Ruesterholz (ILEC)	Senior Vice President – Wholesale Services
George Via (Advanced Services Affiliate)	Group Senior Vice-President – Operations (Advanced Services Group)

**Section 3: Plan for Internal Controls**

In addition to the corporate internal control environment established to ensure Verizon's overall compliance with the Merger Conditions (described in the Introductory section of this Plan), additional controls and tools have been designed specifically to enhance compliance with this Condition.

Verizon has established a Program Management Structure for implementing the transition to an Advanced Services Affiliate. The transition program is managed by George Via, one of the Responsible Executives for this condition. He is working with his staff and other executives to ensure an orderly "hand-off" of the Advanced Services products and equipment from the LEC to the new affiliate in accordance with the requirements of the condition. Virginia Ruesterholz Senior Vice President – Wholesale Services, is accountable for establishing an arms length relationship with the Verizon Advanced Services Affiliate which ensures treatment consistent with that provided to non-affiliated advanced services providers. For example, the new affiliate will order collocation and unbundled network elements and she will be accountable for delivering these products to the affiliate.

The transition program is organized as functional project teams working under the umbrella of a Program Management Office (PMO). These teams include:

- product development and marketing management;
- process development;
- systems/testing;
- contracts and legal;
- inventory management;
- finance;
- regulatory;
- human resources; and
- work center implementation.

The role of the teams is to implement the Advanced Services Data Affiliate and to identify and resolve or escalate issues. The Project Management Office is directed by a project lead and subordinate program managers to provide coordination, project management, and oversight roles among the project teams. Project control is orchestrated by a series of meetings: (1) a program managers meeting, in which the program managers and project managers meet to discuss program status; (2) a periodic PMO call attended by all of the team leads and PMO to discuss plan status, points of coordination, risks, and issues; and (3) periodic executive calls.

As part of the transition management process, the Responsible Executives plan to review several key control schedules prepared or maintained by the PMO.

These schedules provide those officers responsible for the transition with appropriate tracking to readily identify situations where critical milestone dates must be met. These schedules also provide the Executive the opportunity to increase focus on the matter and shift resources if needed. These key schedules include:

- Schedule for State Certification Filings and Approval;
- Schedule for State Interconnection Agreement Filings and Approval;
- Schedule for Asset Transfer Filings and Approval;
- Schedule for Federal Advanced Services Affiliate Tariffs;
- Schedule for State Advanced Services Affiliate Tariffs;
- Schedule for ILEC Federal and State Tariffs;
- New Activation Report;
- Embedded Customer Cut-over Report;
- ILEC/Advanced Services Affiliate Contract Execution and Posting Schedule;
- Transition Services Termination Report; and
- Schedule for Training.

To ensure that employees are aware of the limitations on the relationship between the affiliate and the LEC, a detailed corporate communications and training plan is being implemented. Initially, a letter was sent to employees outlining the rules, and a separate advanced services affiliate/272 training package is being developed. Department-specific training follow-ups are planned, as well as periodic reminders over the duration of the requirement, including targeted training of separate advanced services affiliate obligations for procurement of equipment, network planning, engineering, design, assignment and joint marketing. Additionally, a mechanism will be established to educate those responsible for separate advanced services affiliate compliance of approaching sunset dates. This mechanism will include reminders of merger obligations that do not terminate for at least 48 months.

#### **Section 4: Plan for Documentation**

- State Certification filings and state decision documentation
- State Asset transfer filings and state decision documentation
- State Interconnection Agreement filings and state decision documentation
- State & Federal ILEC/Advanced Services Affiliate Tariffs filings and final approved tariffs
- State & Federal Waiver filings and regulatory decisions
- Methods, practices and procedures
- Employee training records and communication materials
- Services contracts and agreements for transactions between the LEC and the Advanced Services Affiliate, including web postings
- Customer notices
- Performance reports from LEC for services provided to affiliate
- Advanced Services Affiliate executive compensation plans

**Condition Number: 2**  
**Condition Name: Discounted Surrogate Line Sharing Charges**

**Section 1: Summary**

Prior to the adoption of the Bell Atlantic/GTE Merger Order, the FCC adopted an order in the advanced services proceeding requiring incumbent LECs to provide nondiscriminatory access to the high frequency portion of the local loop. Bell Atlantic and GTE were in compliance with this line sharing order as of the deadline of June 6, 2000. The provisions of this Condition will apply only if the FCC line sharing rules are overturned on a final and non-appealable judicial decision.

**Section 2: Executive Responsible**

Name	Title
Kathleen Hishinuma	Senior Vice President Marketing Wholesale Segments

**Section 3: Plan for Internal Controls**

Internal controls required to ensure compliance with the requirements of this Condition will be developed as part of the implementation plan if, and when, such requirements become applicable to the merged company in lieu of the requirements of the line sharing order.

**Section 4: Plan for Documentation**

Documentation required to ensure compliance with the requirements of this Condition will be established as part of the implementation plan if, and when, such requirements become applicable to the merged company in lieu of the requirements of the line sharing order.

**Condition Number:** 3

**Condition Name:** Loop Conditioning Charges and Cost Studies

### Section 1: Summary

Within 180 days following Merger Close, Verizon will file with state commissions cost studies and proposed rates for conditioning loops. Verizon will immediately make available to carriers any loop conditioning rates contained in any effective interconnection agreement to which a Verizon ILEC (or predecessor company) is a party. These current rates are subject to true-up once a state has approved the individual state-level cost studies.

### Section 2: Executive Responsible

Name	Title
Kathleen Hishinuma	Senior Vice President Marketing Wholesale Segments

### Section 3: Plan for Internal Controls

In addition to the corporate internal control environment established to ensure Verizon's overall compliance with the Merger Conditions (described in the Introductory section of this Plan), the following additional controls and tools have been designed specifically to enhance compliance with this Condition:

- Training of billing and ordering organization, CLEC contract groups, and account management will be conducted.
- Bill Verification team and existing processes will ensure accuracy of billing changes.
- Pre- and post-production billing testing will ensure accuracy of billing changes.
- Billing methods and procedures related to control, escalation, accuracy, timeliness and sufficiency will provide further quality assurance and will be enhanced as needed to specifically address the requirements of this Condition.
- Product Management director-level monitoring of progress during periodic follow-ups with Director-Costing will provide executive level oversight and focus.
- Maintaining filing documentation will substantiate state filing dates.
- Project/work plans are being established to ensure adequate controls are in place.

A product team has been established to meet the requirements of this Condition. This team will finalize product definitions, establish appropriate cost studies, file these studies with the appropriate state authorities, implement the introduction of any product, pricing or other changes as needed and maintain a schedule of the status for each state.

#### **Section 4: Plan for Documentation**

- Cost study and rate filings in each state documented via stamped Commission transmittal letter/memo
- Availability of interim rates documented via model contract language
- Procedures documented via Outside Plant Engineering "Unbundled Network Element Services xDSL, ISDN & DDL" 1999-00133-OSP
- Provider's authorization to perform and pay for each type of conditioning (using disaggregated rates) documented via CLEC-specific signed contract language or CLEC specific signed contract amendment language

**Condition Number:** 4  
**Condition Name:** Non-Discriminatory Rollout of xDSL

**Section 1: Summary**

Verizon is required to take specified steps to ensure that its deployment of xDSL is not discriminatory. After the date that is 180 days after the merger closing date, by the time Verizon has deployed xDSL in at least 20 urban or rural wire centers in a particular state, at least 10 percent of the urban and rural wire centers in which Verizon deploys xDSL in that state shall be wire centers from the Low Income Urban Pool or the Low Income Rural Pool. This percentage must be maintained for at least 36 months thereafter.

**Section 2: Executive Responsible**

Name	Title
Veronica Pellizzi	Group President – Internet & Data Services

**Section 3: Plan for Internal Controls**

In addition to the corporate internal control environment established to ensure Verizon's overall compliance with the Merger Conditions (described in the Introductory section of this Plan), the following additional controls and tools have been designed specifically to enhance compliance with this Condition:

- training of all planners and updates to planning procedures regarding this requirement to ensure appropriate facility construction plans;
- review of wire center data and deployment plans by the Responsible Executive or her representative on a periodic basis to ensure minimum 10% Low Income xDSL deployment requirements are maintained; and
- authorization of all xDSL deployment plans by the Responsible Executive or her representative.

**Section 4: Plan for Documentation**

- Documentation with Verizon wire centers classified as either urban or rural
- Agreement from state commissions will be obtained, if applicable
- Spreadsheet with Verizon wire centers classified as either urban or rural, and 10% of wire centers with greatest number of low-income households identified
- Initial Status Report filed with the FCC
- Quarterly Status Reports filed with the FCC

**Condition Number:** 5  
**Condition Name:** Carrier-to-Carrier Performance Plan (Including Performance Measurements)

**Section 1: Summary**

Verizon is required to implement a "Carrier-to-Carrier Performance Assurance Plan" (§ 16), the details of which are found in Condition 5 and Attachment A of Conditions for Bell Atlantic/GTE Merger. This plan contains two major elements:

- Report on a monthly basis, in each required Verizon state, Verizon's performance in the specified measurement categories (with sub-measurements) that address functions that may have a direct effect on Verizon local competitors and their customers. (§ 16-17, Attachment A)
- Make voluntary performance payments of up to \$1.164 billion over 3 years to the U.S. Treasury if Verizon does not meet performance standards in the 17 measurement categories. (§ 17, Attachment A)

**Section 2: Executive Responsible**

Name	Title
Virginia Ruesterholz	Senior Vice President-Wholesale Services

**Section 3: Plan for Internal Controls**

In addition to the corporate internal control environment established to ensure Verizon's overall compliance with the Merger Conditions (described in the Introductory section of this Plan), these additional controls and tools have been designed or are being designed specifically to enhance compliance with this Condition:

- Responsible Executive and appropriate functional staff have been educated on the requirements.
- Training is being conducted for employees responsible for Carrier-to-Carrier Performance Plan implementation on the specific requirements contained in the Order.
- Responsible Executive has established functional Compliance organization to effectively project manage all plan objectives and requirements.
- Functional Compliance organization is responsible for task structure development and quality review of deliverables, issue identification, escalation and resolution.
- General practices and procedures for documentation and management are being established.
- Regular milestone status review and update process is being established, including executive review.
- Process for internal validation that business rules have been applied accurately prior to data being reported is being established.

- Process for internal validation of data extraction accuracy prior to data being reported is being established.
- Testing of report generation capability under stress conditions will be performed prior to data being reported.
- The existing internal controls surrounding performance measurements, including change control process, information security controls, systems maintenance controls and system development/enhancement controls, will serve to strengthen the accuracy and timeliness of reporting as required by this Condition.

#### **Section 4: Plan for Documentation**

- All notices filed with the FCC 10 business days after meeting a requirement
- Copies of or cross references to the website documenting performance data made available
- Notices filed with the Commission if a performance payment to the U.S. Treasury is made
- Notices provided to Chief of CCB if any changes to design or calculation of performance measurements are adopted by NY and CA state commissions
- Notices provided to non-affiliated telecommunications carriers, state commissions and the Commission concerning the availability of performance reports through direct mail

**Condition Number:** 6  
**Condition Name:** Uniform and Enhanced OSS and Advanced Services OSS

### **Section 1: Summary**

Develop within Merger Closing Date (MCD) +90 days, a plan to implement uniform, electronic OSS interfaces and business rules, including pre-ordering, ordering, provisioning, maintenance/repair and billing of resold services and UNEs that meet the requirements of 47 U.S.C. §251(c)(3) within Bell Atlantic service areas and separately within GTE service areas. (¶18) This plan shall address the following:

1. Assessment of Bell Atlantic's and GTE's existing interfaces and business rules, and plans for developing and deploying uniform application-to-application interfaces and business rules for OSS within Bell Atlantic service areas and separately within GTE service areas. (¶ 19.a)
2. Report on existing commitments related to interfaces and business rules, including any outstanding scheduled changes resulting from collaborative proceedings. (¶19.b)
3. Specify OSS interface or business rule uniformity issues for the Bell Atlantic service areas and separately for the GTE service areas that have not been addressed in prior collaborative proceedings, and specify collaborative process and schedule to address. (¶19.a)
4. Plans for developing and deploying Uniform Transport & Security Protocols, but not business rules, across Bell Atlantic and GTE services areas. (¶19.c)
5. Plans for developing and providing to CLECs the pre-order, ordering, and maintenance/repair functions specified in Attachment B-1 to the conditions, and the application-to-application ordering capability for the products specified in Attachment B-2 to the conditions. (¶ 19.d)

Verizon will then conduct the specified collaborative proceedings and implement changes to OSS interfaces and business rules. Verizon will also implement the uniform transport and security protocols.

Within 5 years after MCD, Verizon will implement uniform, electronic OSS interfaces and business rules for pre-ordering, ordering, provisioning, maintenance/repair and billing of resold services and UNEs that meet the requirements of 47 U.S.C. §251(c)(3) between the Bell Atlantic and GTE service areas in Pennsylvania and Virginia.

Within 12 months after MCD, Verizon will adopt in each Bell Atlantic and GTE state the current Bell Atlantic change management process, subject to any necessary state approvals.

Verizon shall offer (for 30 months after MCD) to develop and deploy in the Bell Atlantic and GTE service areas and Electronic Bonding Interface that supports maintenance and

repair of resold local services and UNEs that meet the requirements of 47 U.S.C. §251(c)(3), if the requesting carrier enters into a written contract.

Beginning 30 days after the Merger Closing Date, Verizon is required to make available a 25% discount on the recurring and non-recurring charges that otherwise would be applicable on unbundled local loops used to provide advanced services. This discount shall be subject to the limitations and provisions defined in ¶25.

## Section 2: Executives Responsible

Name	Title
Joseph Castellano	Chief Information Officer – Information Technology
Kathleen Hishinuma (discount only)	Senior Vice President Marketing Wholesale Segments

## Section 3: Plan for Internal Controls

In addition to the corporate internal control environment established to ensure Verizon's overall compliance with the Merger Conditions (described in the Introductory section of this Plan), additional controls and tools have been designed or are being designed specifically to enhance compliance with this Condition.

A Program Management structure for implementing the requirements under the compliance area of uniform and enhanced OSS and advanced services OSS has been established. The program management office is led by an overall program manager and is organized as eight major sub-groups. To the extent that requirements defined under this condition apply to the implementation and modification of any carrier-to-carrier performance plan deliverables, the overall accountability and planning will be jointly implemented by the Compliance Manager for Condition 5. In addition, the Program Management Office will ensure all Information Technology requirements for all merger conditions are identified and tracked to ensure compliance with those merger conditions.

The sub-groups each have an owner and include:

- Overall OSS Plan Development;
- OSS Collaborative Process;
- Uniform Transport and Security Protocols;
- Existing Interfaces and Business Rules;
- Implementation of a Common Change Management and Testing Process;
- Implementation of Uniform OSS in Pennsylvania and Virginia;
- Payments and Required Discounts; and
- EBI for Maintenance and Repair.

Each sub-group is to develop and execute a project plan, assign roles and responsibilities, identify and resolve or escalate issues, perform a quality review of deliverables and participate in the change control process, when necessary. The overall program management team is composed of each sub-group leader and other critical business unit representatives. The team is chaired by the overall Program Manager who reports directly to the Compliance Manager and Responsible Executive. The program management team and each sub-group meet monthly, weekly or more frequently, as needed. Reviews are conducted regularly by the Program Manager with the Compliance Manager and with the Responsible Executive. As part of this Program Management structure, key milestones and deliverables are discussed. Tracking is used to readily identify situations where critical milestone dates are approaching.

In addition, the program management team and sub-groups are receiving training on merger conditions. The team members have been provided with the compliance workshop material and a communications approach package. The communications approach document will serve as an orientation package for all new employees and/or contractors working on the compliance plan.

- Existing Billing Verification team and process to review discount application
- Training for Operations Centers (Billing and Ordering/Provisioning, Account Teams)
- Existing pre- and post-production testing procedures
- Existing mechanized billing methods and procedures supplemented with additional manual methods and procedures to ensure compliance
- Existing monitoring to ensure compliance with billing organization's methods and procedures related to control, escalation, accuracy, completeness, timeliness and sufficiency

#### **Section 4: Plan for Documentation**

- Compliance Plan (Plan of Record) submitted to FCC
- Written agreement resolving the issues raised in the collaborative process conducted pursuant to the Plan of Record and/or notification by the CLECs to the Chief of the Common Carrier Bureau of the disputed issues; copy of written agreement and/or notice of disputed issues
- Bell Atlantic change management process ("CMP") documents and Web postings documenting implementation; discounts documented in web postings
- Filing(s) with state commission(s) seeking approval of CMP proposal, where required
- Standard interconnection agreements document containing language supporting uniform change management process
- CMP and Web postings containing notification of offer to develop and deploy EBI interface; OSS Interface Change Management Guidelines also include refund policy
- State filings of terms and conditions are documented via copies of stamped transmittal pages

**Condition Number:** 7  
**Condition Name:** OSS Assistance to Qualifying CLECs

**Section 1: Summary**

Verizon is required to adopt measures to assist Qualifying CLECs in using Verizon OSS (¶ 26). Verizon is required to:

- make available one or more teams to assist Qualifying CLECs with OSS issues (¶ 26.b);
- provide additional training and assistance at no additional cost for 36 months;
- jointly develop a plan to address specific OSS issues of concern to each CLEC;
- provide notice to all Qualifying CLECs of the availability of the OSS expert teams;
- identify and discuss in CLEC forums training and procedures that will be beneficial to the CLECs; and
- provide schedules for such training and procedures to all qualifying CLECs.

**Section 2: Executive Responsible**

Name	Title
Virginia Ruesterholz	Senior Vice President – Wholesale Services

**Section 3: Plan for Internal Controls**

In addition to the corporate internal control environment established to ensure Verizon's overall compliance with the Merger Conditions, the following additional controls and tools have been designed specifically to enhance compliance with this Condition.

- Internal education and communications initiatives focused on key wholesale executives (Senior Vice President--Wholesale Services; Vice President--Program Management--Wholesale Services; and Vice President--Customer Support) were implemented to ensure complete understanding of condition requirements, plan objectives and deliverables.
- Functional (Vice President--Customer Support organization) working level training on internal controls and substantive discussion of merger conditions to be scheduled prior to collaborative sessions on the Plan of Record.
- Responsible Executive has established functional Compliance organization to effectively project manage all plan objectives and requirements.
- Functional Compliance organization is responsible for task structure development and quality review of deliverables, risk identification, escalation and resolution.
- General practices and procedures for documentation and management are being established.
- Periodic, regularly scheduled milestone status review and update process established including Executive review.

#### **Section 4: Documentation**

- Designation and availability of OSS expert teams documented in notice provided to qualifying CLECs, copy of notice and Web posting
- Identification and discussion of training and procedures documented in CLEC meeting presentations and minutes, and Web posting
- CLEC training schedules documented in e-mails, direct mail notices, and Web posting

**Condition Number:** 8  
**Condition Name:** Collocation, Unbundled Network Elements, and Line Sharing Compliance

### Section 1: Summary

This Condition requires Verizon to provide collocation, unbundled network elements (UNEs) and line sharing consistent with the Commission's rules. (¶¶ 27, 28) In conjunction with this Condition, Verizon will engage one or more independent auditors, acceptable to the Chief of the Common Carrier Bureau, to attest to Verizon's compliance with these rules.

### Section 2: Executives Responsible

Name	Title
Virginia Ruesterholz (ILEC Wholesale Operations)	Senior Vice President - Wholesale Services
Jeffrey W. Ward (Regulatory Compliance)	Senior Vice President - Regulatory Compliance

### Section 3: Plan for Internal Controls

In addition to the corporate internal control environment established to ensure Verizon's overall compliance with the Merger Conditions (described in the Introductory section of this Plan), the following additional controls and tools have been designed specifically to enhance compliance with this Condition:

- Periodic meetings with the CCB and Verizon Board of Directors Audit Committee
- Merger audit point of contact has been named to coordinate the information and employee contacts the auditors require

Specific to the refund, credit or waiver of non-recurring charges (NRCs) that are required for due date delays exceeding 60 days, additional steps have been added to the existing monthly collocation completion report.

- Existing completion data and processes are being used to determine instances where a collocation due date has been missed by more than 60 days and to flag any such occurrences for billing action.
- Where billing action may not be automated, additional management review will ensure correct handling.
- Updated billing procedures are currently under development to ensure proper application of this Condition.