Commercial Internet eXchange Assn.
November 23, 1998

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Before the
Federal Communications Commission
Washington, D.C. 20554

In the Matter of	)	
	)	
Policy and Rules Concerning the Interstate, Interexchange Marketplace	)	CC Docket No. 96-61
	)	
Implementation of Section 254(g) of the Communications Act of 1934, as amended	)	
	)	
1998 Biennial Regulatory Review -- Review of Customer Premises Equipment And Enhanced Services Unbundling Rules In the Interexchange, Exchange Access And Local Exchange Markets	)	CC Docket No. 98-183

COMMENTS OF THE
COMMERCIAL INTERNET EXCHANGE ASSOCIATION

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COMMENTS OF THE COMMERCIAL INTERNET EXCHANGE ASSOCIATION

Introduction and Summary

The Commercial Internet eXchange Association ("CIX"), by its attorneys, files these comments in response to the Further Notice of Proposed Rulemaking ("FNPRM") in the above-captioned dockets. CIX is a trade association that represents almost 150 Internet Service Provider member networks who handle over 75% of the United States' Internet traffic.[1] CIX works to facilitate global connectivity among commercial Internet service providers ("ISPs") in the United States and throughout the world.

1 The views expressed herein are those of CIX as a trade association, and are not necessarily the views of each individual member.

CIX urges the Commission to continue to protect vibrant competition on the Internet by preventing incumbent local exchange carriers ("ILECs"), and their affiliates, from bundling local access services with CPE and/or information services. ILECs hold monopoly control over an essential input necessary for all ISPs to gain access to their customers, the local access facilities, and they have persistently refused to allow competition of CLECs to flourish. Rules that prevent bundling by the monopoly ILEC serve the public interest in several ways, by: (a) deterring anti-competitive behavior, (b) maximizing consumer choice, and (c) supporting the proliferation of Internet-based services in the U.S. and competition among Internet providers.

Further, there is significant evidence that current ILEC marketing violates the Commission's current no-bundling rule and policy; such bundling is especially pervasive for ILEC packaged high-speed Internet, DSL service, and modems. The Commission should more strongly enforce its current rule; it should also explain that significant ILEC retail discounts on CPE, Internet access, or telecommunications service for the purchase of a bundled package of ILEC services is prohibited.

Discussion

I. CPE and Information Service Unbundling Rules Should Apply to Incumbent Local Exchange Carriers and Their Affiliates.

The ILECs today continue to control nearly all local exchange and exchange access to the end-user customer. Despite the best efforts of the Commission and industry to introduce local wireline competition, the ILECs continue to maintain a conclusive and indisputable ownership over the wireline facilities that reach from the public switched network and from the Internet to the end-user's home or business. As the Commission recently noted, "the BOCs remain the dominant providers of local exchange and exchange access services in their in-region states, and

thus continue to have the ability and incentive to engage in anti-competitive behavior against competing ISPs."[2] These facilities of access to the customer are essential to other providers: ISPs and other users of the PSTN must gain access to the ILEC network to serve their customers. The ILECs' existing monopoly access to the nation's end-users provide them with both motive and incentive to leverage and expand that monopoly into adjacent markets, including the Internet access market, which rely on access to the ILEC network as an essential input of service in those adjacent markets.

In CIX's view, mandatory unbundling of the ILECs' telecommunications offerings from both the ILECs' CPE and from its information service offerings is one functional piece of the Commission's overarching Computer Inquiry rules that prevent ILECs from exercising monopoly power in the adjacent CPE and information service markets.

A. Mandatory Unbundling Serves the Public Interest Because It Prevents ILECs, and their Affiliates, From Undermining Competitive Markets.

In CIX's view, the Commission's primary objective in this proceeding should be to ensure that its regulatory decisions promote competition and innovation for Internet services. 47 U.S.C. § 230(b)(2) ("It is the policy of the United States to . . . . preserve the vibrant and competitive free market that presently exists for the Internet . . ."); id at § 161(a)(2) (regulation may be eliminated only after Commission finds "meaningful competition" and "public interest" would be promoted). However, as discussed above, ILECs are currently able and motivated to leverage their monopolies for access to the customer into control over the Internet services

2 *Computer III Further Remand Proceedings*, Further Notice of Proposed Rulemaking, CC Dkt. Nos. 95-20, 98-10, FCC 98-8, at ¶ 51 (rel. Jan. 30, 1998).

market. In CIX's view, bundling of competitive services/products with noncompetitive ILEC access services is a significant means of monopolistic control which must be better addressed, and not tolerated, in this proceeding.

The Commission's concern for bundling and tying arrangements of distinct products starts from the same pro-competition principles that underpin the federal antitrust laws.[3] These laws are designed to prevent a monopolist from extending its market power over one product into the markets of other, related products.[4] Thus, antitrust law is centrally concerned with stopping the monopolist from obtaining dominance in related markets through tying arrangements and monopoly leveraging of markets in which it possesses market power.[5] Vertically integrated offerings that combine monopolized products with distinct products offered in a fully competitive market are fundamentally detrimental to consumers and are against the public interest.[6]

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3 See Eastman Kodak v. Image Technical Services, 504 U.S. 451, 461-62 (1992); Jefferson Parish Hospital District No.2 v. Hyde, 466 U.S. 2 (1984).

4 FNPRM, n.4.

5 Jefferson Parish Hospital, 466 U.S. at 13-14 ("we have condemned tying arrangements when the seller has some special ability – usually called 'market power' – to force a purchaser to do something that he would not do in a competitive market."); Fortner Enterprises v. United States Steel Corp., 394 U.S. 495, 518 (1969) ("the fundamental restraint against which the tying proscription is meant to guard is the use of power over one product to attain power over another, or otherwise to distort freedom of trade and competition in the second market.").

6 Northern Pacific Railway v. United States, 356 U.S. 1, 6 (1958) ("[Tying arrangements] deny competitors free access to the market for the tied product, not because the party imposing the tying requirements has a better product or lower price but because of his power or leverage in another market.").

In CIX's view, if ILECs are able to combine Internet service or CPE with monopolized telecommunications, the Commission's precedent[7] and anti-trust law[8] teaches that diversity and competition in the ISP market are at risk. Bundling by the ILEC, which holds a unique position in the local market, would interfere with the consumer's ability to make rational economic choices as to its local exchange or exchange access services and then a separate choice as to its ISP services. In addition, bundling of products raises concern of significant cross subsidization of competitive ISP services by noncompetitive local access service revenues in violation of the 1996 Act. Cf. 47 U.S.C. § 254(k) ("A telecommunication carrier may not use services that are not competitive to subsidize services that are subject to competition.") At a minimum, allowing ILECs to bundle such products would raise nearly impossible problems of enforcement of the Commission's policies against "unreasonable" practices and cross-subsidization.

A no-bundling rule for ILECs is also in the public interest because it promotes consumer choice. By separating the ILEC access service from the information service or CPE, consumers can choose to combine ILEC local access services with the information or CPE products of unaffiliated, competing providers. Competitive markets for CPE must be separate from ILEC telecommunications: "[b]eginning with our *Carterfone* decision this Commission has embarked

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7 As the Commission recognized in the Qwest Order, the combination of a monopoly product with a fully competitive one is clear: "[t]he obvious result is less local competition. The perhaps less obvious, but equally serious, result is less long distance competition." *In the Matter of AT&T Corp. v. Ameritech Corp., et al.*, Memorandum Opinion and Order, File Nos. E-98-41, E-98-42, E-98-43, FCC 98-242, at ¶ 7 (rel. Oct. 7, 1998).

8 See, nn. 3 to 6, above.

on a conscious policy of promoting competition in the terminal equipment market."[9] Several benefits to consumers result: "improved maintenance and reliability, improved installation features including ease of making changes, competitive sources of supply, the option of leasing or owning equipment, and competitive pricing and payment options."[10] The Commission has pursued a parallel policy of separating the monopoly-based telecommunications products from the distinct information service markets to promote consumer welfare: the regulatory goals are "'minimiz[ing] the potential for improper cross-subsidization, safeguard[ing] against anticompetitive behavior, . . . and fostering a regulatory environment conducive to . . . the introduction of new and innovative communications-related offerings' and 'enabl[ing] the user to take advantage of the ever increasing market applications of computer . . . technology."[11] As applied to ILECs, the no-bundling policy is an integral component of the continuing policy objectives for consumer choice.

Moreover, the bundling of Internet services with the ILEC's monopoly access telecommunications service would have an especially pernicious impact on the Internet market. Today's Internet is based on open protocols and specialized industry offerings that collectively compose the Internet. Internet offerings are assembled from many distinct providers, including companies in (1) consumer premises equipment ("CPE"); (2) local transport; (3)Internet access; (4) application software; (5) content; and (6) backbone services. The Internet has flourished as a

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9 Computer II, 77 F.C.C. 2d. 384, 439 (1980), *citing*, Carterfone, 13 F.C.C. 2d. 420 (1968).

10 Id.

11 *Federal-State Board on Universal Service*, Report to Congress, CC Dkt. No. 96-45, FCC 98-67, at ¶ 23 (rel. April 10, 1998), *quoting*, Computer II, 77 F.C.C.2d at 389-90.

result of the decentralized and competitive offering of these elements, rather than from bundled offerings. From this independence follows competition and innovation, as an industry for each protocol layer focuses on and develops responsive products. By contrast, ILEC bundled offerings that combine the ILEC monopoly transport component with the Internet access and/or CPE presents a striking attempt to vertically integrate the Internet market. CIX believes this tendency toward ILEC vertical integration is contrary to the public interest. 47 U.S.C. § 230(b)(2) ("It is the policy of the United States . . . to preserve the vibrant and competitive free market that presently exists for the Internet . . .").

Finally, a strong rule prohibiting ILEC bundling is an essential component to the Commission's general regulatory approach of ILEC participation in a fully competitive ISP market. For example, the RBOCs are obligated to unbundle telecommunications services, offer all telecommunications services in a nondiscriminatory fashion, and to take telecommunications for its own ISP offerings on the same terms and conditions.[12] However, if an RBOC can offer *only* a bundled product which combines CPE and information services with a telecommunications service (e.g., ADSL), then the obligation for the ILEC to separately offer nondiscriminatory access to the telecommunications for other ISPs would lose significant meaning. The ILEC, at most, offers a tariffed telecommunications offering to competing ISPs which would never actually apply to its own offering. This completely undermines the Commission's intent for all ISPs, including the BOC-affiliated ISP, to have equivalent access to

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12 Computer III Final Decision, 104 F.C.C. 2d 958, 1040 (1986) (CEI parameters require BOC to unbundle and tariff all basic services and for affiliated-BOC ISP to take basic service only pursuant to CEI tariff).

underlying telecommunications. For example, if Internet access, CPE, and ADSL service are all offered as a bundled package, it is virtually impossible to discern whether the ILEC is favoring its affiliated ISP. Nor would the ILEC be motivated in any way to supply orders made under the non-affiliate tariff for underlying telecommunications services, such as ADSL, since each order filled is an opportunity missed for the ILEC to sell a bundled package of services.

However, as discussed below, even the ILECs' current bundling practices raise significant concerns of cross-subsidization and vertical integration of services despite the Commission's existing no-bundling rules.

B. ILEC Bundling of CPE/ISP/Telecommunications Services Is Ongoing Today, and Harming Consumer Choice and Competition in the ISP Market.

While the Commission proposes to eliminate the no-bundling rule for some carriers, it should be noted that the ILECs' current practices raise significant questions as to current compliance. For example, the ILECs already bundle their ADSL service with their Internet service and CPE (e.g., modem) to promote a bundled package, and not separate pricing, in the following ways:

- Ameritech *gives away* modems required for ADSL service, valued at $199.00, to customers that purchase their "Ameritech.net High Speed" service.[13] Ameritech also offers a bundled offering of the underlying ADSL telecommunications and Internet services;

- Bell Atlantic offers ADSL modems for $49.95, and free installation for customers that purchase Bell Atlantic Internet access service and ADSL service.[14] A recent mailer of Bell Atlantic also states, "Just make a 12-month commitment. In

13 www.ameritech.net/visitors/adsl/adsl_faq.html (attached).

14 www.bell-atl.com/adsl/more_info/pricing.html (attached).

addition to the special modem price(which includes $50 back) you'll get home installation and an ethernet card for free. That's a savings of up to $434;"[15]

- BellSouth offers a $10 discount with its bundled package of DSL and Internet access for customers that are also local voice telephone subscribers;[16]

- US West waives the customer's hardware cost of $300 for customers that purchase the US West ADSL offering. Just last week, Dell and Compaq announced plans to ship personal computers with high-speed digital modems in conjunction with US West's ADSL/Internet bundled offering;[17]

- Pacific Bell offers free installation to customers that sign up for one-year subscriptions of their bundled ADSL and Internet offering. Otherwise, installation costs $150.00 for the ADSL and $125 for the Internet Access.[18]

CIX believes these are just a sample of the ways in which ILECs use marketing practices such as bundling to erode competitive conditions in adjacent markets such as CPE and Internet access.

Further, CIX notes that the practice of DSL installation as part of a bundled package is price discrimination against independent ISPs. Obviously, DSL installation charges are a part of the cost of an ILEC's DSL service, and is typically deemed a "nonrecurring charge" of the service.[19] However, providing reduced rates for DSL only to customers that choose the ILEC-affiliated ISP, by offering free installation, results in higher prices charged to all customers of

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15 See attached Bell Atlantic mailer.

16 www.bellsouth.net/external/adsl/cost.html (attached).

17 www.news.com/News/Item/0,4,28965,00.html?st.ne.ni.lh (attached).

18 www//public.pacbell.net/dedicated/dsl_solutions.html (attached).

19 See Bell Atlantic Tel. Co., Tariff F.C.C. No. 1, Access Service, Transmittal No. 1076, § 16.8(G) ("rates and charges" of Bell Atlantic Infospeed DSL Service list installation charge of $99.00 as a "nonrecurring charge"), *tariff investigation pending*, CC Dkt. No. 98- 168.

independent ISPs. This price discrimination violates the Computer III CEI parameters,[20] and is indicative of the abuses and unreasonable practices that occur with ILEC bundling.

II. FCC Must Do More To Enforce Its Information Service and CPE Rules

CIX urges the Commission to do more to protect the vibrant ISP market from ILEC abusive bundling and marketing practices. In CIX's view, the Commission should first articulate in clear terms that the no-bundling rule, and its policy, is to encourage competition and consumer choice in each market with ILEC participation.[21] The rule should be further explained and effectuated by requiring ILECs to (a) separately tariff all telecommunications services used by its affiliated ISP, (b) assess a separate line-item charge on the subscriber bill for each component of the bundled service, and (c) charge no less than the full cost of CPE or information service offered. In this way, the telecommunications service is truly decoupled from the information service, and all ISPs can compete with the ILEC-affiliated ISP without the threat of illegal cross-subsidized bundled packages.

In addition, enforcement of the Commission's rules promoting the development of a competitive market for advanced Internet services – including the no bundling rule -- is critical.

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20 Computer III, 104 F.C.C. 2d at 1040 (BOC must unbundle and tariff basic service, and affiliated ISP must take service on a resale basis so that all ISPs obtain basic telecommunications services at the same price).

21 The Commission has offered guidance on what constitutes "bundling." *Non-Accounting Safeguards of Sections 271 and 272 of the Communications Act*, First Report and Order, 11 FCC Rcd. 21905, n. 276 (1996) ("special discounts or incentives to take both services . . . would constitute sufficient evidence of bundling") ("Non-Accounting Safeguards Order"); id., at ¶ 277 ("We define 'bundling' to mean offering BOC resold local exchange services and interLATA services as a package under an integrated pricing

(footnote continued to next page)

In CIX's view, the ILECs simply do not comply fully with the existing rules on unbundling telecommunications, information service, and CPE, as is demonstrated by the attached materials. Therefore, CIX urges the Commission to apply its Second R&O[22] accelerated process to ISP complaints that raise issues of compliance with the Commission's unbundling rules. As the Commission noted, the accelerated complaint process is intended to effectuate the provisions of the 1996 Act and "to stimulate real competition among market participants."[23] Further, the burden of production should shift to the ILEC in such a proceeding, once the complainant has met the pleading requirements of an initial complaint; the ILEC should be required to explain all of its marketing efforts and how they meet the Commission's unbundling rules. Burden shifting will encourage more day-to-day compliance by the ILEC, and will aid in the resolution and settlement of such complaints once filed.[24] Similarly, the Commission should not employ a presumption of reasonableness of the RBOC's conduct; such a presumption is unnecessary and could interfere with the enforcement of competing providers' rights.[25]

(footnote continued from previous page)
schedule."); FNPRM, at ¶ 1 ("Bundling means selling different goods and/or services together in a single package.").

22 "Amendment of the Commission's Rules Regarding Procedures to be Followed When Formal Complaints are Filed Against Common Carriers," Second Report & Order, CC Dkt. No. 96-238, FCC 98-154 (rel. July 14, 1998) (the "Second R&O").

23 Id., ¶¶ 1, 18.

24 Non-Accounting Safeguards Order, ¶¶ 346-47 (burden shifting improves expeditious resolution of complaints, and ensures that RBOCs take local competition laws seriously).

25 See, e.g., id., ¶ 351 (FCC eliminates presumption of reasonableness of RBOC conduct in Section 271 complaints).

Finally, CIX suggests that the Commission initiate a proceeding to consider the ways in which the ILECs have failed to meet the Commission's existing no-bundling rules. The marketing tactics of several ILECs, discussed above, shows a strong indifference and callousness towards the Commission's rules and its policy objectives for a vibrantly competitive ISP industry.

Conclusion

As discussed above, CIX urges the Commission to require ILECs to unbundle underlying telecommunications services for the benefit of all ISPs in the market and to maintain consumer choice of ISP services.

Respectfully submitted,

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Date: November 23, 1998

Ameritech.net™

High Speed FAQ

Regular FAQ

1. What's the big deal about Ameritech.net's High Speed Internet Service? Why is it better than the Internet access I have now?
2. What is ADSL?
3. How much does it cost?
4. Where is it available?
5. Will I incur any hourly charges when I use the ADSL line?
6. What are the system requirements for the service?
7. How are cable modems different from Ameritech.net's High Speed Internet Service?
8. What additional equipment do I need for the service?
9. How do I order High Speed Internet Service?
10. What is the installation process?
11. Who do I call when I need help?
12. Can I use Ameritech.net away from my desktop PC at home?
13. Can I keep my current email address?
14. Nice overview, but you didn't answer all my questions. Where can I find out more?

Geek FAQ

What's the big deal about Ameritech.net's High Speed Internet Service? Why is it better than the Internet access I have now?
Our High Speed service provides two big advantages over dial-up Internet access:

1. Speed. Our customers surf the Web and download files at speeds up to 1.0Mbps (128Kbps upstream). That's 35 times faster than standard 28.8Kbps modems.
2. "Always on" connection. Ameritech.net High Speed members never need to dial in again: when their computer is on, they're on the Internet.

These two features will change the way you use the Internet. With that much speed instantly available whenever your computer is on, you can use the computer the way you would a phone, a radio, or a TV: to check the forecast, leave a message for a friend, find directions to a concert, or make travel reservations.
Return to top

What is ADSL?

ADSL is an acronym for Asymmetric Digital Subscriber Line, a technology which provides high-speed data over the same telephone wiring that 28.8 modems use. An "ADSL line" is just a new way of using the phone line you've got right now. (In fact, the ADSL modem plugs into the computer and the phone jack exactly as a standard modem does.)
Return to top

How much does it cost?
Ameritech.net High Speed customers get unlimited high-speed Internet access for only $49.95 a month through the rest of 1998 (beginning next year the monthly fee will be $59.95 a month). An installation fee of $150 covers everything you need to get started online (right now we're waiving the $199 equipment fee).
Return to top

Where is it available?
Right now, Ameritech.net High Speed Internet Access is available in Ann Arbor and Royal Oak, MI. In just a few months, it will be available in other areas around Detroit, and in many Chicago suburbs as well. If you'd like us to contact you when High Speed Internet Access comes to your area, send us a message. Let us know where you live and how we can contact you, and we'll keep you posted!
Return to top

Will I incur any hourly charges when I use the ADSL line?
No. The monthly fee of $49.95 covers everything you need for unlimited access: the ADSL line itself, the modem, and your Ameritech.net membership.
Return to top

What are the system requirements for the service?
The High Speed Internet Service requires a desktop PC running Windows 95 with 16MB RAM, 32MB of free disk space, and a CD-ROM drive. (We plan to support a wide variety of system configurations in the near future -- like MacOS, Windows NT, and laptop computers.)
Return to top

How are cable modems different from Ameritech.net's High Speed Internet Service?
Although cable modems provide high speed Internet access and are appropriate for some users, they face limitations that ADSL does not:

- Cable modem users must share their bandwidth with other users in the area: if their neighbors are online and downloading files, the speed starts to drop. That doesn't happen with Ameritech.net, since the bandwidth is dedicated to each customer.
- Cable modems require a coaxial cable to run from your TV hookup to the computer you use. ADSL plugs into the same telephone jack you're using right now.
- Cable modem services usually do not support a wide variety of applications. Users who become more

sophisticated may want to move beyond email and Web surfing to hosting their own FTP servers, providing gopher directories, using telnet, etc. Ameritech.net's High Speed Internet Service is flexible enough to grow with the skills and interests of our members.

Return to top

What additional equipment do I need for the service?
Ameritech.net will provide members with an ADSL modem and a "NIC," or network interface card. (The NIC plugs into your computer's PCI slot.) Right now we're waiving the equipment charge of $199 -- it's a great deal!
Return to top

How do I order ADSL?
Just give us a call us at 1 (800) 910-4369. An Ameritech.net representative will ask you a few questions and arrange for an installation date to accommodate your schedule. It's easy!
Return to top

What is the installation process?
When you order the Ameritech.net High Speed Internet Service, two authorized Ameritech representatives will visit your home to install it. The first will hook up the ADSL line at your location; this work will happen outside, and you probably won't even know we've been there.

On your installation date, our second representative will make some minor changes to your telephone wiring, hook up the ADSL modem and Network Interface Card (NIC) to your computer, and install the Ameritech.net software. Finally, we'll make sure you're up and running and answer any additional questions you may have.
Return to top

Who do I call when I need help?
Toll-free customer service and technical support for Ameritech.net's High Speed Internet Service is available 8 AM to 11 PM Central. Just call 1 (800) 910-4369.
Return to top

Can I use Ameritech.net away from my desktop PC at home?
Absolutely! You can dial into any of Ameritech.net's local access numbers across the Great Lakes region using your member ID and password. To take advantage of our High Speed Service, of course, you must use your home computer.
Return to top

Can I keep my current email address?
If you're already an Ameritech.net member, you can keep your current email address when you sign up for High Speed Internet Service. If you're coming to us from another provider, we'll give you an Ameritech.net email address -- but you can still use your existing email address, if your current Internet service provider allows it.

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Nice overview, but you didn't answer all my questions. Where can I find out more?
If you absorb technical information like Michael Jordan drinks Gatorade, visit the Geek FAQ. You'll find all the ADSL answers your delightfully geeky mind craves.
Return to top

High Speed main page | Features and Availability
High Speed Geek FAQ | Keep me posted!

Questions? Comments?

Ameritech.net™

High Speed Features and Availability

Features
With speed like this--up to 1.0 megabits per second!--you can experience the Internet as you've always imagined it. You'll be able to blaze through high-bandwidth, graphics-intensive sites, watch live video broadcasts on your PC, or download the biggest browser update in minutes instead of hours.

But there's a lot more to the service than speed:

- The dedicated, "always on" connection means no more waiting and no more busy signals. You'll never need to dial in again.
- Our secure, dedicated bandwidth guarantees you won't be sharing the service with your neighbors.
- Our authorized Ameritech representatives will professionally install all the additional equipment you need, including a high-speed modem and PCI network interface card.
- Your Ameritech.net account gives you email addresses and homepage space for the whole family (up to five).
- Access to more than 40,000 newsgroups gives members one of the most comprehensive Usenet feeds in the Midwest.
- Ameritech.net provides great customer service and technical support--everything you expect from a market leader in Internet access.

System requirements
To take advantage of our High Speed Internet Service, your computer needs to meet a few minimum requirements:

- A desktop PC with a Pentium processor
- Microsoft Windows(r) 95
- 16MB of RAM
- 32MB of free hard drive space
- A CD-ROM drive

We plan to support a wide variety of system configurations in the near future-- like MacOS, Windows NT, and laptop computers. Stay tuned!

Availability
Right now, Ameritech.net High Speed Internet Service is available in Ann Arbor and Royal Oak, Michigan (and

surrounding areas). In just a few months, it will be available in other areas around Detroit, and in many Chicago suburbs as well. If you'd like us to contact you when High Speed Internet Access comes to your area, send us a message. Let us know where you live and how we can contact you, and we'll keep you posted!

How to order
We're offering a 30-day risk-free test drive of this remarkable new technology. The cost is just $49.95 per month for unlimited access, plus a one-time installation fee of $150. **To learn more, or to sign up, just call 1-800-910-4369 and we'll take care of the rest.** If after 30 days you're dissatisfied for any reason, we'll refund your money--no questions asked. It's that simple. So call 1-800-910-4369 and sign up today!

*Ameritech.net is not available in all areas. The total price includes a $6.00 monthly fee for services provided by UUNET. Prices do not include applicable taxes. Offer subject to change. ©1998 Ameritech Corporation. All rights reserved. Ameritech.net is a service mark of Ameritech. Windows 95 and Internet Explorer are registered trademarks of Microsoft Corporation.

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Infospeed DSL Pricing

SPECIAL OFFER

Infospeed DSL Internet Packages - Monthly Rate

Personal Infospeed (Infospeed 640 Kbps & Bell Atlantic.net)	$59.95
Professional Infospeed (Infospeed 1.6 Mbps & Bell Atlantic.net)	$109.95
Power Infospeed (Infospeed 7.1 Mbps & Bell Atlantic.net)	$189.95

Infospeed DSL - Monthly Rate

Infospeed 640 Kbps	$39.95
Infospeed 1.6 Mbps	$59.95
Infospeed 7.1 Mbps	$109.95

One Time Charges

One-time charges include the following:

Service Connection Charge:	$99.00
DSL Modem:	$325.00
Turnkey Home Installation:	$99.00

Please note that if you do not already have an Ethernet card, you will need to purchase one from Bell Atlantic or any other retail provider of Ethernet cards.

The minimum PC system requirements for Infospeed DSL at present are:

- *Windows 95/98 or NT 4.0 (Macintosh support coming in 1999)*
- *Intel Pentium/Pentium Pro/Pentium MMX/Pentium II, AMD K5/K6, or Cyrix 586/686 processor*
- *32MB RAM*
- *25MB free hard drive space*
- *CD-ROM drive*
- *resources to accommodate an Ethernet card if one is not already present (available slot, available IRQ, available I/O resources)*

Special Offer

For customers subscribing to a Bell Atlantic.net DSL package

for twelve months, the DSL modem is only $99 and the Ethernet card* and turnkey home installation are free!
*Offer available on selected Ethernet cards only.

If you're currently a Bell Atlantic ISDN customer, click here to find out about out ISDN Rewards upgrade program.

The levels of Infospeed DSL service available to you will vary based on your distance from your Bell Atlantic Central Office. Infospeed DSL is not available in all areas.

ISDN Rewards

Bell Atlantic will be "technology-change proofing" its high speed services by introducing an **ISDN Rewards** program concurrent with the launch of its Infospeed product line. Once Bell Atlantic Infospeed service is available in an area, Bell Atlantic residential customers who have purchased an ISDN modem from Bell Atlantic will be guaranteed an ADSL modem from the company at no additional charge when they subscribe to our Bell Atlantic.net DSL offering with a 12-month commitment.

Bell Atlantic residential customers who prefer to use another Internet provider will receive 1/2-off Bell Atlantic's normal ADSL modem price when they purchase an ADSL modem from Bell Atlantic. So, customers who want high-speed Internet access need not wait until ADSL-powered Infospeed is available in their area. Where Bell Atlantic Infospeed is not available or is not compatible with a person's line, customers can still order Bell Atlantic ISDN service for high-speed Internet access. Bell Atlantic ISDN service is available - today - to nearly 20 million households in the mid-Atlantic region and the Northeast. ISDN can provide Internet connections that are more than four times faster than traditional 28.8 Kbps modems. Nearly half of the one million ISDN lines installed in the United States are used by Bell Atlantic customers.

Purchase of InfoSpeed DSL not required. Limit one per household. ISDN modem must have been purchased from Bell Atlantic's Residential ISDN Center in Norfolk, VA or from Bell Atlantic's authorized sales agent IDRC or Telamon. Return of the ISDN digital modem invalidates this offer. Terms and Conditions associated with this program are subject to change.

Availability | What Is Infospeed DSL? | Pricing | FAQ

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Privacy

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Bell Atlantic

27147

Infospeed™ DSL

Get more of the web the way you want it. Fast.

Dear [redacted]

Now you have the power to tap into the Web, with the advanced speed and access you've been looking for.

Introducing Infospeed℠ DSL from Bell Atlantic.

Infospeed DSL from Bell Atlantic gives you an ultra-fast connection to the Internet—with speeds ranging from 11 to 126 times faster than a 56K modem. It also gives you a connection that's always on, so you'll never have to wait. And because it expands the power of your home phone line, you can surf the Web without tying up your phone line.

To sum up, Infospeed DSL offers you the advantage of:

- **High-speed data access.** Up to 640Kbps to 7.1Mbps downstream (from the Internet to your home).
- **Access through your existing home phone line.** Talk on the phone and surf the web at the same time—and get all of your services on one monthly bill.
- **Dedicated service.** Unlike other technologies (such as cable modems), you'll never have to share your bandwidth with other users, so your connection speed won't slow down when your neighbors log on.
- **Always-on access.** Provides you with a constant connection to your Internet Service Provider (ISP)—eliminating dial-up and busy signals.
- **24-hour Infospeed DSL technical support.** Bell Atlantic will be there for you, whenever you need our help.

Depending on your needs, Infospeed DSL is available in three speeds (see ordering information below) and works with Bell Atlantic.net℠ or any DSL-compatible Internet access provider. And to make high-speed access completely affordable, Bell Atlantic offers you a great money-saving deal:

Order Bell Atlantic.net DSL service and get a Westell DSL modem for just $49.

Just make a 12-month commitment. In addition to the special modem price (which includes $50 cash back), you'll get home installation and an Ethernet card for FREE. That's a savings of up to $434.

When you order Infospeed DSL, you'll pay a $99 service connection fee. With Bell Atlantic.net, you'll get the full DSL connection for just $148. Then you'll pay just a convenient, flat monthly rate. If you're not completely satisfied with your service within the first 30 days, Bell Atlantic will issue you a complete refund.

To order or get more information about Bell Atlantic Infospeed DSL, simply visit our website at www.BellAtlantic.com/Infospeed—or call 1-877-305-8330, and press 101.

Sincerely,

Peter Castleton

Peter Castleton
Director, Data Products

See reverse side for additional customer information.

Special modem price includes $50 manufacturer's cash back available from Westell Inc., available to first 20,000 Infospeed DSL customers ordering the service by 6/30/99. Requires mail-in of cash back coupon to Westell. Regular prices: $325 modem, $99 home installation, $49.95 – $59.95 Ethernet card. Ethernet card offer available on select cards only. Purchase of Infospeed DSL from Bell Atlantic not required. Limit one per household.

Limited to customers directly billed by Bell Atlantic. You must call Bell Atlantic at 1-800-339-8027 within thirty days from service turn-up or equipment installation by Bell Atlantic, whichever is later. Bell Atlantic will apply a credit to your bill for the service connection charge and any monthly-billed service charge. Depending on your method of payment, Bell Atlantic will credit your phone bill or credit card for Bell Atlantic-purchased equipment, turnkey home installation, and Bell Atlantic.net service (one month). Although you will be credited for Ethernet cards and the splitter, Bell Atlantic will not request their return if under $60, nor dispatch a technician to remove them. Limit one refund per household.

[redacted]

BELLSOUTH.net
Your Neighbor on the Internet

FASTACCESS

Cost

Monthly Rate

$49.95 BellSouth.net FastAccess service is only **$49.95** per month for unlimited monthly usage if you are a subscriber to BellSouth Complete Choice® or Business Choice® telephone feature packages. This amount includes the use of all regular BellSouth.net features and support. *(If you would like more information about BellSouth Complete Choice® go to BellSouth products and services area, where after entering your phone number, you will get information about Complete Choice® and other BellSouth products available in your neighborhood.)*

Remember, you'll still be able to use it as a phone line while you're on the Internet!

$59.95 BellSouth.net FastAccess service is only **$59.95** per month for unlimited monthly usage when purchased by itself. This amount includes the use of all regular BellSouth.net features and support.

Your regular monthly telephone service charges are not included in these amounts.

Installation A one-time installation fee will be charged for configuring your computer and phone line for FastAccess service. The fee includes a $199.95 equipment charge for the FastAccess modem and related equipment, and a $99.95 installation charge for the FastAccess line activation and on-site installation.

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Questions and Comments: fastaccess@bellsouth.net

PACIFIC BELL INTERNET

DSL

- features & benefits
- availability
- service & support
- pricing & ordering

other access products:

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- dsl
- frame relay
- ds1
- ds3
- atm

Basic DSL Internet Access

Pacific Bell Internet Basic DSL is designed to provide the same features that dial-up analog and single user ISDN customers receive today, only at much faster speeds.

Features

Speed Available	384 Kbps/128 Kbps or 384 Kbps/384 Kbps or 1.5 Mbps/384 Kbps
Unlimited Usage	yes
Static IP Address	1
Pacific Bell Internet POP E-mail Accounts	1
Pacific Bell Internet POP E-mail Accounts (starting Dec 1)	3
Pacific Bell Internet POP E-mail Alias (starting Dec 1)	2
Personal Home Page	yes
Pacific Bell Internet Extra Access Analog Modem Access Account	yes
Pacific Bell Internet News Server Access	yes

Pricing

The total monthly price for **Basic DSL Internet Access** is a combined price for both the Pacific Bell DSL feature on your telephone line and the Internet access from Pacific Bell Internet Services.

In addition, there is a one-time installation fee of $125 from Pacific Bell.

Pacific Bell Internet is offering DSL Home Pack, a complete solution package including all necessary equipment starting as low as $299.

	Pacific Bell	Pacific Bell	Total Monthly

Access Speeds	Pacific Bell Monthly Price *(for DSL feature on your telephone line)*	Internet Monthly Price *(for Basic DSL*)*	Price for Basic DSL Internet Access *(not including installation fees)*
384 Kbps/128 Kbps	$59	$30	$89
384 Kbps/384 Kbps	$99	$60	$159
1.5 Mbps/384 Kbps	$189	$90	$279

* Pricing for Pacific Bell Internet Basic DSL includes GSP charges.

Hardware Requirements

When you order Basic DSL service, Pacific Bell will work with you to coordinate the ordering and installation of the appropriate hardware. All hardware and installation services are provided by Prime Services Group.

You will need the following hardware for Basic DSL Internet Access:

- Alcatel 1000 DSL Modem
- POTS Splitter
- Kingston KNE40T Network Interface Card (NIC)
- Pacific Bell Internet's customized version of Netscape Navigator or Communicator.

For more information, please see the recommended system requirements for Pacific Bell Software.

For More Information

To see if you qualify for DSL or to order DSL service please call the DSL Order Center at **888-884-2DSL**.

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PACIFIC BELL INTERNET

DSL

DSL Internet Access Solutions

Pacific Bell Internet offers several complete solution packages designed to get you or your business on the Internet quickly and easily. Solution packages are available for individuals as well as for customers with a LAN. Both solution packages include the required networking hardware, hardware configuration, and on-site installation -- all at a significant cost savings

DSL Home Pack - *For single workstation customers*

DSL Home Pack features include:

- DSL service installation from Pacific Bell (384K/128K, 384K/384K or 1.5M/384K)
- DSL Basic Internet access from Pacific Bell Internet (1 year term required)
- DSL hardware package from Prime Services Group:
    - DSL modem
    - Splitter
    - Inside Wiring
    - On-site Installation

Total start-up cost for DSL Home Pack - **$299*** *($249 without NIC)*

DSL Internet Access Pack - *For customers with a LAN*

DSL Internet Access Pack features include:

- DSL service installation from Pacific Bell (384K/128K, 384K/384K or 1.5M/384K)
- DSL Enhanced or Business Internet access from Pacific Bell Internet (1 year term required)
- DSL hardware package from Prime Services Group:
    - DSL modem
    - Splitter
    - Inside Wiring
    - On-site Installation

Total start-up cost for DSL Internet Access Pack - **$449*** *($50 more with NIC)*

Total start-up cost for DSL Internet Access Pack with Router - **$1,224*** (*$1,274 with NIC)*
(A Dual Ethernet Port router is required for Business DSL.)

* Pricing assumes Pacific Bell term contract for 384K/384K and 1.5M/384K speeds. Add $125 without

term contract.

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Dell bundling DSL modems

By Brooke Crothers
Staff Writer, CNET News.com
November 20, 1998, 9:00 a.m. PT

comdex update LAS VEGAS--Dell and Compaq see eye to eye on one thing: the enormous sales potential for coupling personal computers with high-speed modems.

On the heels of Compaq's rollout on Monday, Dell announced yesterday that it is shipping PCs with high-speed digital modems from Cisco Systems in conjunction with service from telecommunications giant US West.

Dell now offers the DSL modems as an option on its Dimension line of home PCs. A Dimension PC with Cisco ADSL modem, 333-MHz Celeron processor from Intel, and a 15-inch monitor will cost $1,399, Dell said. The high-speed modems will be available as an option for $199.

Dimension owners living in 14 cities, including Denver, Phoenix, Seattle, and Portland, will be able to access US West's MegaBit service, which costs $59.95 per month.

Both Compaq and Dell see the incorporation of high-speed modems as key to future PC sales, as connection to the Internet has become a major reason for buying computers. As the trend continues, Net connection speeds may begin to eclipse chip speeds as the most significant yardstick for a computer's performance.

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The Net
Net to experience growing

straight," said Carl Everett, senior vice president in charge of personal systems at Dell, describing the observed doubling of processor speeds about every 18 months but suggesting increasing modem speeds are becoming more important.

In other words, as people spend more time on the Net, a computer's speed is perceived more through its online fleetness than on its number-crunching prowess.

"Fast baud [modem speed] has caught fast MIPS [chip speed]" in importance, Everett proclaimed.

Monthly fees for the service will begin at roughly $40. Compaq is targeting these price points also. "Once you get below $50 [for high-speed modem service] 70 percent of PC users express a strong interest," said Rod Schrock, senior vice president in charge of the consumer product group at Compaq.

Dell said the service will capitalize on its direct sales model because Dell can find out where a customer lives when they call to order and configure a computer. Once this is determined, they can tell the customer what level of service is available in their region and, if it is available, help the customer to set it up.

QUOTE SNAPSHOT

November 20, 1998, 1:01 p.m. PT

Dell Computer Corp. DELL

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US West Inc. USW

60.5625 +0.8750 +1.47%

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In fact, for this reason, Compaq is also going direct with its high-speed modem equipped PCs launched on Monday.

Everett said Dell will offer speeds of 7 mbps (megabits per second), which is almost five times faster than the "G Lite" standard-based modems Compaq discussed on Monday. A 1.5-mbps G Lite modem is roughly 25 times faster than today's 56-kbps modems, though connection speeds for all DSL modems can vary greatly depending on location and sophistication of service.

Everett also said Dell should be ready to offer similar hardware-service bundles with SouthWest Bell and Bell Atlantic sometime in the next few months.

The announcement comes in the wake of a series of previous tie-ups. In October, Dell and Internet service provider @Home Network agreed to make sure @Home service works with cable modem-ready PCs in Dell's Dimension line for home and small business consumers. By early next year, the companies said, the partnership should result in availability of Dell PCs customized for cable modem service in areas where the @Home service is available in North America.

The service provided by @Home enables users to download at typical speeds of between 1.5 and 3 mbps.

This is all part of Dell's move to enhance its "ConnectDirect" initiative. The computer maker has also hooked up with SBC Communications for DSL access.

SBC, which owns telecommunications companies such as Pacific Bell and Southwestern Bell, is jointly marketing DSL Internet access service with Dell in select Texas and California cities.

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