

Jason L. Groves  
Director  
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May 13, 2002

Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Washington, DC 20554

**Re: Bell Atlantic/GTE Merger Condition XVIII – Market-opening condition, CC Docket No. 98-184**

Dear Ms. Dortch,

Condition XVIII of the market-opening conditions adopted in connection with the Commission's approval of the Bell Atlantic/GTE merger required that the company offer to file a tariff for an enhanced Lifeline plan in each state. Condition XVIII also requires that a copy of the company's written offer to each state be filed with the Secretary of the Commission.

Because the Company's Arizona service area was subject to a planned sale to Citizens Communications at the time of the merger, it was not subject to the merger conditions, including Condition XVIII. See Appendix D, fn. 4. However, the merger order provided that if a planned sale of a service area was not executed, that service area would become subject to the merger conditions.

On April 12, 2002 the Commission granted Verizon's request to withdraw its previous approval under section 214 of the Act to discontinue service in Arizona due to Citizens' decision not to go forward with the sale. On April 19, the company filed with the Arizona Corporation Commission an offer to file a tariff for an enhanced Lifeline plan. Attached is a copy of the company's written offer to the state of Arizona.

If you have any questions, please do not hesitate to contact me.

A handwritten signature in black ink, appearing to read "Jason L. Groves".

Attachment

**Snell & Wilmer**  
LLP  
LAW OFFICES

One Arizona Center  
Phoenix, Arizona 85004-2202  
(602) 382-6000  
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PHOENIX, ARIZONA

TUCSON, ARIZONA

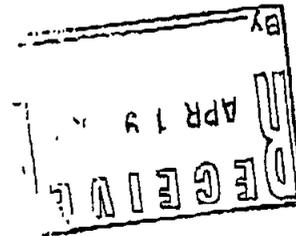
IRVINE, CALIFORNIA

SALT LAKE CITY, UTAH

Thomas L. Mumaw (602) 382-6396  
Internet: tmumaw@swlaw.com

April 19, 2002

**HAND-DELIVERED**



Mr. William A. Mundell  
Chairman  
ARIZONA CORPORATION COMMISSION  
1200 W. Washington  
Phoenix, AZ 85007

**Re: Verizon/GTE Merger**

Dear Chairman Mundell:

Pursuant to the conditions the FCC adopted in approving the Bell Atlantic Corp. ("BA")/GTE Corp. ("GTE") Merger ("the Merger Conditions")<sup>1</sup>, Verizon California Inc. by this letter is offering to file a tariff for a new lifeline plan for its Arizona properties.<sup>2</sup>

The tariff would be for a stand-alone new lifeline plan comparable to the Ohio USA lifeline plan set forth in Ameritech's Ohio Alternative Regulation Plan, Case No. 93-487-TP-ALT, as in effect on January 27, 2000, in the areas of subscriber eligibility, discounts and eligible services. The components of the stand-alone new lifeline plan are summarized in Attachment 1.

Under the FCC-approved merger condition, the Arizona Corporation Commission (Commission) is under no obligation to accept Verizon's offer, and the existing Universal LifeLine telephone Service tariff remains effective unless the Commission chooses to accept this offer within 12 months of the date of this letter. However, if the Commission does choose to accept the offer, then the company proposes that a new stand-alone lifeline plan, subject to any required regulatory and legislative approvals, would replace Verizon's current Universal Lifeline Telephone Service offering during the period when the new lifeline plan remains in effect.

<sup>1</sup> Application of GTE Corporation, Transferor and Bell Atlantic Corporation, Transferee, Memorandum, Opinion and Order, CC Docket NO. 98-184, FCC 00-221 (rel. June 16, 2000)

<sup>2</sup> The Company's Arizona service area was not previously subject to the Merger Conditions, pending the sale of local exchange property to Citizens Communications.

**Snell & Wilmer**  
LLP

Mr. William A. Mundell

April 19, 2002

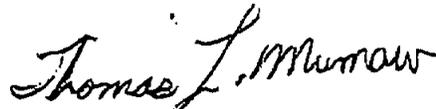
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In that event, Verizon California Inc., as required by the Merger Conditions, will offer the new lifeline plan for 36 months following the effective date of the initial tariff. The company would apply for federal and, where available, state universal service funding for the plan. At the end of the 36 months, Verizon plans to reinstate the previously effective Universal Lifeline Telephone Service offering and withdraw the new lifeline plan then in effect.

We would appreciate a stamped copy of this letter from your office to acknowledge the receipt of this offer. Please contact Mr. Kurt Rasmussen at 415-474-7624 with any questions regarding this matter.

Very truly yours,

Snell &amp; Wilmer



Thomas L. Murnaw

TLM:jyb

Attachment

cc: Jim Irvin, Commissioner  
Marc Spitzer, Commissioner  
Ernest Johnson, Director  
Christopher C. Kempley, Esq., Chief Counsel

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Arizona

Attachment 1

## PROPOSED LIFELINE PLAN - KEY COMPONENTS

### Subscriber Eligibility:

Customers must be currently participating in one of the following programs to be eligible:

- Home Energy Assistance Plan (HEAP)
- State or Municipality Funded Energy Credit Program (ECP)
- Aid for Dependent Children (AFDC)
- Food Stamps
- Supplemental Security Income (SSI) on the basis of blindness, age or disability (federal program)
- State or Municipality Funded Disability Assistance
- Medicaid
- Federal Housing or Section 8 Assistance

### Discounts:

- The monthly discount is equal to the price of basic residential measured rate service (i.e., access to the network not including any local usage) plus the Federal Subscriber Line Charge
- The discount is capped at \$10.20 monthly, but no customer's charge can be reduced below zero
- Toll restriction, call trace and automatic blocking of 900 and 976 calls is provided free
- Service Connection charges over \$5 are waived
- Deposits are waived for local service. May be required for toll service if customer does not select toll restriction

### Eligible Services:

- Customer may have Residence Flat Rate, Measured Rate and Message Rate Services (where offered). Customers may also have access to Message Toll Service.
- Customers may not have optional services (e.g., Wire Maintenance Plans, Toll Plans or other vertical services) unless medically necessary
- Customers will be restricted to households with a single access line

**Operational Characteristics:**

- **Past Due Bills** - Initial payment not to exceed \$25 on local service with the balance to be paid in 6 equal monthly installment payments. Toll restrictions are required for customers with past due bills for toll service until outstanding charges have been paid in full.
- **Verification of Eligibility** - Customers self-verify, company has the right to audit.
- **On-Line Verification of Eligibility** - Will make available where on-line access can be negotiated with state agencies.
- **Publicity** - Company will spend \$290 annually.
- **Business Office Access** - Company will provide a toll-free number telephone number and fax numbers for new lifeline inquiries and receipt of new lifeline documentation; where technically possible will include information about new LifeLine on the Voice Response Unit menu.
- **Conversion of Existing LifeLine customers** - Verizon will convert qualifying customers within 180 days of implementation of the new plan.