

I. The OI&M Sharing Ban is Required by Section 272(b)(1)

- **Without the OI&M sharing ban, the affiliate would not “operate independently” of the BOC**
 - the affiliate would have almost no employees of its own
 - all key functions would be performed by BOC employees
- **Elimination of the OI&M sharing ban would not be consistent with the purpose of Section 272(b)(1)**
 - The Commission has found that a key purpose of section 272(b)(1) is to limit discrimination by ensuring that the affiliate and competitors obtain access to BOC facilities in the same manner:
 - “[W]e seek to ensure that a section 272 affiliate and its competitors enjoy the same level of access to the BOC’s transmission and switching facilities.” *Non-Accounting Safeguards Order*, ¶ 158
 - OI&M sharing ban “should ensure that a section 272 affiliate must follow the same procedures as its competitors in order to gain access to a BOC’s facilities” *Non-Accounting Safeguards Order*, ¶ 15

II. The OI&M Sharing Ban Remains Necessary

- **No reasoned basis for revising the Commission’s finding that OI&M sharing would “inevitably” afford the affiliate superior access to BOC facilities**
 - Competition has not developed faster than anticipated: InterLATA competitors remain dependent on BOC access services
 - Experience with administrative services is irrelevant (Commission permitted sharing of administrative services precisely because the risks to competition were low)
 - Other safeguards (272(e)(1) etc.):
 - existed in 1996
 - have not been implemented (e.g., no special access metrics)
- **RBOCs are not unreasonably burdened by the OI&M sharing ban**
 - The RBOCs do not have a cost disadvantage
 - Even the highest of the (unreliable) RBOC cost estimates represents a tiny percentage of RBOC operating expenses and revenues
 - The RBOCs do not face unique operational disadvantages
 - The RBOC affiliates obtain access to BOC facilities in exactly the same manner as competing carriers
 - The operational issues cited by the RBOCs are the same as those faced by the RBOCs’ interLATA competitors
 - Even for “enterprise” customers, competitors can provide integrated local and long distance services to only a handful of buildings