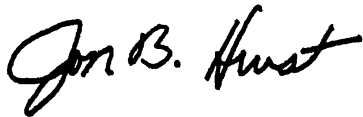


obtaining permission to enter the long-distance market from the FCC, Bell Atlantic may not apply with the FCC until the DTE certifies compliance with the 14-point checklist. In order to meet a self-imposed end-of-the-year deadline for entry into the long-distance calling market, Bell Atlantic must try to meet the 14-point checklist and obtain certification from the DTE by the end of September.

The opportunity to hold Bell Atlantic most accountable to consumers exists before permission is given to enter the long-distance calling market. A rushed and less-than-thorough testing process puts Massachusetts consumers at risk for lost dial tone, double billing, and delayed service, and it is a risk Bell Atlantic should not be willing to take at consumers' expense.

Once again, we would like to urge you to contact the Department of Telecommunications and Energy, 1 South Station, Boston, MA, 02110 on this important consumer issue. If you would like more information on this matter, please do not hesitate to contact Michelle Consalvo at 617-364-0759.

Sincerely,



Jon Hurst
President
Retailers Association of Massachusetts



Michelle Consalvo
Executive Director
Massachusetts Coalition for
Competitive Phone Service

BOSTON Herald

WEDNESDAY, JULY 19, 2000 \$50/CENT

AG tries to block Bell's bid

By TOM KIRCHOFER

Saying Bell Atlantic Corp. must do more to open itself to competition, Attorney General Tom Reilly yesterday urged the state Department of Telecommunications and Energy not to endorse the phone company's bid to offer long-distance service to Massachusetts customers.

Reilly said the DTE should not give its approval to Bell Atlantic's plan until the company's operating system is capable of meeting the needs of competing local service providers. He also said the company should determine how it will let competitors use its facilities to sell high-speed DSL Internet service, and he said Bell Atlantic should offer competitors access to its network at prices that provide "a basis for competition."

Under federal law, regional phone companies — which mostly remain monopolies — can offer long-distance service only after opening local service to competition. Bell Atlantic insists it has done that here.

Reilly also said the company should have a plan to ensure local markets remain open once it begins selling long-distance service.

Officials from Bell Atlantic, which recently merged with GTE Corp. and will soon do business under the name Verizon, said they were confident that ultimately the company would be permitted to offer long-distance services in Massachusetts.

"We have met the checklist, and the AG's comments show he believes there are few issues that remain to be wrapped up," said spokesman Jack Hoey. "There is little left to be done."

The Federal Communications Commission approved Bell Atlantic's bid to sell long-distance service in New York in December. At the time, Bell Atlantic officials said they wanted to offer the service in Massachusetts by this summer.

The FCC will have the final word on whether the company can get into the long-distance business here, but by law it must consult with the state DTE.

WEDNESDAY, JULY 19, 2000

Mass. AG urges rejection of Verizon long-distance bid

By Peter J. Howe
GLOBE STAFF

Massachusetts Attorney General Thomas F. Reilly urged state regulators yesterday to reject requests by Verizon Communications, the former Bell Atlantic, to offer long-distance calling in the state, citing "substantive" failures by Verizon to guarantee strong competition for local calling.

Verizon has said it hopes to offer long-distance calling in the Bay State by year's end, to make it the second state after New York where it would be allowed into the lucrative long-distance market.

Beyond getting access to the \$2 billion long-distance market here, obtaining long-distance approval in all the former Bell Atlantic states by 2005 is crucial to Verizon regaining control of Burlington-based Genuity.

The company was forced to spin off a majority stake in the Internet "backbone" carrier as a condition of the Bell Atlantic-GTE merger into Verizon, but can regain majority control by 2005 if it gets long-distance approval in all the Bell Atlantic states from Maine to West Virginia.

Reilly said Verizon has failed to meet a 14-point checklist set up by federal regulators to prove it has opened its local network to competitors. He said state regulators

need to impose more requirements on Verizon to promote local competition before backing its long-distance bid.

"Every effort must be taken to ensure that the market for local telephone service is truly open so customers receive the benefit from vigorous competition for both local and long-distance service," Reilly said in making a filing to the state Department of Telecommunications and Energy.

Reilly cited four highly technical issues. A senior Reilly aide said last night they "are all doable things, but we just want to make sure the DTE holds them to the standard" Bell Atlantic and SBC Communications had to meet to get into the New York and Texas long-distance markets.

"It's not that they haven't passed the test, but that the test has not yet been taken," the aide said.

Verizon spokesman Jack Hoey said last night: "We have met the checklist. The AG's comments show how little even the AG believes is left to wrap up. Some of those issues the DTE has already addressed, and the others the DTE is in the process of addressing. The comments jump the gun."

DTE officials, as is customary, had no comment because the long-distance approval is an open proceeding.

Despite strong objections from Verizon rivals such as AT&T and WorldCom who say it is premature, the DTE plans to hold final arguments in early September before making a recommendation to the Federal Communications Commission. The FCC will make the final decision on Verizon's Massachusetts long-distance bid but would be unlikely to approve it if the DTE does not support the move.

In general terms, Reilly cited four outstanding problems:

- Verizon has not yet proven its order-processing systems can handle competitors signing up tens of thousands of local customers using leased Verizon lines, a requirement that became a major problem in New York State.

- The DTE has not worked out a pricing plan for Verizon to share phone lines with competitors to offer digital subscriber line high-speed Internet access over existing lines to homes and businesses.

- Prices charged by Verizon for leasing parts of its network, including phone lines to homes and its directory-assistance service, still appear unfairly high and should be reset by the DTE.

- Verizon has not offered a satisfactory "performance assurance plan" guaranteeing it will not backslide on assuring local competition once it gets long-distance approval.

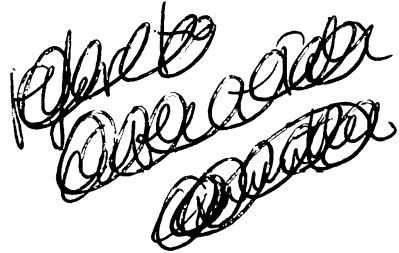
Verizon is in a horse race with

several competitors, especially AT&T, in which literally every month it has to wait until it can offer long-distance service could be crucial to determining each company's ultimate market share for local and long-distance services.

Long-distance bid disputed

Attorney General Thomas F. Reilly urges regulators to reject requests by Verizon Communications to offer long-distance calling, citing failures to guarantee local competition. C3

**Massachusetts Coalition
For
Competitive Phone Service**
P.O. Box 5750
Boston, Massachusetts 02114

Handwritten signature and date, likely "8/30/00".

August 30, 2000

Henrietta Davis
795 Massachusetts Ave
Cambridge, MA 02139-3201

Dear Henrietta:

Bell Atlantic is pressuring the Massachusetts Department of Telecommunications and Energy (DTE) to rush through a federally-required, thorough testing process on local phone competition for a quick decision on their request to enter the long-distance calling market in Massachusetts. For this reason, we would like to ask you to contact the DTE Commissioners to urge them to follow through on their commitment to "military-style" testing of Bell Atlantic's local phone systems before Bell Atlantic is given permission to offer long-distance service in Massachusetts.

The testing process establishes Bell Atlantic's compliance with a 14-point federal checklist proving competition in the local phone market. The DTE committed to "military-style" testing in order to protect Massachusetts consumers from New York's disastrous experience. Military-style testing requires that Bell Atlantic's systems are tested until all problems are identified **and fixed** prior to completion of the testing process. Such testing ensures that Bell Atlantic is able to handle the anticipated high volume of customer requests to switch local service to a competitor without lost dial tone, double billing, misplaced orders, delays or hassles. In New York, Bell Atlantic convinced state regulators prematurely that it could handle customers' orders to switch service, and after gaining long-distance approval, lost or mishandled more than 270,000 orders and was fined \$13 million by the FCC and the New York Public Service Commission.

Bell Atlantic says it is ready for local competition in Massachusetts. However, the DTE's final report on the testing of Bell Atlantic's systems clearly indicates that "military-style" testing has not been completed. Severe problems exist in handling large volumes of customer orders to switch service, customer billing, and notification. In fact, the DTE's report shows that Bell's systems fail sixty-four percent of the time in Massachusetts.

In addition, Attorney General Thomas Reilly warned that Bell's failures may "adversely" affect consumers. The Attorney General cited "substantive" failures by Bell Atlantic to guarantee strong competition for local calling including Bell Atlantic's failure to meet the 14-point federally-required checklist. Attorney General Reilly was concerned that consumers would not experience the full benefits of competition for local phone service, such as lower prices and better quality service, if a thorough and rigorous testing process is not adhered to by the DTE.

Bell Atlantic has pressured the DTE to forego "military-style" testing and a thorough review of the final report in order to finish all technical sessions and panel hearings on the issue by September 8th. Parties were given less than one week to review the final report deadline for

Comms. & Rpts. Other Officers #2

8277

A communication was received from councillor Davis, transmitting a letter from the Mass Coalition for Competitive Phone Service, requesting that the DTE test the Bell Atlantic's local phone systems before Bell Atlantic is given permission to offer long-distance service in Mass.

In City Council September 18, 2000

PLACED ON FILE