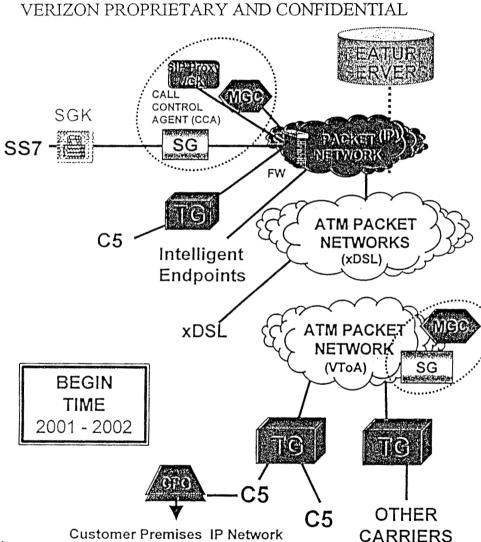


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Packet Telephony Evolution - Phase One verizon



- ATM core network deployed for VToA
- Trunk (Media) Gateways used to tie End Office TDM switches to the ATM Packet Network (i.e., VToA)
- VToA Call Control Agent functionality added to Tandem switch platform, or via new, distributed Call Agent platform(s)
- ATM trunk access gateways deployed to interface IXC and CLEC tandems to the VToA network
- VoIP SoftSwitches deployed in an overlay fashion to meet selected market needs (e.g., Derived virtual lines for DSL, VoBB)
- Continue to deploy VoIP Terminating Access on a wholesale basis
- Introduce Class 5 based Centrex IP services on a selected basis
- Develop strategy for AIN / IP integration and examine potential implementation alternatives
- Begin investigation of Next-Gen STP platforms
- Complete specification and hegin sourcing / development of SS7 Security Gatekeeper
- Security is applied in the network (e.g., firewalls, intrusion detection capabilities, etc.)

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Packet Telephony Phase One Technologies (e.g., VToA) are Becoming Real for Florida



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A Nortel Succession[™] packet tandem switch, as described per Evolution Phase One, is being deployed in Tampa, Florida, this year. The Voice Trunking over ATM (VToA) application will provide increased capacity in Verizon Class 4 switching offices, and will help address tandem exhaust issues.

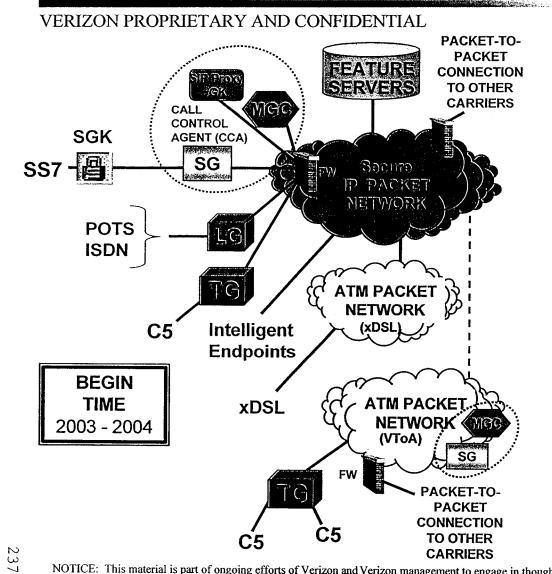
- This is thought to be one of the first applications of this technology in the Public Switched Telephone Network (PSTN).
- Currently, the system is in final testing prior to turn-up.
- Tampa is scheduled to cutover VToA for selected voice traffic in March 2002.
- The initial deployment will be expanded over the next two years.



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Packet Telephony Evolution - Phase Two





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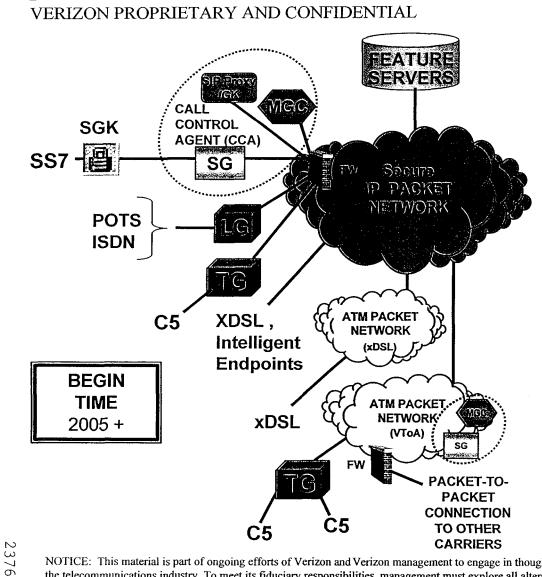
- Continued growth of Media Gateways for Trunk-level (VToA) connections
- Explore secure packet-to-packet connections to other carriers
- Introduction of VoIP Class 4/5 alternatives; Build out of IP backbone
- Introduction of the Line Gateway to connect existing POTS and ISDN circuits to VoIP SoftSwitches
- Develop & deploy new AIN and IP services consistent with the strategy for AIN / IP integration
- Begin deploying SS7 Security Gatekeepers, starting with PSTN SS7 interconnections
- Begin scheduled removal (by consolidation) / replacement of DMS STPs, removal / upgrading / replacement of existing STPs.



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Packet Telephony Evolution - Phase Three





- Class 4 / 5 SoftSwitches selectively deployed to replace TDM switches where driven by economics
- Existing "islands" of VoIP Class 4 / 5, Class 4 VToA network elements, and fast packet core networks are more efficiently internetworked. Voice/Data network convergence is achieved.
- Business decision of whether to cap Class5 TDM, Class 4 TDM, and VToA platforms
- Business decision of whether to cap the ISCPs and deploy only IP application servers
- Complete deployment of SS7 Security Solution
- Complete STP consolidation / upgrade / replacement program



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