

BEFORE THE  
FLORIDA PUBLIC SERVICE COMMISSION

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

-----  
In the Matter of : **UNDOCKETED**  
:  
Transaction between GTE :  
Corporation and Bell Atlantic, :  
whereby GTE will become a :  
wholly-owned subsidiary of :  
Bell Atlantic. :  
-----

PROCEEDINGS: **WORKSHOP**

BEFORE: CHAIRMAN JOE GARCIA  
COMMISSIONER J. TERRY DEASON  
COMMISSIONER SUSAN F. CLARK  
COMMISSIONER JULIA L. JOHNSON  
COMMISSIONER E. LEON JACOBS, JR.

DATE: **Monday, March 1, 1999**

TIME: Commenced at 1:30 p.m.  
Concluded at 5:10 p.m.

PLACE: Betty Easley Conference Center  
Room 148  
4075 Esplanade Way  
Tallahassee, Florida

REPORTED BY: H. RUTHE POTAMI, CSR, RPR  
FPSC Commission Reporter



DOCUMENT NUMBER-DATE

**02873 MAR-58** FLORIDA PUBLIC SERVICE COMMISSION

FPSC-RECORDS/REPORTING

1 **IN ATTENDANCE:**

2 **BETH KEATING**, FPSC Division of Legal  
3 Services.

4 **CINDY MILLER**, FPSC General Counsel's Office.

5 **KIM CASWELL**, **GEOFFREY GOULD** and **MARK J.**

6 **MATHIS**, GTE Corporation/Bell Atlantic Corporation.

7 **MONICA BARONE** and **DAVID M. EISENBERG**, Sprint  
8 Communicaitons Company Limited Partnership.

9 **OLUKAYODE RAMOS**, **LOU BENDER**, **DAVID NILSON**,

10 **RICHARD SMITH** and **MARK BUECHELE**, Supra

11 Telecommunications and Information Systems, Inc.

12 **RHONDA MERRITT** and **JOHN S. GARDNER**, AT&T

13 Communications of the Southern States, Inc.

14

15

16

17

18

19

20

21

22

23

24

25

## I N D E X

## MISCELLANEOUS

ITEM	PAGE NO.
Presentation, GTE, Geoffrey Gould	5
Presentation, Bell Atlantic, Mark Mathis	16
Presentation, Sprint, David Eisenberg	29
Presentation, Supra, Lou Bender	51
Presentation, Supra, Olukayode Ramos	66
Presentation, Supra, Mark Buechele	70
Presentation, Supra, David Nilson	75
Presentation, Supra, Richard Smith	101
Presentation, AT&T, John Gardner	106
Presentation, Supra, Mark Buechele	124
Additional discussion and question/answer period	133
CERTIFICATE OF REPORTER	149

**P R O C E E D I N G S**

(Workshop convened at 1:30 p.m.)

**CHAIRMAN GARCIA:** Good afternoon. This is the GTE/Bell Atlantic merger workshop. To expedite matters, we may have Staff conduct it, because some of us may be coming in and out during this and we want to make sure that it runs smoothly; and so Ms. Keating is going to be running it from over there.

Clearly, as you all know, this is an issue that was already dealt with by the Commission on December 7th. We're simply going through this workshop because there was so much interest we made it a Commissioner workshop, and this will determine whether we have some additional comments to make to the FCC on some of these issues. Is there anything else that you want me to touch on?

**MS. KEATING:** I think that's it.

**CHAIRMAN GARCIA:** I understand that Supra has a power point presentation that it wants to make, and we're going to do that after break so that the Commissioners can transfer themselves to that side of the room. I'll say from the onset that I'll be leaving at various times during this thing, but I'll look at the record later. All right.

**MS. KEATING:** The first presentation up is



1 GTE/Bell Atlantic and, as I understand it, the first  
2 presenter is Geoffrey Gould.

3 **MS. CASWELL:** Just to give you some  
4 background, Mr. Gould is GTE's vice-president for  
5 government and regulatory affairs.

6 **MR. GOULD:** Thank you. I appreciate the  
7 opportunity to appear before the Commission to discuss  
8 the Bell Atlantic/GTE merger and why it's good for  
9 competition and beneficial to the citizens of Florida.

10 I believe that mergers can and do create  
11 valuable beneficial outcomes. I personally am a  
12 veteran of a large telecom merger, specifically the  
13 merger between GTE and ConTel (phonetic) Corporation  
14 in 1991.

15 In the right circumstances, mergers make the  
16 new company a better competitor, a stronger service  
17 provider and a better corporate citizen. I believe  
18 the Bell Atlantic/GTE merger is just such a  
19 combination.

20 The Bell Atlantic/GTE merger creates a new  
21 company that will accelerate the availability of real  
22 customer choice in Florida and across the nation. On  
23 a national basis, we believe this merger is enormously  
24 pro-competitive for at least six reasons.

25 **First:** This merger will finally break down

1 the barriers between RBOCs and finally bring about  
2 significant big LEC to big LEC competition in local  
3 telephony across the country.

4           Second: From a broad perspective, this  
5 merger is an essential step in establishing a  
6 competitive national market for packaged  
7 telecommunications services.

8           Third: This merger is just about the single  
9 most pro-competitive development that one can imagine  
10 for the Internet.

11           Fourth: This merger is an important step in  
12 establishing a fourth national facilities-based  
13 competitor in the long distance market.

14           Fifth: This merger will combine  
15 complementary cellular properties and create a  
16 wireless provider that is able to compete on a  
17 national basis; something that is increasingly  
18 becoming a table stake in the telecom marketplace.

19           And, finally, this merger combines  
20 complementary international assets.

21           With that background, I now want to cover  
22 why this merger is good for Florida; specifically, how  
23 it will, as the companies integrate their operations,  
24 create a different company and what that difference  
25 will mean to the citizens of Florida.

1           Perhaps the most important difference in the  
2 new company is that this merger will allow it to be a  
3 strong local competitor outside GTE's local franchised  
4 areas in Florida. I think I need to make several  
5 points here.

6           Since the passage of the Telecom Act in  
7 1996, GTE has done its best to carry out an  
8 aggressive, ambitious CLEC strategy. Although it's  
9 fair to say we hit the ground running, frankly, we  
10 haven't gotten very far. There are several factors  
11 that have put severe limits on our CLEC strategy.

12           One: The cost of building service and  
13 delivery platforms has turned out to be much higher  
14 than expected, requiring more resources and greater  
15 scale. We spent \$350 million on systems alone to  
16 enable our CLEC to package telecommunications  
17 products.

18           Two: Reselling has not turned out to be  
19 very successful. We believe over the long term  
20 facilities-based competition is a much more effective  
21 way to compete out of franchise.

22           Three: GTE simply does not have the brand  
23 strength to effectively go out of franchise  
24 everywhere.

25           And, finally -- and this is probably the

1 most critical factor -- we simply don't have the base  
2 of anchor customers that's vital in supporting the  
3 introduction of new services or the type of packaged  
4 offerings that customers want.

5           At GTE we believe that competing out of  
6 franchise is not a question of whether we want to or  
7 not. We believe we have to in order to grow and be a  
8 vibrant company. It's really a question of speed and  
9 resources. Simply put, the merger with Bell Atlantic  
10 provides a lot of the answers.

11           The merger gives the combined company the  
12 resources and scale necessary to support the high cost  
13 of building service and delivery platforms, to develop  
14 a much more economical and attractive package of  
15 services that will meet all the telecommunications  
16 needs of the typical customer, and to invest in a much  
17 stronger national brand.

18           You may have seen, for example,  
19 MCI WorldCom's full-page Wall Street Journal ad soon  
20 after their own merger touting its full service  
21 telecommunications capabilities. Together GTE and  
22 Bell Atlantic will have the strong brand necessary to  
23 effectively roll out similar national advertising  
24 campaigns.

25           Most important, however, the Bell

1 Atlantic/GTE merger provides that necessary base of  
2 anchor customers. Many of these customers are in  
3 Florida. In testimony before the Senate antitrust  
4 subcommittee, GTE's chairman, Chuck Lee, announced  
5 that the combined company plans to enter 21 major  
6 markets within 18 months of closing the merger.  
7 Miami, Orlando and Jacksonville were on that list. So  
8 we -- the new company is committed to competing out of  
9 franchise here in Florida.

10 As with any other business, whether you're  
11 talking about selling mufflers or VCRs or a package of  
12 telecommunications services, development starts where  
13 customer volumes make it economically doable.  
14 Eventually customer volumes drive the economics that  
15 enable expansion to small business and residential  
16 markets.

17 Florida is one of GTE's most important  
18 states in terms of the amount of territory covered and  
19 the existing facilities. It's logical to project that  
20 in due time the combined company will have the  
21 wherewithal to launch competitive attacks in places  
22 beyond greater Miami, Orlando, and Jacksonville when  
23 sufficient market demand exists and a reasonable  
24 business case can be made for entry.

25 So we don't hold out this group of 21

1 markets as an exhaustive list. We view it more as  
2 where we'll start, but like any business enterprise,  
3 we aren't likely to launch into markets where we can't  
4 make a reasonable business case.

5 Like going after residential customers who  
6 currently enjoy below cost prices, competing there  
7 would be illogical. Logic aside, the new company  
8 wants to serve residential customers out of franchise.  
9 We've built our business in Florida and elsewhere on  
10 residential and small business markets, and once we're  
11 established in an area, it's likely we'd look for ways  
12 to attack those same markets out of franchise.

13 But the key here is dealing with universal  
14 service. Universal service reform is a necessary  
15 prerequisite to broad competition in the high cost  
16 areas in Florida. Unless implicit subsidies are made  
17 explicit, as the Telecom Act suggested was necessary,  
18 competition will not flourish.

19 In addition, to be a strong  
20 pro-competitive -- in addition to be strongly  
21 pro-competitive out of franchise, the merger will make  
22 GTE a better service provider in franchise. Our  
23 existing in-franchise customers will benefit from the  
24 best practices of Bell Atlantic and GTE in proved  
25 efficiencies and in proved financial strength; and the

1 new company will work hard to ensure that its brands  
2 represent high quality both in and out of franchise.

3           The boost in scale and scope deserves a  
4 special mention with it comes to in-franchise  
5 customers. The reason? The heft we gain from the  
6 merger will permit the new company to provide bundled  
7 offerings far more quickly and far more aggressively.

8           As you know, our existing residential  
9 customers really haven't experienced that benefit yet.  
10 That's because GTE lacks the muscle to roll out fully  
11 integrated solutions across the board. The merger  
12 would bulk us up significantly, however. That extra  
13 bulk in tandem with our drive to compete out of  
14 franchise adds up to benefits for our in-franchise  
15 customers. That's because the products and services  
16 we develop to defeat incumbents in Miami, Orlando, and  
17 Jacksonville could be more quickly deployed to  
18 customers on the old home turf.

19           Another major benefit of the Bell  
20 Atlantic/GTE merger concerns the boost it provides to  
21 the Internet. The merger will allow the new company  
22 to more rapidly expand its Internet platforms and  
23 services, providing enhanced services to all types of  
24 customers and promoting competition both in and out of  
25 franchise.

1           One of the most compelling reasons why this  
2 merger is pro-competitive is rooted in the provision  
3 of Internet and data services. Without minimizing one  
4 bit the importance of traditional telephony, GTE and  
5 Bell Atlantic believe the Internet is the future of  
6 telecommunications.

7           It's important to continue nurturing  
8 competition among Internet service providers,  
9 especially ones that are actually building networks.  
10 In that regard, the merger is enormously beneficial  
11 for the Internet in two separate ways. First, it will  
12 allow GTE to introduce a host of new Internet services  
13 and a broader range of advanced data services.

14           Again, the key lies in Bell Atlantic's  
15 customer base. As I've said, GTE's current national  
16 profile is primarily rural and suburban serving  
17 territories, territories that are disbursed across  
18 wide geographic areas. This customer base is not  
19 sufficiently concentrated to support the rapid  
20 introduction of new Internet services that require  
21 substantial up-front investments in equipment and  
22 facilities.

23           The merger, however, will give GTE access to  
24 Bell Atlantic's much more concentrated customer base  
25 in the northeast, not to mention the extensive Bell



1 Atlantic marketing network. The opportunity to market  
2 to this base utilizing Bell Atlantic's sales network  
3 will provide the company with the scope and heft to  
4 introduce new services to all customers, including  
5 those in Florida.

6 In fact, GTE has already developed many of  
7 these new services. Likewise, GTE's merger with Bell  
8 Atlantic will allow it to bring advanced services,  
9 such as frame relay and ATM, to many more cities. GTE  
10 is in the process of building a national network  
11 called the Global Network Infrastructure, or GNI for  
12 short, predominantly using fiber capacity leased from  
13 Qwest. Right now GTE can invest in touchdown points  
14 for the GNI only in cities where GTE has the prospect  
15 of serving enough customers to recoup its investment  
16 in a point presence.

17 Leveraging the Bell Atlantic customer  
18 relationships of major customers in the northeast who  
19 have offices in Florida may create sufficient traffic  
20 volumes to justify additional points of precedence  
21 (sic) within the state.

22 The second reason the merger is enormously  
23 beneficial for the Internet is because it ensures the  
24 continued competitiveness of the national market for  
25 Internet backbone services.

1           While GTE is the fourth largest Internet  
2 backbone provider in size, we are significantly  
3 smaller than the three largest; Cable & Wireless, MCI  
4 WorldCom and Sprint. Bell Atlantic, on the other  
5 hand, is not an Internet backbone provider. It is  
6 only an Internet service provider reselling  
7 connectivity from other backbone providers.

8           By combining with Bell Atlantic, GTE is able  
9 to enhance its own Internet business by competing for  
10 and winning more customers, not by gobbling up another  
11 Internet company and risking any injury to  
12 competition.

13           Another unique aspect of the  
14 Bell Atlantic/GTE merger has to do with long distance  
15 competition. Before discussing that, I want to say  
16 that this merger does nothing -- I repeat -- does  
17 nothing to relieve Bell Atlantic from its obligations  
18 under Section 271 of the Telecommunications Act of  
19 1996. However, the merger does offer the prospect of  
20 creating a fourth national facilities-based provider  
21 of long distance service.

22           As mentioned before, GTE is in the process  
23 of building a national network. GTE currently cannot  
24 afford to outfit the GNI to provide national long  
25 distance service. The reason? We simply do not have

1 the traffic volumes needed to justify investing in the  
2 necessary toll switches and other facilities. GTE  
3 currently provides interLATA long distance on a  
4 nationwide basis as a reseller, relying on the network  
5 and back office facilities of MCI WorldCom.

6 The merger, however, carries with it the  
7 potential that we'll see significant increases in the  
8 volume of long distance traffic that GTE can carry on  
9 its own. That, in turn, makes investing in switches,  
10 facilities, and points of precedence -- presence more  
11 feasible.

12 In sum, Bell Atlantic's customer base, in  
13 combination with GTE's operating platforms and  
14 experience, will allow for a large scale  
15 facilities-based deployment of a long distance network  
16 to compete with major long distance carriers. This is  
17 particularly important, considering that the four  
18 major facilities-based carriers recently became three  
19 with the approval of the MCI WorldCom merger.

20 I've briefly laid out our vision for the  
21 combined company, and I appreciate your listening to  
22 me.

23 GTE and Bell Atlantic believe that the  
24 Commission should welcome this merger, since it is in  
25 the best interests of the citizens of Florida. The

1 Commission should rest assured that it made the right  
2 decision in approving the GTE/Bell Atlantic  
3 transaction. In doing so, it joined 21 other states  
4 that either have approved the merger or stated they  
5 don't need to take further action with regard to it.  
6 Another 13 states lack approval authority.

7           Because the mergers -- because the merger's  
8 effects for consumers here will be unambiguously  
9 positive, there is no reason for this Commission to  
10 express any apprehension about it to the FCC. If the  
11 Commission feels compelled to register its opinion  
12 with the FCC, we'd appreciate you supporting the  
13 merger.

14           With that, I'd like to turn our portion of  
15 the presentation over to Mark Mathis, who is senior  
16 vice-president, regulatory, for Bell Atlantic, and  
17 he'll introduce you to Bell Atlantic.

18           Thank you very much.

19           **MR. MATHIS:** Mr. Chairman, members of the  
20 Commission, I appreciate the opportunity to come here  
21 today and introduce you to Bell Atlantic and to talk a  
22 little bit about the merger from our perspective.

23           First of all, let me say that we appreciate  
24 the fact that you've already approved the merger, and  
25 we wanted to express the fact that we think this will

1 be a good thing for the citizens of Florida.

2 Let me discuss a little bit about Bell  
3 Atlantic first. As you know, Bell Atlantic is not  
4 much of a presence in Florida. We do not have any  
5 local telephone company operations here. We're not an  
6 ILEC; we're not a CLEC. We do have some long distance  
7 customers, but we are not, I don't think by any  
8 stretch of the imagination, a significant player in  
9 the long distance market in Florida. We do  
10 participate in the wireless market through PSC  
11 PrimeCo, and our coverage does include most of the  
12 state.

13 But let me tell you a little about Bell  
14 Atlantic in the event that you're not familiar with  
15 us. Bell Atlantic is one of the regional Bell  
16 companies that was formed at divestiture. Originally  
17 we had seven states; New Jersey, Pennsylvania,  
18 Delaware, Maryland, Virginia, West Virginia and the  
19 District of Columbia.

20 In 1997 we consummated a merger with NYNEX.  
21 NYNEX, of course, was also a regional Bell company  
22 that served New York, a very small part of  
23 Connecticut, and the New England states of  
24 Massachusetts, Maine, Vermont, New Hampshire and Rhode  
25 Island. That merger was found by the Department of

1 Justice not to violate the antitrust laws. It was  
2 approved by all the states that had jurisdiction, and  
3 it was approved by the FCC.

4 Today we have 40 million access lines.  
5 92 and a half percent of our central offices are  
6 digital. We have 4.7 million miles of fiber. We were  
7 the very first company to introduce equal access in  
8 Charleston, West Virginia. We introduced caller ID in  
9 New Jersey.

10 We're the company that serves the White  
11 House in Washington, Wall Street in Manhattan, Harvard  
12 and MIT in Cambridge, Massachusetts, the coal miners  
13 of West Virginia, the voters in the first presidential  
14 primary in New Hampshire, and the lobster men in the  
15 Maine area. We have 6 million wireless customers  
16 worldwide, and we also have some other operations  
17 throughout the world.

18 Nevertheless, at Bell Atlantic it has always  
19 been true that what comes first is our local telephone  
20 company operations. We have a president in each one  
21 of our states who, with their team, are focused on  
22 their communities and making sure that they provide  
23 outstanding service to our customers and work well  
24 with their commissions.

25 One of the things we're very proud of is

1 economic development. We understand that the success  
2 both for our company and for our communities and our  
3 states is ensuring that our states are healthy, and we  
4 realize that telecommunications is one of the engines  
5 that makes that work. And so whether we're connecting  
6 schools to the Internet in Maine and West Virginia or  
7 distance learning in Maryland and Virginia, this is at  
8 the top of our priorities.

9           Let me talk a little bit about the merger.  
10 Unlike some transactions which are acquisitions, this  
11 is a merger of equals. Our transaction with NYNEX was  
12 a merger of equals, and what that means is we take the  
13 best of the management team and the best practices  
14 from the different companies and try and produce the  
15 best company possible.

16           Now, it's hard to anticipate completely at  
17 this point what the best practices from GTE and Bell  
18 Atlantic will be, but we do know that we do have some  
19 differences that we're going to be able to capitalize  
20 on. For example, we are principally in large urban  
21 areas throughout the northeast. GTE has been more  
22 rural and suburban.

23           They, on the other hand, have a lot of  
24 experience in Internet and long distance that we  
25 don't, and we think that by combining the two

1 companies with their different strengths, we're going  
2 to be a much larger, more effective competitor, which  
3 ultimately is what this merger is all about.

4           And if you look at what is going on in our  
5 industry, you have AT&T which acquired McCaw and TCG  
6 and TCI, and they're having alliances with other cable  
7 companies; MCI with WorldCom, and MFS and UUNET;  
8 Sprint with Deutch Telecom and France Telecom; SBC  
9 with Pacific, SNET and Ameritech. We didn't start  
10 this, but we have to live with it and we have to deal  
11 with it, and we expect to be one of the companies that  
12 is an effective competitor in this marketplace, and  
13 this is really what this merger is all about.

14           Now, you've heard from Jeff about our desire  
15 to be able to compete in 21 cities across the country,  
16 including three here in Florida. Let me explain a  
17 little bit how we expect that might work and the  
18 advantages we think we bring to it.

19           In Bell Atlantic, Marriott's world  
20 headquarters is right outside of Washington DC.  
21 They're a very large customer of Bell Atlantic. We  
22 value our relationship with them. We hope they value  
23 their relationship with us. We try to provide them  
24 very good service. They have hotels all over Florida.  
25 We hope that we're able to use this concept of the



1 anchor customer, as you might have heard of anchor  
2 tenants in malls, to be able to gain an inside track  
3 with Marriott, to be able to convince them to come  
4 with the new Bell Atlantic/GTE throughout Florida.

5 Bell Atlantic has about 175 of the 500  
6 Fortune headquarters in its territory, and these are  
7 the kinds of things that we think that will permit us  
8 to be able to compete here in Florida with BellSouth  
9 and in other places with other large companies.

10 So that's what this merger from our  
11 perspective is really all about. I appreciate the  
12 opportunity to be able to introduce Bell Atlantic to  
13 you, and we look forward to working with you in the  
14 future, and we'd be happy to answer any questions  
15 either now or later as you choose. Thank you.

16 **COMMISSIONER JOHNSON:** You said that 92% of  
17 your lines in the central offices were digital?

18 **MR. MATHIS:** That's right.

19 **COMMISSIONER JOHNSON:** The 8% that's not, is  
20 it in a certain geographical area or just --.

21 **MR. MATHIS:** I think it's more dispersed  
22 rural areas, and it's just a matter of when is the  
23 economic time to make that conversion. But on the  
24 other hand --

25 **COMMISSIONER JOHNSON:** What was the

1 incentive, or what caused the transition to digital,  
2 and was that a part of the company's strategy? I know  
3 this is a twofold question. And how does that  
4 reconcile with what GTE has done thus far with respect  
5 to their central offices, if you know?

6 **MR. MATHIS:** I don't know the answer to the  
7 latter. And with the first part, it permits you to  
8 provide better service cheaper; and so, therefore, we  
9 wanted to make those conversions as quickly as we can,  
10 and it didn't necessarily follow, as some people might  
11 think, that a smaller state would be last. Delaware  
12 was our first, and they're one of our smaller states.

13 **COMMISSIONER JOHNSON:** Well, yeah. That's  
14 why I was just -- it was -- that was interesting,  
15 because you do serve -- though you serve those large  
16 metropolitan areas, Wall Street, D.C., you do have  
17 some small states.

18 **MR. MATHIS:** We have Vermont with 300 --

19 **COMMISSIONER JOHNSON:** New Hampshire.

20 **MR. MATHIS:** -- access lines. We have New  
21 Hampshire with 700,000 access lines.

22 **COMMISSIONER JOHNSON:** Uh-huh. And Vermont,  
23 is that the state where you all are doing something  
24 with the schools and libraries program, connecting all  
25 the schools and libraries, or is that part of

1 someone's -- one of the New England states?

2 **MR. MATHIS:** New Hampshire.

3 **COMMISSIONER JOHNSON:** Was it --

4 **MR. MATHIS:** We have a proposal before the  
5 Vermont board now as -- along with an incentive  
6 regulation plan to do some hookups there, but we -- I  
7 guess a year ago, we agreed to do this in New  
8 Hampshire, but we're --

9 **COMMISSIONER JOHNSON:** And that --

10 **MR. MATHIS:** -- working with it in all of  
11 our states to do that.

12 **COMMISSIONER JOHNSON:** And that was -- with  
13 respect to New Hampshire, you said it was a part of  
14 some incentive regulation --

15 **MR. MATHIS:** No. That was Vermont.

16 **COMMISSIONER JOHNSON:** Okay. I'm confusing  
17 the two.

18 **MR. MATHIS:** One of the things I've learned,  
19 Commissioner, is every state is different, and each  
20 one has its own particular interest, and you have to  
21 recognize those differences.

22 **COMMISSIONER JOHNSON:** Where is Olympia Snow  
23 from?

24 **MR. MATHIS:** She's from Maine.

25 **COMMISSIONER JOHNSON:** What did you all do

1 in Maine? I'm confusing all of my states.

2 **MR. MATHIS:** We're hooking up the other  
3 schools there.

4 **COMMISSIONER JOHNSON:** Okay. And that was a  
5 part of some --

6 **MR. MATHIS:** Effort that we have there as  
7 part of -- you know they have something called  
8 Maine, Inc. and they're very pro-economic development  
9 there, and the schools are -- you know, like  
10 telecommunications are part of the engine that makes  
11 that go.

12 **COMMISSIONER JOHNSON:** Okay. Thank you.  
13 And, Ms. Caswell, you said that you have some  
14 information on the percentage of the central offices  
15 that are digital in --

16 **MR. GOULD:** In Florida we're -- GTE is 100%  
17 digital.

18 **COMMISSIONER JOHNSON:** Not in -- I mean, all  
19 the territories. Do you have --

20 **MR. GOULD:** Nationwide, I don't have that  
21 with me. I think we're very close to 100%.

22 **COMMISSIONER JOHNSON:** 100%?

23 **MR. GOULD:** If not 100%, yeah.

24 **COMMISSIONER JOHNSON:** And you all are being  
25 in Texas --

1           **MR. GOULD:** Our three largest states are  
2 California, Texas and Florida.

3           **COMMISSIONER JOHNSON:** And you're 100%  
4 digital in Texas?

5           **MR. GOULD:** Yes.

6           **COMMISSIONER JOHNSON:** I didn't know that.  
7 Okay. Thank you.

8           **COMMISSIONER JACOBS:** Your operations in  
9 three cities in Florida, you're going to have, I  
10 assume, a separate company, or will you be operating  
11 under one of the companies?

12           **MR. GOULD:** Well, at this point in time,  
13 the -- how the companies are going to be combined and  
14 operated after the merger hasn't been precisely  
15 determined. We're still going through that evaluation  
16 process. But one of the options we certainly would  
17 have would be to operate that as a separate  
18 subsidiary. Whether we do that ultimately or not  
19 remains to be seen.

20           **COMMISSIONER JACOBS:** If that were the case,  
21 it would be a CLEC?

22           **MR. GOULD:** I'm sorry. I --

23           **COMMISSIONER JACOBS:** If that were the case,  
24 would it be as a CLEC, or how would --

25           **MR. GOULD:** Yes.

1                   **COMMISSIONER JACOBS:** Now, one of the things  
2 you indicated was that you felt that this would  
3 enhance the competitive environment for CLECs because  
4 your presence is essentially going to meld together, I  
5 guess, a partnership. Walk me through that again, and  
6 I'm speaking now in terms of Internet.

7                   **MR. GOULD:** In terms of the Internet?

8                   **COMMISSIONER JACOBS:** Yeah.

9                   **MR. GOULD:** Actually, the combination of GTE  
10 and Bell Atlantic, one of the greatest benefits we get  
11 is an increased number of relationships, as Mark was  
12 saying earlier, with major customers in the northeast  
13 that also have offices, for example, in Orlando.  
14 Because Bell Atlantic has the relationship with them  
15 and we don't, that gives us the ability to establish  
16 service with them because of that relationship. They  
17 have -- we have a -- they have a reputation.

18                   That helps us not only in the Internet in  
19 terms of selling services to those customers that they  
20 already have relationships with, but in local and long  
21 distance as well. So we really think those new  
22 customer relationships that the merged company gets  
23 outside of the Bell Atlantic region helps us in all  
24 parts of our business, not just the Internet.

25                   **COMMISSIONER JACOBS:** Thank you.

1                   **COMMISSIONER DEASON:** Are there any plans to  
2 provide residential service in your out-of-franchise  
3 markets in Florida; that being Orlando, Miami, and  
4 Jacksonville?

5                   **MR. GOULD:** The plans would be to compete  
6 wherever we can make money. And, as I said earlier,  
7 we certainly are going to enter those three markets  
8 where we can make a business case to do that. That,  
9 typically, is in business markets first.

10                   Our intent is to offer service to  
11 residential customers in our out-of-franchise markets.  
12 But once again, we believe that you have to be able to  
13 make a business case to do that, and right now we  
14 believe that in order to do that, universal service  
15 issues have to be addressed. It's very difficult to  
16 make money selling competitive products to customers  
17 whose current prices are below cost. It's just not  
18 possible.

19                   So we believe once that's addressed -- and  
20 we do believe it will be addressed eventually -- that  
21 we will be serving residential customers out of  
22 franchise.

23                   **COMMISSIONER JOHNSON:** Is BellSouth offering  
24 bundled services in GTE's service area in St. Pete?

25                   **UNIDENTIFIED SPEAKER:** BellSouth Mobility

1 is, wireless service.

2 **COMMISSIONER JOHNSON:** Just wireless? They  
3 aren't offering local, if you buy -- any kind of  
4 bundle --

5 **UNIDENTIFIED SPEAKER:** They're offering  
6 bundling. I mean, they are advertising it as a local  
7 service offering with voice mail, other features, but  
8 it is actually from wireless, BellSouth Mobility at  
9 this point.

10 **COMMISSIONER JOHNSON:** Okay. Thank you.

11 **COMMISSIONER DEASON:** Does the merger have  
12 any effect whatsoever on your carrier of last resort  
13 responsibility in your franchise area?

14 **MR. GOULD:** We don't believe that it does,  
15 no.

16 **MS. KEATING:** Okay. We are running just a  
17 few minutes ahead of schedule, but I'd like to point  
18 out for the participants I think it would be best to  
19 proceed with the next presentation, in view of the  
20 number of presentations that have to be made this  
21 afternoon, and then if any participants have questions  
22 that are specific to particular presentations, we can  
23 take that up in the discussion section.

24 Also I need to point out to those of you  
25 that are with the company making a presentation, if



1 you are not specifically on the agenda or you're not  
2 an attorney that's already identified yourself for the  
3 court reporter, please state your name before you make  
4 comments. Otherwise, your name won't be in the record  
5 of the proceeding.

6 And the next presentation is Sprint and  
7 Mr. Eisenburg.

8 **MS. BARONE:** Yes. And this is Monica Barone  
9 for Sprint, and with me Mr. Eisenburg. He's  
10 vice-president, state external affairs.

11 **MR. EISENBERG:** Thank you, Chairman Garcia  
12 and Commissioners, for this opportunity to share  
13 Sprint's views of the proposed merger of Bell Atlantic  
14 and GTE.

15 As a global communications company, Sprint  
16 recognizes that's these are, in fact, unique and  
17 exciting times for the telecom industry. There are  
18 new markets opening to competition. Internet growth  
19 is meeting and exceeding expectations. Long distance  
20 competition is intense and continues to intensify  
21 every day. And state commissions like yours, along  
22 with the FCC, are striving, mightily to wedge open the  
23 doors to local competition.

24 In this environment we can reasonably expect  
25 to see companies try to expand and diversify their

1 services, capabilities, and reach. Inevitably some of  
2 this will occur through mergers, alliances, or joint  
3 ventures, and some of these mergers and alliances will  
4 offer true benefits to consumers and be  
5 pro-competitive. But the reason we have state and  
6 federal communications laws, which are there to  
7 protect consumers, and state and federal antitrust  
8 laws, which protect our free markets, is to ensure  
9 that healthy consolidations which are likely to  
10 enhance competition, go forward, and those which  
11 simply strengthen monopoly power do not.

12           The rapid acceleration of mergers between  
13 large local telephone companies which have not yet  
14 opened their markets to competition deeply troubles  
15 us. To put this in perspective, when you examine this  
16 proposed merger along with the proposed Ameritech/SBC  
17 merger, we face the prospect of a marketplace in which  
18 two supercarriers control roughly 70% of the local  
19 market.

20           Bell Atlantic/GTE alone will control  
21 58 million access lines. That's some 36% of the  
22 nation's access lines, and this strikes me as a tragic  
23 about-face and a return toward the old Ma Bell where  
24 prices were high and customer choice was virtually  
25 nonexistent.

1           Local phone service today remains largely a  
2 monopoly, notwithstanding the passage of the  
3 Telecommunications Act of 1996. GTE and some regional  
4 Bell operating companies have used every possible  
5 litigation tactic to avoid their obligations under the  
6 Telecom Act in order to maintain their local,  
7 monopolies. Local competition has developed much more  
8 slowly than anyone had anticipated. Further  
9 consolidation on the scale presented by the Bell  
10 Atlantic/GTE merger could make these circumstances  
11 irreversible.

12           To justify the formation of this very large  
13 new entity, the parties have told you that they need  
14 this kind of combined size, power, and wealth to  
15 compete effectively. We say it just ain't so. Look  
16 all around this industry and you see companies that  
17 are far smaller than either Bell Atlantic or GTE  
18 individually and they're providing good service and  
19 competing effectively.

20           We share the sentiments of FCC Commissioner  
21 Susan Ness who told an audience at a Consumer  
22 Federation of America conference that she has yet to  
23 be convinced, quote, that the only way we can ever get  
24 large incumbent telephone companies to compete against  
25 other large incumbent telephone companies is if they

1 all first reach some gargantuan threshold size.

2           This is not sumo wrestling. We believe that  
3 the merger of Bell Atlantic and GTE would be bad for  
4 competition and bad for consumers of the state of  
5 Florida. Our concerns specifically fall in the  
6 following areas.

7           First: The merger will eliminate Bell  
8 Atlantic as one of the strongest potential competitors  
9 in GTE's Florida territory.

10           Second: The increase in local markets  
11 controlled by the merged companies would harm  
12 competition in the local, long distance, and new  
13 services markets.

14           Third: The merger will diminish the  
15 effectiveness of regulation by reducing the number of  
16 available benchmarks.

17           Fourth: The Telecom Act prohibits Bell  
18 Atlantic from merging with GTE, which does provide  
19 interexchange services, before Bell Atlantic gets  
20 Section 271 approval from the FCC.

21           Fifth: The claim that the merger will  
22 permit the parties to enter 21 new markets is neither  
23 credible nor enforceable and cannot in any event  
24 compensate for the anticompetitive effects of the  
25 merger.

1           And, sixth: The claim that the merger will  
2 advance Internet competition is without merit.

3           Let me comment first on how we believe the  
4 merger will eliminate Bell Atlantic as a potential  
5 competitor in GTE Florida territory. The  
6 consolidation that's been occurring in the  
7 telecommunications industry recently, particularly  
8 among incumbent LECs, represents an enormous  
9 aggregation and concentration of market power that  
10 will halt the development of effective local exchange  
11 competition to the detriment of Florida consumers.

12           Absent the merger, Bell Atlantic would most  
13 likely be a formidable competitor to GTE, as  
14 envisioned by the Telecommunications Act. Before  
15 announcing the proposed merger, GTE indicated that it  
16 planned to expand its local presence outside of its  
17 regions and compete against the RBOCs in their  
18 territories. In fact, GTE has been certified as a  
19 CLEC in several northeast states served by Bell  
20 Atlantic.

21           Significantly, in Virginia GTE withdrew its  
22 application for statewide CLEC authority the day  
23 before filing for approval of the merger with this  
24 Commission and with the FCC.

25           A number of factors make Bell Atlantic a

1 likely candidate to enter the GTE Florida market  
2 absent this merger. First and foremost, there is  
3 enormous traffic in the Florida-New York corridor.  
4 NYNEX Long Distance chose Florida as one of its first  
5 out-of-region states, and this was not by accident.

6           Bell Atlantic is also well positioned to  
7 enter the Florida market because it has vast  
8 experience as a local service provider, including  
9 experience in engineering, design, marketing, and  
10 operations. It has fully functioning back office  
11 systems and OSS. It has the Bell brand and, by virtue  
12 of its OSS background and LEC experience, Bell  
13 Atlantic is capable of evaluating any alleged  
14 obstacles to entry that are interposed by an incumbent  
15 carrier.

16           There are few companies capable of entering  
17 GTE Florida territory on a very large scale, and we  
18 believe that Bell Atlantic clearly is one of them.

19           Second point: The increase in local markets  
20 controlled by the merged companies would have  
21 significant anticompetitive effects on local long  
22 distance and new services markets.

23           In each local market, Bell Atlantic and GTE  
24 have tremendous control over the elements a new  
25 competing LEC needs to enter the market. Economists

1 call these essential inputs. Plainly, both Bell  
2 Atlantic and GTE have the ability to exercise monopoly  
3 power over these essential inputs in order to deter  
4 new entry.

5           The 1996 act recognized this and it imposed  
6 numerous obligations on the incumbent telephone  
7 companies to provide the inputs on a commercially  
8 liable basis. That's the 14-point checklist. As a  
9 matter of legislative finding, then, competitors in  
10 local markets are especially vulnerable to  
11 discrimination by incumbent monopolies. And it's  
12 telling that three years after the Telecom Act we've  
13 seen remarkable amounts of litigation, but nobody has  
14 yet met the checklist items.

15           Discriminatory conduct is especially  
16 difficult to regulate, since the availability of many  
17 of the needed inputs for local telephony  
18 interconnection is still uncertain. Performance  
19 measures that would monitor discriminatory  
20 provisioning are not in place in many markets. OCS  
21 stand -- OSS standards are not fully developed, and  
22 access to other necessary inputs such as unbundled  
23 network elements are also in doubt because of  
24 restrictions placed on such access by the larger  
25 ILECs.

1 All of these factors point to the ability of  
2 Bell Atlantic and GTE to delay or degrade -- or to  
3 deny access to the inputs ILECs need to -- CLECs need  
4 to compete.

5 Now, discrimination practice by one local  
6 monopolist can also create secondary harm in other  
7 local markets. These are called spillover effects.  
8 When an RBOC currently engages in discrimination  
9 against a competitive LEC, it weakens that CLEC's  
10 ability and incentive to enter and compete in other  
11 regions.

12 So if a CLEC suffers lower quality or higher  
13 costs, reduced market share, and lower profitability  
14 in one region, those factors will reduce the  
15 likelihood that it enters other regions, or it will  
16 cause the CLEC to enter other regions at a lower scale  
17 with higher prices or reduce service offerings. The  
18 result of these practices is less choice and higher  
19 price for consumers.

20 The Bell Atlantic/GTE merger would also  
21 adversely impact competition in the interexchange  
22 market. Approval of the merger would be harmful to  
23 competition and long distance once the merged company  
24 gains 271 authority. Again, while the opportunity to  
25 discriminate in the provision of access to IXCs



1 currently exists, the potential for discrimination  
2 will be greater upon consummation of the merger.

3           Moreover, with the merger, the amount of  
4 traffic that would originate and terminate in-region,  
5 that is in the combined region of the new  
6 Bell Atlantic/GTE, would materially increase. Sprint  
7 estimates that the new firm would terminate a weighted  
8 average of 42% of minutes that it controls on the  
9 originating end.

10           This represents a material increase in the  
11 weighted average number of minutes that each firm  
12 controls at both ends today, and the fact that  
13 considerably more traffic will become in-region for  
14 both ends of calls means that the merged company can  
15 raise its long distance rivals' costs at both ends.

16           We believe that the merger would impede the  
17 delivery of new services to the Florida market. As  
18 carriers look for new and innovative ways to give  
19 customers improved services, they will require access  
20 to new and additional capabilities in the local  
21 exchange network.

22           In Sprint's case, there's no better example  
23 of this than Sprint ION, or integrated on-demand  
24 network. In order to bring this new and desired set  
25 of services fully to market, Sprint will need

1 modifications to standard access and interconnection  
2 arrangements. This presents another opportunity for  
3 the ILEC to deny or delay services to CLECs dependent  
4 on the ILEC's network.

5           The merger would increase Bell Atlantic's  
6 and GTE's incentives to refuse to provide  
7 carrier-to-carrier services related to delivery of new  
8 services like ION, because as in local and long  
9 distance markets, there will be no viable choice for  
10 new service providers other than the merged company.

11           As with CLEC and interexchange services, new  
12 services like Sprint ION absolutely need access to  
13 ILEC facilities and to interconnect with the ILEC  
14 networks. In addition to potential competitors,  
15 Florida consumers are disadvantaged in this process  
16 because they're denied the benefit of new, innovative  
17 services at competitive prices.

18           My third point is that the merger will  
19 diminish the effectiveness of regulation by reducing  
20 the number of available benchmarks. Under state and  
21 federal law, common carriers must offer services with  
22 just and reasonable terms and conditions and must not  
23 engage in unjust or unreasonable discrimination in  
24 their provision of services.

25           Similarly, ILECs are required to provide

1 interconnection to other carriers on rates, terms and  
2 conditions that are just, reasonable and  
3 nondiscriminatory.

4           One key way that regulators can determine  
5 whether common carriers are meeting their statutory  
6 obligations is to compare the varying practices of  
7 different carriers. This is called benchmarking, and  
8 it's a powerful regulatory tool. Benchmarks aid a  
9 state or federal commission in overcoming the  
10 substantial asymmetry in information availability that  
11 otherwise impedes effective regulation.

12           For example, benchmarking allows the  
13 Commission to better assess what practices are  
14 technically feasible to ascertain whether rates are  
15 reasonable and to scrutinize unusually poor  
16 performance and remedy it.

17           As the number of comparable carriers  
18 decreases through merger, however, the Commission's  
19 ability to establish and rely on benchmarks declines;  
20 and as regulatory effectiveness, the risk of detection  
21 of misconduct increases, making engaging in such  
22 misconduct less costly and, therefore, more likely.

23           Fourth point: The Telecom Act prohibits  
24 Bell Atlantic from merging with GTE, a provider of  
25 interexchange services, unless and until Bell Atlantic

1 has attained full Section 271 approval from the  
2 Federal Communications Commission.

3           Although Bell Atlantic is currently  
4 prohibited from providing in-region interexchange  
5 services pursuant to Section 271 of the Telecom Act,  
6 GTE already provides these services. The parties  
7 assert that if Bell Atlantic has not obtained 271  
8 approval before consummation of the merger, the merged  
9 company will seek transitional relief from the FCC.

10           To date Bell Atlantic has failed to satisfy  
11 the 271 checklist requirements in any of its  
12 territories and has not obtained the requisite  
13 approval from the Commission. Transitional relief  
14 simply is not available under the act and,  
15 accordingly, any arrangement that would continue to  
16 give the merged company any interest in businesses or  
17 markets that are currently foreclosed to Bell Atlantic  
18 would be inconsistent with Section 271 of the act.  
19 This is yet another reason merger approval should be  
20 withheld.

21           Before receiving interLATA authority under  
22 Section 271, no Bell operating company is allowed to  
23 invest or acquire more than a 10% interest in an  
24 interexchange carrier in its region. That statutory  
25 prescription cannot be waived in any way,

1 transitionally or otherwise. Without full divestiture  
2 of the forbidden businesses, the transaction is  
3 unlawful.

4 Fifth point: We also believe that the  
5 merger -- that the claim that the merger will permit  
6 the parties to enter 21 new markets is not credible  
7 and not enforceable and cannot, in any event,  
8 compensate for the anti-competitive effects of the  
9 merger.

10 We think that the applicants' promise of  
11 entry into these new markets out of region has to be  
12 viewed by the Commission with some caution. For  
13 example, the parties claim that they can compete  
14 effectively only for customers in their own respective  
15 service -- pardon me -- the parties claim they can  
16 compete effectively for customers only in their own  
17 respective service areas, but that's entirely  
18 inconsistent with their previous investment in  
19 international and cellular division out of region.

20 Bell Atlantic has cellular properties in  
21 Arizona, Georgia, New Mexico far from its interstate  
22 markets through PrimeCo PCS partnership with U.S. West  
23 and Air Touch. Bell Atlantic provides cellular  
24 service in numerous out-of-region areas, including  
25 Florida, Alabama, Illinois, Indiana, Louisiana and six

1 other states. GTE also provides cellular  
2 out-of-region in Tennessee.

3 Internationally, the applicants have  
4 holdings in cellular companies and in landline  
5 companies in Canada, India, New Zealand, Philippines,  
6 Thailand, Venezuela and other distant countries. In  
7 light of these successful ventures, neither  
8 Bell Atlantic nor GTE can realistically claim that it  
9 lacks the resources, name brand, or expertise to  
10 compete out of region without this merger.

11 GTE has also argued that it can't provide  
12 service and compete for business outside its region  
13 without first merging and obtaining Bell Atlantic's  
14 large business customer accounts and financial  
15 resources, and there are various explanations to  
16 justify why there can't be entry out of region.

17 Those include up-front investments, the  
18 need -- that economical entry requires proximate  
19 facilities which can't be economically deployed  
20 without larger scale and more customers; that  
21 acquiring customers is difficult without a base of  
22 anchor customers; and that GTE needs a national brand;  
23 and that brand name -- and the merger is needed for  
24 greater brand name awareness.

25 These justifications, however, ring hollow,

1 especially in light of the empirical evidence that  
2 CLECs smaller than GTE are entering on precisely the  
3 basis that GTE claims it can't without the resources  
4 of Bell Atlantic.

5 As an initial matter, GTE's claim that it  
6 needs Bell Atlantic is contrary to its own actions.  
7 Before deciding to merge with Bell Atlantic, GTE  
8 engaged in ongoing extensive efforts to become a  
9 nationwide CLEC, and GTE has offered CLEC services in  
10 eight of the 12 states identified in their 21-market  
11 strategy. That includes California, Illinois,  
12 Florida, Indiana, Kentucky, Tennessee, Texas and  
13 Washington, and GTE obtained CLEC licensing in the  
14 other four states, Michigan, North Carolina, Ohio, and  
15 Oregon.

16 In short, the competitive benefits of the  
17 merging parties' claim for merger can be largely or  
18 completely attained by GTE acting alone.

19 Further, other CLECs are entering local  
20 markets across the country without the benefit of a  
21 preexisting group of large customers. Small start-up  
22 enterprises lacking significant capital for up-front  
23 investments, proximate facilities, and base of anchor  
24 customers or a national brand name are nevertheless  
25 entering through a combination of independent

1 facilities and access to ILEC facilities.

2 Nonetheless, GTE argues it can't enter unless it's  
3 permitted to merge with Bell Atlantic.

4 The suggestion that GTE can't enter without  
5 access to Bell Atlantic's anchor customers is also, in  
6 our view, suspect. Large business customers are  
7 sophisticated customers, and there's no reason to  
8 believe that GTE would have a competitive handicap  
9 vis-a-vis other CLECs in pursuing large businesses  
10 outside GTE's in-region service area.

11 Indeed, GTE is better situated than other  
12 CLECs due to its size, its experience in local  
13 exchange markets, and its current ability to bundle  
14 local with long distance and data services.

15 Last year, just months before its July 1998  
16 merger announcement, GTE boasted of its aggressive  
17 efforts to become a national out-of-region player in  
18 the local exchange markets. They sought expedited  
19 state regulatory approvals so they could speed new  
20 services to out-of-region customers they didn't yet  
21 serve, and the CLEC strategy was being aggressively  
22 pursued and supported by a national advertising  
23 campaign. Several months later, however, GTE would  
24 have us understand that everything has changed and it  
25 can no longer enter without first merging with Bell



1 Atlantic.

2           The parties are similarly arguing that Bell  
3 Atlantic can't follow its anchor customers into GTE's  
4 service areas without the merger.

5           While Bell Atlantic may not have existing  
6 facilities in the 21 markets, none of the identified  
7 barriers, separately or in combination, has the effect  
8 of precluding Bell Atlantic from pursuing its anchor  
9 customers out of region. We've heard the claim that  
10 Bell Atlantic's brand lacks sufficient national weight  
11 to warrant pursuing the 21-market strategy alone. But  
12 Bell Atlantic, as the incumbent LEC provider, clearly  
13 has name brand recognition with its anchor customers,  
14 who are by definition in-region companies. And as I  
15 mentioned before, the larger users that are the  
16 initial targets of the strategy are sophisticated  
17 users who are certainly familiar with the Bell  
18 Atlantic name.

19           Further, we need to consider that Bell  
20 Atlantic's brand name is indeed a well-known and well  
21 supported brand. In 1997 Bell Atlantic spent over  
22 \$580 million, more than any other telecommunications  
23 company except AT&T, on national advertising.

24           Nor does Bell Atlantic need GTE for its  
25 expertise. Bell Atlantic has extensive technical

1 capabilities and expertise in offering local exchange  
2 services.

3           Essentially, the argument made by GTE and  
4 Bell Atlantic that they need this enormous weight,  
5 this enormous heft, boils down to a claim that a  
6 carrier, even one with extensive experience offering  
7 local service in region, can't compete in  
8 out-of-region noncontiguous markets unless that  
9 carrier -- unless that carrier merges with the  
10 incumbent monopoly LEC or an adjacent -- or adjacent  
11 to the targeted market.

12           That argument is anathema to the  
13 procompetitive goals of the Telecom Act and the  
14 Florida Statutes and is contrary to the evidence  
15 regarding CLEC entry.

16           Last point: The claim that the merger will  
17 advance Internet competition is, in our view, without  
18 merit; and the reference in the presentation we heard  
19 earlier was to both competition in the Internet and  
20 for advanced data services.

21           First of all, competition in the advanced  
22 data services market is intense. You look at the  
23 players in that marketplace and you see AT&T, MCI  
24 WorldCom, Sprint, GTE, Equant, Level 3, Qwest, IXC  
25 Communications. The list goes on and on. That is a

1 heavily, heavily competitive market.

2           The Internet backbone market is also highly  
3 competitive. We heard the names of the four top  
4 players, Cable & Wireless, MCI WorldCom, Sprint and  
5 GTE, but the list goes on.

6           In the European Commission proceedings last  
7 year to review MCI WorldCom, GTE strongly advocated  
8 that there were some 16 top tier providers of Internet  
9 backbone service -- Internet backbone services, and  
10 the European Commission adopted the GTE view that the  
11 top tier players comprise 16 in number. So the  
12 Internet backbone market is also a competitive market.

13           And the other category you look at is  
14 Internet service providers, and of course you can  
15 hardly walk down the street these days without  
16 tripping over a new Internet service provider. That  
17 is a marketplace in which there are literally  
18 hundreds and hundreds of players.

19           So while it may well be that entering into  
20 this transaction could enhance GTE's standing and its  
21 own performance in Internet and data markets, this is  
22 not necessary to the enhancement of competition in the  
23 marketplace.

24           We recognize, Mr. Chairman and  
25 Commissioners, that there are limits to this agency's

1 authority to rule upon the propriety of mergers, but  
2 when you look at the language of this Commission's  
3 empowering statute, Chapter 364 as amended, the words  
4 of the law are quite striking. The law exists, and I  
5 quote, because -- the transition from the monopoly  
6 provision of local exchange service to the competitive  
7 provision of that service will require appropriate  
8 regulatory oversight to protect consumers and provide  
9 for the development of fair and effective competition.

10 Chapter 364 challenges you to ensure the  
11 availability of the widest possible range of consumer  
12 choice, to promote competition by encouraging new  
13 entrants into telecommunications markets, and to  
14 ensure that all providers of telecommunications  
15 services are treated fairly by preventing  
16 anticompetitive behavior.

17 The proposed merger runs counter to each and  
18 every one of these statutory standards, and in the  
19 interest of meeting these critical statutory  
20 objectives, we respectfully ask the Commission to  
21 address the problems with the Bell Atlantic/GTE merger  
22 in front of the Federal Communications Commission and  
23 to recommend to that agency that the merger be  
24 disapproved.

25 Thank you.

1           **MS. KEATING:** Unless there are any  
2 questions, we were scheduled for a break at this  
3 time --

4           **COMMISSIONER CLARK:** Let me ask a question.  
5 I just want to be clear. Is it your position that the  
6 merger cannot take place because then Bell Atlantic  
7 would be in the interLATA long distance business?

8           **MR. EISENBERG:** The requirements of the act  
9 are that a LEC which has not met Section 271 cannot  
10 acquire more than 10% of a long distance carrier.

11           **COMMISSIONER CLARK:** So the answer is yes?

12           **MR. EISENBERG:** Yes.

13           **COMMISSIONER CLARK:** And are you pursuing  
14 that with the FCC? I'm --

15           **MR. EISENBERG:** Yes. Those are --

16           **COMMISSIONER CLARK:** -- (inaudible  
17 overlap) -- make that decision. Would it be the FCC  
18 or us?

19           **MR. EISENBERG:** This is truly a legal issue,  
20 and it is one that we are raising in front of the  
21 Federal Communications Commission and the Department  
22 of Justice.

23           **COMMISSIONER CLARK:** Okay.

24           **CHAIRMAN GARCIA:** We're scheduled to take a  
25 break now.

1           **MS. KEATING:** That's correct, and we need to  
2 go on and take it in order to get Supra's computer  
3 presentation set up.

4           **COMMISSIONER JACOBS:** Can I ask one  
5 question? This is a bit different. Your concerns  
6 with regard to the market power that the combined  
7 company will have, is that focus primarily on their  
8 service territory as opposed to those places that they  
9 would operate as a CLEC?

10          **MR. EISENBERG:** The most direct effects are  
11 where -- are in their own service -- are in their own  
12 service territories. There are other secondary  
13 effects, the so-called spillover effects I described  
14 before, where if they deter smaller CLECs from  
15 entering the market by not readily offering access to  
16 essential -- to essential inputs, that will hurt the  
17 process of entry by those CLECs and it will provide --  
18 would result in harm in various markets, not just  
19 their own, but in markets where other incumbent LECs  
20 are the main players.

21          **COMMISSIONER JACOBS:** Okay. Thank you.

22          **CHAIRMAN GARCIA:** All right. In the  
23 interests of time, we're going to take a 10-minute  
24 break. Let's see if we can make sure we get that  
25 computer running as quickly as possible.

1 (Brief recess.)

2

- - - - -

3 **MS. KEATING:** The next presentation is by  
4 Supra Telecom.

5 **MR. BUECHELE:** Good afternoon,  
6 Commissioners. My name is Mark Buechele and I  
7 represent Supra Telecom. I'd like to introduce to you  
8 Mr. Louis Bender, who is the president and chief  
9 operating officer of Supra.

10 **MR. BENDER:** Thank you, Mark, and thank you  
11 Chairman and thank you Commissioners for allowing us  
12 the opportunity to present to you today.

13 I am the lead-off speaker for Supra Telecom,  
14 and I will be performing the bridge for which we will  
15 travel over for various parts of our presentation and  
16 subsequently winding up with a proposal that we hope  
17 will find yourself very interesting and in support of  
18 the Commission.

19 I will start out by talking about a little  
20 bit about the regulatory bodies, the background and  
21 their position in the industry.

22 The government has imposed regulation on the  
23 telecommunications industry for more than 125 years.  
24 As the industry grew, so did the number of  
25 regulations. Currently, every branch of the

1 government, along with the Federal Communications  
2 Commission, has a say in how local and long distance  
3 telephone companies run their business. Thus, because  
4 of vast complexities surrounding the regulations, it  
5 can be difficult to ascertain exactly what is guiding  
6 the telcos and motivating lawmakers.

7           Since 1866, the telecommunication industry  
8 in the United States has been subject to government  
9 regulation. The rationale for control by the state  
10 and federal agencies could be discovered through an  
11 examination of the characteristics of the industry  
12 itself.

13           Government intervenes in a marketplace when  
14 free competition does not adequately or fairly  
15 regulate the supply, price, and distribution of goods  
16 or services. The nature of the telecommunications  
17 industry is such that strict guidelines have been  
18 deemed necessary to ensure fair business practices as  
19 well as to guarantee uninterrupted service to the  
20 public over a broad geographical area.

21           An industry is classified as a public  
22 utility if it is a natural monopoly and if the public  
23 is reliant on the services it provides. In a natural  
24 monopoly, only a single enterprise can operate  
25 efficiently in a particular market. An industry that



1 supplies services essential to the public welfare,  
2 services for which there is no ready substitute, is  
3 said to be in the public interest.

4           The efficient operation of a telephone  
5 industry certainly continues to be in the public  
6 interest, although the monopolistic aspect of the  
7 industry has come to be viewed quite differently in  
8 recent years.

9           Regulatory agencies in general operate  
10 differently today than they did in the 19th century,  
11 the main difference being that in the 20th century  
12 agencies have been given more power to make rules and  
13 enforce them. Today regulatory bodies are referred to  
14 as administrative agencies endowed by law with  
15 legislative, executive, and judicial powers.

16           Because they were not granted these powers,  
17 early regulating commissions were unable to  
18 effectively perform the tasks for which they were  
19 created. A brief review of the history of the U.S.  
20 Congress in general followed by a look back at some  
21 events in telecommunications regulation will give us  
22 some idea of how the latter has evolved to its present  
23 state.

24           In the constitution, the basis for  
25 government regulation of certain business activities

1 can be found in the constitution in Article 1,  
2 Section 8. Congress has granted the power to regulate  
3 commerce with foreign nations and among several  
4 states. This is commonly known as the Commerce  
5 Clause.

6 The power of individual states to regulate  
7 commerce can be traced to the 10th Amendment of the  
8 Constitution. The legislative preeminence of the  
9 Federal Government is reemphasized in Article 6 of the  
10 Constitution which declares that the constitution of  
11 laws created pursuant to our -- the supreme law of the  
12 land, and binding in every state. The states,  
13 therefore, are permitted to make laws, including those  
14 governing commerce, that are not in conflict with the  
15 federal laws or forbid them or the constitution of the  
16 union.

17 Now, as we start to move to some of the  
18 acts, first, the Interstate Commerce Act of 1887. In  
19 the 1860s and the 1870s the power of the national --  
20 of the nation's railroads continued to grow.  
21 Accompanying this growth was the increasing number of  
22 complaints from merchants, wholesalers, manufacturers,  
23 and farmers who claimed that the railroads were taking  
24 advantage of them.

25 Pressure from these groups led many states

1 to pass laws to establish commissions in order to  
2 affect -- effort -- and to afford and regulate the  
3 rates of these practices of the railroads. In answer  
4 to the continued demand for regulation, the Interstate  
5 Commerce Act was passed in 1887.

6 Under this act, the Interstate Commerce  
7 Commission, the ICC, was created. A five-member  
8 commission, the first federally regulated agency was  
9 empowered to investigate complaints and issue cease  
10 and desist orders. However, the Commission did not  
11 have the power.

12 In 1903, the Elkins Act: Because of the  
13 ICC's lack of judicial power and the courts' tendency  
14 to take the opposing view of many of the practices  
15 they were trying to regulate, the hands of the  
16 commissioners were tied. This situation was improved  
17 somewhat by the passage of the Elkins Act in 1903,  
18 which required railroads to adhere strictly to their  
19 published rates.

20 In 1906, the Hepburn Act: A breakthrough  
21 for the ICC was the Hepburn Act. Under this act, the  
22 ICC was allowed to respond to a complaint from a  
23 shipper by fixing the rates in question subject to  
24 court review. The burden now of proof was transferred  
25 from the ICC to the railroads.

1           And now into the telecommunications  
2 regulations in the U.S., the Post Roads Act of 1866:  
3 The regulation of telecommunications in the United  
4 States began in 1866 with the passage of the Post  
5 Roads Act. Under this act the Postmaster General was  
6 authorized to fix rates for government telegrams.  
7 This act also granted rights-of-way over public lands.  
8 A provision of the act of regulated commence passed in  
9 1877 empowered the ICC to order the interconnection of  
10 the lines of the telegraph companies in the interest  
11 to better service the public.

12           Following that was the Radio Act of 1912  
13 administered by the U.S. Department of Commerce,  
14 reserved certain frequencies for government use and  
15 set rules for the transmission of distress signals  
16 from ships at sea. The act also provided for the  
17 licensing of the first radio stations. And the  
18 following year the ICC issued an order requiring  
19 telephone companies to keep accounts records of  
20 certain guidelines laid down by the Commission, which  
21 then led into the Kingsbury Commitment.

22           In 1913, the previous and less effective  
23 Sherman Antitrust Act of 1890 was successfully  
24 reinvoked against American Telephone & Telegraph.  
25 Prodded by AT&T's rapid acquisition of several

1 independent telephone companies and by its refusal to  
2 interconnect with surviving independents, a group of  
3 these companies complained to the Justice Department.

4 In response to this complaint, the Attorney  
5 General informed AT&T that it appeared to be in  
6 violation of the antitrust laws. To avoid an  
7 antitrust suit, AT&T negotiated an agreement with the  
8 Justice Department. AT&T agreed to give up -- agreed  
9 to give up -- its controlling interest in Western  
10 Union Telegraph Company, which it had acquired in  
11 1909, and to purchase no more independent telephone  
12 companies without the consent of the ICC, and to allow  
13 independent telephone companies to interconnect with  
14 the Bell system companies. This agreement became  
15 known as the Kingsbury Commitment after Nathan C.  
16 Kingsbury, a vice-president of AT&T.

17 Now, an interesting fact: U.S. assumes  
18 control of the communications industry:

19 In 1918 the ultimate act of government  
20 regulation was imposed on the communications industry,  
21 a complete takeover by the U.S. Post Office Department  
22 of all the telephone and telegraph systems in the  
23 country. The Federal Government, finding itself  
24 involved in a world war, had decided that such an  
25 extreme measure was necessary -- we're not

1 recommending that today -- in the interests of  
2 national security.

3           On August 1st, 1919, the telephone systems  
4 were returned to private ownership, and the government  
5 would not repeat its action during World War II,  
6 apparently concluding that the experience of the  
7 previous war and the communications system in the  
8 country were in the safe hands of the civilians.

9           The Communications Act of 1934, and I think  
10 we know this one fairly well: By the 1930s it had  
11 been apparent that a single regulatory body was needed  
12 to deal with the changing conditions in the  
13 communications field. This statute created the FCC.  
14 Consequently, the responsibility for regulations of  
15 all interstate and international communications were  
16 finally consolidated by the Communications Act of  
17 1934.

18           The FCC, an independent government agency  
19 responsible directly to commerce -- commerce -- excuse  
20 me -- Congress and charged with regulating interstate  
21 and international communications by radio, telephone,  
22 wire, and in recent years satellite and cable. To  
23 carry out this mandate, the Commission has been  
24 granted by Congress a measure of administrative,  
25 legislative, and judicial powers.

1           Before a common carrier can construct or  
2 operate facilities, the carrier must obtain from the  
3 Commission a certificate of public convenience and  
4 necessary (sic). This requirement also applies if the  
5 carrier wishes to discontinue service as to the public  
6 or consolidate with or acquire facilities of another  
7 carrier.

8           The Commission must ensure that the proposed  
9 facilities are adequate, but not excessive, and their  
10 costs are reasonable and prudent. The FCC is not  
11 responsible for regulating intrastate communications.  
12 That is the function of the state regulatory agencies.

13           Moving on to the 1949s. The U.S. sues AT&T:  
14 In 1949 the Justice Department filed suit charging  
15 that the effective regulators -- regulations of the  
16 telephone rates was hampered because of the high  
17 prices charged by Western Electric for equipment.  
18 automatically increased by investment upon which the  
19 Bell system companies were allowed to earn reasonable  
20 rates.

21           After several years and a change in the  
22 administration, an agreement was finally reached in a  
23 consent decree in 1956. Under the terms of the  
24 agreement, Western Electric would not be separated  
25 from AT&T, but we -- but would be limited -- would

1 limit its manufacturing operations to the type of  
2 equipment purchased by the Bell system and would  
3 refrain from entering other markets.

4 In 1962, satellite communications:  
5 Legislation was passed that brought space age  
6 communication technology under the FCC jurisdiction.  
7 The Communications Satellite Act provided for the  
8 establishment in cooperation with other countries of a  
9 commercial communications satellite system as part of  
10 the improved global communication network.

11 The United States participated in the system  
12 through the Communications Satellite Corporation, most  
13 commonly known as ComSat, a private corporation entity  
14 under -- created under the act and subject to federal  
15 regulations.

16 Moves us now into 1968; very important time.  
17 The interconnect issue: Following the settlements of  
18 the 1940s and '50s, the antitrust suit by the consent  
19 decree, the FCC began to reexamine its policy of  
20 allowing AT&T to prohibit -- prohibit -- subscribers  
21 from connecting to the telephone lines any equipment  
22 and any lines not supplied by the telephone company.

23 For years AT&T tariffs had clearly indicated  
24 that customers' attachment of virtually all foreign  
25 equipment was prohibited, with a telephone company



1 having the right to disconnect the customers from  
2 connecting the equipment and even terminate their  
3 service altogether. The basis for this policy was a  
4 claim that the foreign equipment might damage the  
5 network.

6           The results was a monopoly for the telephone  
7 companies on the supply of the equipment. The FCC  
8 change in attitude was reflected in the case of the  
9 Carterfones, an inductive, acoustical device  
10 manufactured by Carter Electronic Corporation, Dallas,  
11 Texas, and designed to interconnect private two-way  
12 radios with a telephone system by means of a base  
13 station.

14           The FCC decided in June, 1968 that the  
15 Carterfone and other telephone attachments could be  
16 connected to the public telephone system, but conceded  
17 that the telephone company would be allowed to install  
18 protective equipment between the line and the foreign  
19 device.

20           Consequently, AT&T was required to file  
21 revised tariffs that eliminated prohibitions against  
22 the use of Carterfone devices. The Carterfone  
23 decision opened the doors to increased competition in  
24 the telephone industry and made it possible. A new  
25 interconnect industry would become a viable,

1 competitive force in the communications marketplace.

2           Moving on now to 1971, the specialized  
3 common carriers: In this specialized common carrier  
4 proceeding the FCC adopted a policy of increased  
5 competition among the new common carriers in the sale  
6 of data transmission and other specialized  
7 communications service to the public.

8           The Commission decided that there was a  
9 public need and demand for new service and diverse  
10 source of supply in this area, the competition in  
11 specialized service was feasible, and that the entry  
12 of the new services would benefit the public.

13           The FCC also reasoned that the adverse  
14 impact of the new specialized carriers and their  
15 service to the public by existing carriers would not  
16 outweigh the consideration for the new entry. This  
17 decision allowed virtually any common carrier to enter  
18 the microwave transmission field as long as certain  
19 financial and technical specifications were met.

20           The first specialized common carrier to  
21 initiate commercial service was Microwave  
22 Communications, Inc., most commonly referred to as  
23 MCI, offering voice and other services between Chicago  
24 and St. Louis.

25           Now, into the '70s; 1975. The

1 radiotelephony position: The FCC made a move in 1975  
2 to open up the mobile telephony market by reallocating  
3 the 806 to 946 megahertz portion of the radio spectrum  
4 to land-mobile communication use.

5 Later on that same year the interconnect  
6 market expanded. Order from the FCC in 1975 and 1976  
7 dictated that foreign equipment could be installed  
8 without the intervention of a protective device --  
9 provided -- provided the foreign equipment was  
10 certified and registered by the FCC to ensure that the  
11 connecting device would not harm the network.

12 1974 to 1983; AT&T antitrust suit: The  
13 Justice Department made a move that was to have a  
14 tremendous impact on the communications industry. On  
15 November 20th, an antitrust division of the  
16 U.S. Department of Justice filed a complaint that  
17 accused AT&T, Western Electric and Bell Laboratories  
18 of conspiring to prevent, restrict, and eliminate  
19 competition from other communications carriers, common  
20 carriers, private telecommunications systems and  
21 manufacturers and suppliers of telecommunications  
22 equipment.

23 In violation of the Sherman Antitrust Act,  
24 the suit asked for the divestiture of the entire stock  
25 interest that AT&T held in its manufacturing arm,

1 Western Electric, and further requested that AT&T give  
2 up its long distance telephone business, or retain the  
3 business but surrender its interest in the 22  
4 telephone companies, the Bell system. And we all know  
5 this story very well.

6           1989; another very interesting year. Price  
7 caps: An extremely controversial issue is the FCC's  
8 determination to change the way regulated telephone  
9 companies can earn profits from the system of rate of  
10 return to one of price caps. Under rate of return,  
11 telcos are prohibited from earning profits above a  
12 predetermined across-the-board rate of return.

13           Under price caps a telco is given a tariff  
14 cap above which rates cannot be raised and a price  
15 floor which rates cannot be dropped. Price caps allow  
16 telcos to earn higher rates of return as long as the  
17 tariffs stay within the price cap boundaries,  
18 lessening the amount of regulation to the dominant  
19 carriers -- were subject to. Understandably, the  
20 regulated telcos praised price caps and have pushed  
21 for their implementation.

22           After that was the electromagnetic spectrum  
23 regulation. The electromagnetic spectrum regulation  
24 is easily depicted as a linear rule in which various  
25 communication allocations coexist, from very low

1 frequency on the left of the scale to lightweight  
2 frequency and fiberoptics communications on the right.

3           The FCC, Congress, the National  
4 Telecommunications Information Administration, NTIA,  
5 studied more efficient ways to allocate spectrum  
6 frequencies. In December of 1989 the NTIA initiated  
7 inquiry on the subject, taking comments from  
8 interested publics -- from the interested public.

9           What was interesting that came out of this  
10 was that the FCC adopted -- the FCC adopted -- a  
11 Pioneers Preference Policy in 1991 to encourage new  
12 spectrum based services and to improve old ones. The  
13 Commission hoped that this policy would reduce delays  
14 and risk when the FCC allocated frequencies and  
15 processed licenses as well as promote innovators'  
16 participation in new services or technologies they  
17 helped develop. The Pioneers Preference.

18           There were several other things that  
19 happened over the years, but now we're going to jump  
20 right to 1996, and that's the Telecommunications Act,  
21 an act to promote competition and reduce regulation in  
22 order to secure lower prices and higher quality of  
23 service for American telecommunication consumers and  
24 encourage the rapid deployment of new technologies.

25           Commissioners, we are here today to present

1 a proposal that, in words of the FCC, is bold and  
2 innovative and is identical to the goals of the  
3 chairman of the FCC. The regulators gave life to this  
4 industry. The telcos, whether they want to believe it  
5 or not, are the custodians of what is now called the  
6 trust that the ratepayers built.

7 We can change the landscape of the industry  
8 and provide to the users what the TA was written for.

9 I thank you.

10 **MR. BUCHELE:** At this time I'd like to  
11 introduce Mr. Kay Ramos, the CEO and chairman of  
12 Supra.

13 **MR. RAMOS:** Good afternoon, Commissioners.

14 Lou, First of all, I'd like to thank you  
15 very much for providing us that very useful insight on  
16 the history of this industry.

17 According to one of the greatest historians  
18 of modern time, Oliver Wendell Holmes, "When I want to  
19 understand what is happening today, I try to decide  
20 what will happen tomorrow; I look back; a page of  
21 history is worth a volume of logic."

22 Based on the brief history provided by Lou  
23 on regulations in this industry and how it has  
24 benefited the incumbent local exchange carriers, you  
25 will agree with me, Commissioners, that in our efforts

1 to understand the behavioral pattern of the incumbent  
2 local exchange carriers and what will happen tomorrow  
3 to alternative local exchange carriers and the entire,  
4 complete landscape, we should look back and reflect on  
5 how the industry evolved to this stage. That is  
6 precisely what Lou achieved with his presentation.

7           Regulators made ILECs winners by providing  
8 them with several opportunities and assisting them in  
9 numerous ways; monopoly profits, protection of ILEC  
10 territories, guaranteed rate of return, and regulatory  
11 and legislative changes designed to protect incumbent  
12 local exchange carriers.

13           It is, therefore, very, very ironic when I  
14 hear ILECs say it is not the business of regulators to  
15 pick winners. Who made them winners in the first  
16 instance? If it is not a business of regulators to  
17 pick winners, why did the merging companies apply to  
18 regulators for the approval of their mergers? Why are  
19 the merging companies spending so much time and  
20 fortune on lobbyists to convince regulators to approve  
21 their mergers? Why are Bell Atlantic and GTE and the  
22 rest of the participants here today? And they keep on  
23 saying it is not a business of regulators to pick  
24 winners.

25           Commissioners, since the announcement of the

1 merger of GTE/Bell Atlantic, GTE in November of last  
2 year announced a reorganization program designed to  
3 sell 1.5 million of its access lines in about at least  
4 nine states in this country, including Texas,  
5 California. The proposed merger is asking the  
6 Commission to aid the larger, wealthier companies  
7 establish larger markets at the expense of the ALECs'  
8 current and future ability to realistically compete  
9 and exist in local markets.

10 This pattern will continue to resume -- to  
11 reduce consumer choices and competition and is not in  
12 the public interest at all. The problem of CLECs is  
13 not money; rather, it is having the right regulatory  
14 environment to operate for the provision of  
15 alternative competitive telephone service to  
16 ratepayers.

17 Since the passage of the TA, over  
18 \$30 billion has been invested by new entrants in the  
19 construction of new networks, and to date they've  
20 achieved less than 2% access line concentration.

21 It was very interesting today when it was  
22 mentioned, the issue of Vermont. One of our counsels,  
23 David Dimlich, and I were in Vermont last week; and in  
24 that state as of today, because of the activities of  
25 the incumbent local exchange carrier in that state,



1 they have not been able to finalize the arbitration  
2 proceeding on unbundled network elements pricing. So  
3 what that means is that effectively there's no  
4 competition in the facilities-based arena in that  
5 state. And at least in that state as well, it takes  
6 over 18 months to resolve complaints before the Public  
7 Service Commission.

8 I and David Dimlich met with the  
9 commissioner and the general counsel of the Vermont  
10 state.

11 It is as a result of the revolution of the  
12 sole dominance of the ILECs that Congress or  
13 regulators, in their wisdom, worked tirelessly on the  
14 passage of the TA. The preamble of the TA -- Lou read  
15 that earlier on -- without Lou -- without real  
16 competition in the local markets, RBOCs have no  
17 incentive to increase or improve the service offerings  
18 they provide to the public.

19 Allowing the creation of a mega-BOC will do  
20 nothing to encourage new or better service offerings.  
21 It is a maxim that monopoly powers have less  
22 improvements and change, while healthy competition  
23 stimulates better product offerings.

24 At this juncture I'd like to call on  
25 Mr. Mark Buechele to continue with Supra's

1 presentation.

2           **MR. BUECHELE:** Good afternoon. My name is  
3 Mark Buechele, and I represent Supra.

4           Thank you, Mr. Ramos. Supra knows that the  
5 Telecommunications Act of 1996 did not envision the  
6 continuous stream of mergers of regional Bell  
7 operating companies which have taken place over the  
8 past few years. Rather, the Telecommunications Act  
9 envisioned that the RBOCs would actually compete  
10 against each other by branching into the traditional  
11 territories of each other. After all, who is in a  
12 better position to compete in RBOCs' territory than  
13 another RBOC.

14           As we all know, despite the promises from  
15 the RBOCs, this has not happened, and it has not  
16 happened because the RBOCs have no real incentives to  
17 break down the barriers that currently exist to  
18 competition in the local exchange markets. Of course,  
19 they ultimately benefit from these barriers.

20           Supra believes that no matter how the  
21 proposed merger is characterized, the proposed merger  
22 will only serve to further entrench the remaining  
23 RBOCs and create further barriers to entry and free  
24 competition in the local telecommunications markets.

25           With respect to competition from ALECs, it

1 is clear that the Telecommunications Act has gone a  
2 long way -- has a long way to go before any real  
3 competition exists from ALECs. As you can see, after  
4 three years since the passage of the  
5 Telecommunications Act, only 2% of all access lines  
6 are held by ALECs.

7           Supra, as many others, believe that the  
8 RBOCs have little or no interest in competing with  
9 each other; rather, they simply seek to bulk up in  
10 order to further fortify their market shares and make  
11 it even more difficult for competition to emerge in  
12 the local exchange markets.

13           Rather than compete with each other, as  
14 envisioned by Congress in the Telecommunications Act,  
15 the RBOCs have adopted a defensive strategy of  
16 eliminating each other as competitors.

17           As you can see from this slide, prior to the  
18 passage of the Telecommunications Act, there were  
19 seven RBOCs, with GTE being dispersed in many areas as  
20 the remaining large ILEC.

21           As this next slide demonstrates, after the  
22 first round of mergers in 1997, Bell Atlantic merged  
23 with NYNEX, and Southwestern Bell merged with PacBell,  
24 thus eliminating two RBOCs from the national local  
25 exchange market.

1           Rather than break down barriers to  
2 competition and compete with each other, the RBOCs  
3 chose to eliminate two potential competitors. It  
4 should be noted that during the first round of  
5 mergers, certain promises were made by Bell Atlantic  
6 and NYNEX directed at eliminating barriers to  
7 competition. These promises were made in order to  
8 persuade regulators to approve the mergers.

9           Time has revealed that little has been  
10 accomplished in the way of these empty promises which  
11 were made solely to approve the mergers. Rather --  
12 instead of eliminating the barriers, the parties  
13 further became entrenched.

14           Our next slide reflects graphically the  
15 result after the second round of mergers that are  
16 currently proposed. As you can see, the elimination  
17 of two more ILECs will leave only four RBOCs,  
18 BellSouth, SBC, Bell Atlantic, and U.S. West.

19           One can envision a next round of mergers  
20 wherein the merging parties argue that for efficiency  
21 reasons, SBC and U.S. West should be allowed to merge,  
22 and Bell Atlantic and BellSouth should also be allowed  
23 to merge, thus leaving only two remaining RBOCs, a  
24 Bell east and a Bell west.

25           At that point one can only imagine the

1 remaining BOCs seeking to further consolidate into one  
2 local Bell company, thus coming full circle back to  
3 the predivestiture days.

4           The logic and arguments applicable to each  
5 of these future mergers will undoubtedly be the same  
6 protectural arguments offered in support of this round  
7 of mergers, with perhaps the RBOCs arguing about  
8 potential competition from the large long distance  
9 carriers in the cellular markets.

10           Where will these merger requests end and,  
11 more importantly, what is really driving these merger  
12 requests? Supra believes that the motivation for  
13 these merger requests is not competition, but rather a  
14 desire to fortify the competition which regulators in  
15 this country want to see in the local exchange  
16 markets.

17           As I was listening to Mr. Gould of GTE, I  
18 wondered about the fact that both GTE and Bell  
19 Atlantic are now individually larger than BellSouth  
20 and that they still cannot enter into a BellSouth  
21 local exchange market to any significant degree. If  
22 GTE needs to be twice the size of BellSouth in order  
23 to compete in Miami, then does BellSouth need to be  
24 twice the size of GTE in order to compete in Tampa?

25           One need not look far to find the benefits

1 of competition. Such benefits include lower prices  
2 for consumers, the deployment of new and better  
3 technologies whose incentives are driven by market  
4 forces, and the desire and goal of competitive  
5 companies to compete for the consumer market.

6 Competition also brings new and innovative  
7 ways of doing business as competitive companies look  
8 to offer the better qualities of service with greater  
9 levels of efficiency and at competitive prices. Such  
10 market forces give companies incentives to look for  
11 new and better ways of doing business, which history  
12 has shown can spawn changes in society and encourage  
13 growth and innovation in completely unrelated fields.

14 For example, competition in the personal  
15 computer market has revolutionalized our life-styles  
16 and the way we do business. Such advancements in  
17 society only come at the heels of competitive markets.

18 Competition also fosters and forces  
19 companies to be responsive to consumers and fill those  
20 consumer needs.

21 Finally, competition creates incentives to  
22 develop new markets and services, not only in a  
23 competitive industry, but in other industries as well.  
24 When competition is delayed, benefits are denied to  
25 consumers. When competition is delayed, consumers are

1 denied the benefits which naturally flow from such  
2 competitive markets.

3           Commissioners, for the last hundred years or  
4 more, competition has been delayed, stifled, and  
5 denied in the telecommunications market. These  
6 current round of mergers is nothing more than a tactic  
7 to further stall competition in the local exchange  
8 markets by bulking up against potential competition.

9           We should not turn a blind eye to the RBOCs'  
10 efforts to stall competition, as such actions  
11 ultimately have already had and will have negative  
12 effects on our society. If we allow the RBOCs to  
13 further delay competition in the local exchange  
14 markets, we will be allowing these companies to deny  
15 consumers and our society the benefits which flow from  
16 real competition.

17           At this point I'd like to turn the floor  
18 over to my colleague, Dave Nilson, who will speak a  
19 little bit more about the competitive benefits which  
20 Supra is seeking to provide consumers within this  
21 state.

22           I'd like to introduce to you Mr. Dave  
23 Nilson, who is senior vice-president of network  
24 operations at Supra.

25           **MR. NILSON:** Thank you, Mark.

1           Good afternoon, Commissioners. One of the  
2 primary tenets of the Telecommunications Act of 1996  
3 is the promotion of new and innovative services to the  
4 public at competitive rates.

5           It is my intention to describe what Supra's  
6 national new innovative services provide. Supra's  
7 divestiture proposal would provide all the advantages  
8 that the merger gives to GTE and Bell Atlantic, as  
9 described in their joint applications, but would also  
10 promote local competition and the ability for small  
11 ALEC companies to provide these advanced services to  
12 the public throughout the regions currently served by  
13 GTE and Bell Atlantic.

14           By implementing this modification to the  
15 merger proposal, the fostering of real competition in  
16 the local telephony market would be significantly  
17 enhanced.

18           One of the primary concerns that such a  
19 merger as this must raise is the impact that it would  
20 cause to the consumer, not to the large business  
21 customers, but the residential and small business  
22 customers. Supra's plan would allow the benefits of  
23 competition to be felt not only by large businesses,  
24 but also by residential and small business customers  
25 who comprise the bulk of all telecommunications users.



1 Not until the emergence of full  
2 facilities-based competition in this marketplace will  
3 Supra's national new innovative services and the  
4 reduced prices envisioned by the Telecommunications  
5 Act of 1996 ever materialize. The introduction of the  
6 Telecommunications Act --

7 **COMMISSIONER JOHNSON:** I'm sorry. I missed  
8 your last statement. Over here. You said not until  
9 what?

10 **MR. NILSON:** Not until the emergence of full  
11 facilities-based competition in this marketplace will  
12 Supra's new national innovative services and the  
13 reduced prices envisioned by the Telecommunications  
14 Act of 1996 ever materialize.

15 The introduction of the Telecommunications  
16 Act of 1996 specifically states its purpose; to  
17 promote competition and reduce regulation in order to  
18 secure lower prices and higher quality services for  
19 American telecommunications consumers and encourage  
20 the rapid deployment of new telecommunications  
21 technologies.

22 Supra not only will provide lower prices and  
23 higher quality services, but will also be offering  
24 many new telecommunications technologies as described  
25 in our innovative services strategy. Some of these

1 services --

2           **COMMISSIONER JOHNSON:** Let me ask you a  
3 question, kind of going back to the point that you  
4 made about not until you have full facilities-based  
5 competition will we be able to receive the benefits  
6 that Supra would have to offer.

7           What about the merger will prevent  
8 facilities-based competition from occurring?

9           **MR. NILSON:** The point -- the point of my  
10 topic here is to describe those services that we are  
11 offering to consumers, and as you'll see as we go  
12 through the discussion, that there is an element of  
13 critical mass essential to be able to deploy services  
14 on a wide scale area to be -- to reach maximum benefit  
15 to all consumers.

16           It's the same type of critical mass that the  
17 larger companies have been talking about this  
18 afternoon, and I'd like to make some points regarding  
19 how that plays into some of the new and modern  
20 services that we're indicating are part of our  
21 proposal.

22           **COMMISSIONER JOHNSON:** I understand.  
23 Mr. Ramos, did you want to -- I don't think your mike  
24 is on, though.

25           **MR. RAMOS:** Yes. Thank you very much for

1 that question, Commissioner Johnson.

2 You recall earlier on that Mr. Geoffrey  
3 Gould of GTE stated the benefits of the major proposal  
4 of Bell Atlantic/GTE has mentioned about six different  
5 benefits, and also stated that it was very difficult  
6 for them when GTE tried to compete as a CLEC in other  
7 states, in other -- outside their service territories.

8 And he mentioned one particular point; that  
9 the resale business is not profitable in any way --

10 **COMMISSIONER JOHNSON:** Right.

11 **MR. NILSON:** And that's why GTE had to pull  
12 out of that resale business.

13 Now for Supra, what we are trying to say  
14 here and emphasize here is the fact that without Supra  
15 having the critical mass and actually being  
16 facilities-based, we will not be able to provide  
17 consumers with the benefits of our new national  
18 innovative services. So --

19 **COMMISSIONER JOHNSON:** And that -- I  
20 understand that. And sometimes I -- you know,  
21 thinking about competitors and how individuals can  
22 penetrate the market and what is the real problem, and  
23 oftentimes the whole issue of economy of scale and the  
24 capital cost and the investments that have to be made  
25 to make this things work -- and I think you're

1 absolutely right with respect to there needs to be  
2 massive penetration and you need to have the ability  
3 to deploy your facilities, but what about this -- why  
4 does this merger stop or stifle your ability to build  
5 facilities?

6 **MR. BUECHELE:** If I may just add a little  
7 bit. The bigger they are, the worse they become.

8 **COMMISSIONER JOHNSON:** But can regulators --  
9 is it regulation that's -- I mean, could regulation  
10 assist in that effort?

11 **MR. BUECHELE:** Well --

12 **MR. RAMOS:** Before you go on, sir,  
13 commissioner Johnson, first of all, the question you  
14 asked me about the fact that how will this merger  
15 stifle that ability to deploy the network, let me  
16 answer that question.

17 This Commission will recall that since  
18 January last year Supra Telecommunications has been in  
19 front of this Commission at least on four different  
20 occasions trying to establish cases against another  
21 incumbent local exchange carrier in Florida on  
22 physical collocation, on unbundled network elements,  
23 on just a host of -- OSS, a host of things.

24 Now, the same problems that we're having  
25 right now with that incumbent local exchange carrier

1 is the same problem that we know that we are going to  
2 have with GTE, and I will say -- I will tell you why.

3           Sometime ago last year we had a meeting with  
4 GTE trying to establish an interconnection agreement  
5 with GTE, and at that meeting the GTE lead negotiator  
6 specifically told me that GTE will fight to any extent  
7 about physical collocation of switching equipment  
8 because we -- that GTE would not allow Supra to  
9 collocate its switching equipment, because allowing  
10 Supra to collocate its switching equipment will give  
11 Supra the ability to take away GTE's customers very  
12 quickly.

13           **COMMISSIONER JOHNSON:** And I think I  
14 understand your argument. I think I understand the  
15 point that you were trying to make, but it still  
16 strikes me that part of the problem and the issues  
17 that you've had, perhaps some of the solutions may be  
18 in the regulatory -- if we didn't allow this merger,  
19 you're going to still have these problems.

20           You're just going to have one less big  
21 provider to deal with, so that still doesn't get to  
22 the underlying problems you've raised of whether it's  
23 collocation, whether it's interconnection, whether  
24 it's arbitration.

25           So we still -- it strikes me that it's

1 still -- what you're saying in some of the issues that  
2 you're raising relate to our job, what we should be  
3 doing, that we should maybe have a more expedited  
4 process, that we should be trying to help the parties  
5 resolve their -- their issues in a more expeditious  
6 manner, because just denying this particular merger  
7 won't get you there because you still have the other  
8 providers to deal with.

9           Maybe it's -- like I said, maybe it's one  
10 less giant to deal with, but the underlying issues  
11 that you all appear to be raising appear to be issues  
12 that are within our regulatory authority and our  
13 oversight.

14           And maybe not in this forum, but some other  
15 forum, you can continue to tell us what we could do  
16 differently to help the CLECs enter the market and  
17 what we could do to ensure that you have access to the  
18 central offices or that you have an unbiased forum to  
19 deal with interconnection and those kind of things so  
20 that you can continue to develop your networks and  
21 deploy the infrastructure in a way that will provide  
22 for a more competitive market.

23           But it strikes me that some of the things  
24 that you all are saying relate directly to the  
25 Commission and us trying to do a better job at

1 performing our regulatory responsibilities to open up  
2 those markets.

3           **MR. RAMOS:** Ma'am, let me just take you back  
4 one step, ma'am, before I kind of like respond to what  
5 you have said.

6           You recall that during the course of the  
7 Bell Atlantic/NYNEX merger in '96, and by '97, some of  
8 '97 when the FCC first of all gave its opinion on that  
9 merger, the FCC said, no, that that merger was not  
10 going to be approved, because you had the merging  
11 companies come up and say we're going to merge; and  
12 then you had AT&T, MCI WorldCom, Sprint saying that,  
13 no, these companies are not going to merge.

14           And the companies, Bell Atlantic and NYNEX  
15 came back a week after the first of -- the FCC denied  
16 it, first of all -- came back with a middle ground  
17 position; and that middle ground position that it came  
18 back with at that time was to make promises to the FCC  
19 on the OSS, on unbundled network elements, on  
20 reporting performances and things like that. They  
21 made those promises.

22           And based on those promises that they made,  
23 that middle ground promises, the FCC approved the  
24 merger of Bell Atlantic and NYNEX at that time.

25           Now, because of this merger itself now, Bell

1 Atlantic, GTE, Southwestern Bell and Ameritec  
2 announced their merger intentions last year. AT&T,  
3 Sprint, MCI WorldCom, they are all opposed to the  
4 merger again now.

5 At this point now, what has happened? Supra  
6 has come up with a middle ground position saying that  
7 before the merger, these mergers are approved, some  
8 divestiture should be placed as a condition in  
9 accordance with Section 214(c) of the Communications  
10 Act. That allows the regulators to place such  
11 conditions on mergers.

12 And why are we saying that? Because once  
13 you put these companies together, like Bell  
14 Atlantic/NYNEX that was put together in '97, it is  
15 impossible for regulators to go back and pull these  
16 companies apart, because they've been put together.

17 Now, conditions that's -- will actually be  
18 implemented before the mergers are allowed to occur  
19 are what Supra is talking about, which is the issue of  
20 asking them to divest some of their central office  
21 assets; not to Supra, but to all of the ALECs that are  
22 interested, small and medium sized ALECs. So that  
23 that way the whole purpose of the merger will now be  
24 able to serve the public interest benefits of all  
25 this, and then ALECs will have the critical mass to



1 OSS. They will be able to have central offices of  
2 their own. They will also be able to have customers  
3 and the rest of the things that they need to compete.

4 And then the RBOCs, the incumbent LECs, if  
5 they want to compete in those central offices  
6 belonging to those ALECs, will have to now also walk  
7 their way back to the ALECs and negotiate fair terms  
8 with these companies.

9 **COMMISSIONER JOHNSON:** And I guess -- is  
10 this the gentlemen that's also going to talk about the  
11 conditions that should be imposed?

12 **MR. RAMOS:** Yes, ma'am, Mark Buechele.

13 **MR. BUECHELE:** I will talk a little bit more  
14 about that a little later.

15 **MR. RAMOS:** Yes.

16 **COMMISSIONER JOHNSON:** Okay. And so that  
17 would be your focus, and I guess you're stating what  
18 we should do in the FCC filing, then, would be to  
19 support the conditions that you all are suggesting  
20 should be --

21 **MR. BUECHELE:** Yes, a divestiture  
22 proposal --

23 **COMMISSIONER JOHNSON:** And then to the  
24 extent that they, the FCC, were to require the  
25 divestiture, then the merger could go through, but --

1           **MR. BUECHELE:** That would --

2           **COMMISSIONER JOHNSON:** -- it would be under  
3 circumstances that would allow for companies like  
4 yours to have the facilities that they would need in  
5 order to compete.

6           **MR. BUECHELE:** Yes; because the last mile is  
7 the most important part. And when you spread the  
8 assets around, then you -- that's the only way you  
9 really jump start competition is by spreading it  
10 around to a lot of people.

11           **COMMISSIONER CLARK:** Can I ask a question?  
12 Do you know when -- if the two companies merge, what  
13 percentage of access lines would they have?

14           **MR. BUECHELE:** Fabio, if you'll go back to  
15 that slide, I think it's --

16           **COMMISSIONER CLARK:** Well, I saw the  
17 numbers. I don't know the percentage. I can't figure  
18 out the percentage.

19           **MR. RAMOS:** I think -- roughly, ma'am, I  
20 think about 32, 33%.

21           **COMMISSIONER CLARK:** Okay.

22           **MR. RAMOS:** Yes, ma'am. Bell Atlantic/GTE  
23 is going to end up with a total of the total asset  
24 lines. The same thing with SBS/Ameritec; they are  
25 going to end up with a total of the asset lines as

1 well.

2           **COMMISSIONER CLARK:** But you say 22 and 40,  
3 which will result in 62, that will give them a third  
4 of the access lines.

5           **MR. BUCHELE:** Yeah, approximately --

6           **MR. RAMOS:** Yes, a total -- (inaudible  
7 overlap) --

8           **COMMISSIONER CLARK:** Okay.

9           **COMMISSIONER JOHNSON:** I'm going to have to  
10 leave, and I'll have the benefit of the court  
11 reporter's notes as long as we all speak slowly,  
12 because she's having a problem recording all of it;  
13 and I apologize, too.

14           One question, sir, that you may want to, if  
15 you could for my benefit, address. I remember -- and  
16 I can't think of the company, I think it was LCD, the  
17 company that Ann Binghamton worked for, they had a  
18 proposal early on that the local exchange companies be  
19 required to kind of divest themselves of the local  
20 loop and that they offer those services through a  
21 separate subsidiary. Are you familiar with that  
22 proposal --

23           **MR. RAMOS:** Yes, I'm very familiar with  
24 that --

25           **COMMISSIONER JOHNSON:** -- maybe that can

1 just -- just comment on that and why your approach to  
2 divesting assets is better than that one.

3 **MR. BUECHELE:** Well, because --

4 **COMMISSIONER JOHNSON:** I just -- I have to  
5 leave right now, and I know I'm getting you all out of  
6 order, but when you make your presentations on the  
7 conditions, that will be helpful if you just, you  
8 know --

9 **MR. BUECHELE:** Well, I can --

10 **COMMISSIONER JOHNSON:** -- have some  
11 articulation on that issue too --

12 **MR. BUECHELE:** I can give you something real  
13 quick. A subsidiary is just that; it's controlled by  
14 the parent.

15 **COMMISSIONER JOHNSON:** Well, maybe they said  
16 a separate affiliate completely. I don't know if it  
17 was a --

18 **MR. BUECHELE:** Affiliates are --

19 **MR. RAMOS:** Subsidiary -- (inaudible  
20 overlaps) --

21 **MR. BUECHELE:** -- the same people.

22 **COMMISSIONER JOHNSON:** Okay.

23 **MR. BUECHELE:** It's like nepotism; a son or  
24 daughter working for a parent. You're always going to  
25 get favoritism, and it's not going to work.

1                   **COMMISSIONER JOHNSON:** Okay. Thank you.  
2 That was short and easy. I look forward to reading  
3 your comments.

4                   **MR. NILSON:** I'll continue with the  
5 description of the new and innovative services covered  
6 by this proposal.

7                   A listing of those services are free  
8 advertiser supported voice mail, network-wide free  
9 messaging, voice bulletin board service, universal  
10 service messaging, high bandwidth interconnections for  
11 schools, DSL services, urban services in rural areas,  
12 realtime subscriber configurable features, and flat  
13 rate, unlimited long distance between subscribers.

14                   Now I'll go into a little more detail on  
15 each one of these proposals. For free advertiser  
16 supported voice mail, taking a cue from the Internet,  
17 Supra has created a radically new model for providing  
18 Internet voice mail services to its subscribers. By  
19 playing a short 7-second advertisement to subscribers  
20 before retrieving their messages, subscribers can  
21 receive cost-free call answering.

22                   The benefit to all subscribers, regardless  
23 of their income level is obvious. Currently the  
24 acceptance of voice mail in the market is dismally  
25 low. The cost of the service itself and the cost of

1 the separate features needed to activate the service  
2 make the purchase of a user-owned answering machine  
3 very attractive, especially to cost conscious  
4 consumers. Once again, we are not recommending that  
5 here today.

6 Even without the additional services  
7 required, the \$6.90 per month paying the price for  
8 voice mail would cost each consumer \$83.40 per year.  
9 A consumer could buy a new answering machine every  
10 year and still save money.

11 Currently the residential presentation of  
12 voice mail systems is very low; 12.5% for Bell  
13 Atlantic, and a low 8.2% for GTE. This proves that  
14 the current voice mail paradigm is not being accepted  
15 by the majority of the subscribers.

16 We offer a different paradigm; one that will  
17 both be superior and cost-effective compared to a user  
18 purchased answering machine or a privately maintained  
19 voice mail system. Yet the voice mail service is far  
20 easier to use, has no user maintenance, and boasts a  
21 very high retention rate among consumers who have  
22 tried it. By offering it at no cost, we expect the  
23 penetration of this feature to be the highest in the  
24 market.

25 For network-wide free messaging services, we

1 indicate that in addition to the basic call answering  
2 function, our voice mail platform will also allow free  
3 messaging between all Supra subscribers. Instead of  
4 calling acquaintances, a subscriber can log into their  
5 mailbox and leave a message to another subscriber free  
6 of charge.

7           This will further reduce the long distance  
8 charges the customers currently have to pay and  
9 encourage new subscribers to the service. Voice  
10 services once again will be revived.

11           Penetration into GTE and Bell Atlantic  
12 locations can only serve to further increase  
13 subscriber value of this feature. Currently only  
14 computer literate, Internet savvy people are able to  
15 take advantage of nonusage-sensitive messaging service  
16 using e-mail services.

17           This service will bring the same capability  
18 to all consumers with or without a computer and  
19 provide the advantages of actual audio messaging as  
20 well. The importance of this feature to nontechnical,  
21 low income consumers cannot be overemphasized. These  
22 are the very kinds of services that the  
23 Telecommunications Act of 1996 envisioned.

24           Voice bulletin board services provide a  
25 service that Internet users have long enjoyed; the

1 advantages of topic based news groups. These threaded  
2 message areas offer a vast array of topics on subjects  
3 ranging from automotive repair to child rearing  
4 service.

5           Supra proposes a service which will allow  
6 similar topic based discussions among those without a  
7 computer or Internet access. With nothing more than a  
8 standard telephone, Supra subscribers will be able to  
9 listen and respond to topic based messages. These  
10 services will be monitored so the messages will remain  
11 on topic and appropriate to the subject. Once again,  
12 the national footprint that a presence in the Bell  
13 Atlantic and GTE region would stimulate community  
14 bulletin boards and electronic communities that we've  
15 all heard so much about in recent presidential  
16 elections that simply do not exist with any provider  
17 at the present.

18           The universal service messaging service  
19 seeks to provide a common method of access for the  
20 three main types of messaging consumers currently must  
21 deal with; fax, voice mail, and e-mail. Currently the  
22 only devices capable of properly handling all three  
23 types of messages are a multimedia-enabled computer or  
24 enhanced voice mail systems.

25           The ILECs are prohibited at this time from



1 providing enhanced services, such as Internet access,  
2 except through separate subsidiaries. Because of  
3 this, they are constrained from providing seamless  
4 universal service messaging solutions. Supra,  
5 however, has no such constraint. Yet universal  
6 messaging, while highly desired by many consumers,  
7 remains largely unavailable.

8           The reason is clearly the lack of  
9 penetration by competition into the residential  
10 community. A significant change must be made to the  
11 current system if this sort of service is ever to  
12 reach consumers, and the proposed divestiture of GTE  
13 and Bell Atlantic central offices will provide that  
14 needed impetus.

15           We talk about high speed Internet access for  
16 schools. By constructing an ATM and frame relay  
17 backbone intersecting all 60 Supra central office  
18 markets, Supra will be able to provide precisely  
19 tailored bandwidth to areas often ignored by the  
20 RBOCs; schools and rural areas.

21           No longer is there a need to limit these  
22 telephone customers to available service. The ATM  
23 backbone allows precise tailoring of high performance  
24 bandwidth to each customer in a cost-effective manner.  
25 No longer is it necessary for schools to suffer

1 limited bandwidth because the next increment is just  
2 too large or expensive to deliver.

3           One must only look at the unfulfilled  
4 promises of the Bell Atlantic/NYNEX merger to provide  
5 such services to schools to realize that premerger  
6 conditioning is required to assure our children  
7 receive the promise this time. Supra's network can  
8 deliver this promise in a reliable and cost-effective  
9 manner; by design.

10           Without -- I'm going to talk about DSL  
11 services. And without going into technical details,  
12 DSL is high speed access. When used for Internet  
13 access, it has received a lot of attention in the  
14 press, and yet it, too, remains illusive to the  
15 consumer.

16           The reasons are numerous, but one of the  
17 most significant is the difficulty that Internet  
18 service providers have in obtaining access to clean  
19 copper wires from their Internet hubs to the consumer.  
20 Access to the central office and a copper path becomes  
21 a crucial factor in deploying this service.

22           The RBOCs cannot deliver Internet services  
23 directly except through a subsidiary. Although  
24 enhanced services subsidiaries must pay their RBOC  
25 parents as if they were located two miles from the

1 central office, the simple fact remains that they are  
2 not, and thus enjoy the technical benefits of being  
3 able to provide DSL services to a much wider customer  
4 base.

5           Allowing Supra to purchase a percentage of  
6 these central offices will spur real competition for  
7 DSL services, the potential of which is enormous.  
8 While DSL will primarily be used for access to the  
9 Internet, it can deliver high speed access for many  
10 other new and innovative services.

11           Among these services are linking rural  
12 businesses to larger urban offices, support for SOHO,  
13 small office, home office or other telecommuting  
14 applications, medical transfer of X-ray documents, and  
15 high speed video transmission for distance learning.  
16 DSL is a high speed service of the future that is  
17 ready to deploy today.

18           Urban services in rural areas have often  
19 been ignored. The ATM backbone mentioned earlier  
20 makes it possible to deliver full urban phone feature  
21 CLASS services, voice mail, even CENTREX based PBX  
22 services, cost-effectively to rural areas.

23           No longer is it necessary for a rural or  
24 small business to sound like a small business or  
25 apologize for awkward access to its employees.

1 Central office based CENTREX PBX services and voice  
2 mail give all phone customers the ability to  
3 cost-effectively present a Fortune 100-like  
4 presentation on their phone services.

5 In a survey of small business owners, these  
6 two services were the two most desired additions to  
7 subscriber phone services. The survey also showed  
8 that these subscribers all believed there was a need  
9 for them to purchase, install and maintain the  
10 hardware necessary to deliver these services.

11 That investment both in hardware, training,  
12 and maintenance repeated over and over again was the  
13 number one reason these services had not been deployed  
14 by the surveyed customers.

15 Supra's central office based services  
16 delivered to all customers would eliminate this, and  
17 with one low monthly charge increase the prestige of  
18 the small business owner.

19 One of the impediments to offering truly  
20 innovative services by telephone companies to their  
21 subscribers has been the difficulty of implementing  
22 changes and new feature offerings. With new  
23 technology and the growing acceptance in the use of  
24 the Internet, however, these services can now be  
25 administered and modified directly by the advanced

1 consumer without any interaction with a customer  
2 service representative.

3 As only one example, time-of-day sensitive  
4 call blocking features which require management of  
5 lists of phone numbers and time-of-day schedules have  
6 not even been offered to residential consumers by the  
7 ILECs simply because management of them is too complex  
8 via the telephone and too costly via service  
9 representatives.

10 We will offer a single, intuitive web page  
11 interface to provide these services easily and  
12 immediately to our subscribers. We will also continue  
13 to identify, define and create new services for our  
14 subscribers.

15 Unlimited long distance between Supra  
16 subscribers is a fundamental benefit of the ATM  
17 backbone mentioned earlier. Due to the inherent  
18 efficiencies of the ATM backbone and the control it  
19 allows Supra over the provisioning of backbone  
20 bandwidth, we will be offering unlimited long distance  
21 service to our customers for one low flat rate monthly  
22 price.

23 Supra customers may call each other without  
24 the worry of per minute charges adding up. This gives  
25 the consumer market unparalleled advantage over the

1 current situation. Additionally, long distance calls  
2 from Supra customers to customers of other phone  
3 companies will be billed at permitted rates currently  
4 unheard of in the industry.

5 This one-two punch is directly aimed at  
6 reducing the cost of long distance rates to the  
7 residential and small business market. This reduction  
8 in these services are exactly what the  
9 Telecommunications Act of 1996 sought to create.

10 In conclusion --

11 **COMMISSIONER JACOBS:** Excuse me. What  
12 impact are you foreseeing by the merger in your  
13 ability to provide those kinds of interexchange  
14 services?

15 **MR. NILSON:** The unlimited flat rate long  
16 distance will be offered to Supra customers calling  
17 other Supra customers by increasing the geographic  
18 area covered due to -- by the method of divestiture of  
19 central office facilities --

20 **COMMISSIONER JACOBS:** Are you going to be --  
21 are those going to be your lines, or are you going to  
22 be leasing facilities --

23 **MR. RAMOS:** Maybe if I can answer the  
24 question on our behalf.

25 Sir, you recall that when America On Line

1 started its business, the Internet business, the first  
2 thing it did was they were charging subscribers, their  
3 customers, for the e-mail. Eventually e-mail became  
4 free on the Internet. AOL was the first company to  
5 spearhead on that, to spearhead the free e-mail.

6 And the point is that AOL created what is  
7 called an AOL community whereby if, for instance, the  
8 father is in New York and the son is in Miami, they  
9 can send e-mails to each other and receive them sort  
10 of realtime and then be able to correspond that way.

11 Now, if Supra is able to achieve the  
12 critical mass that it requires by having central  
13 offices geographically spread all over the United  
14 States, our subscribers will be able to call  
15 themselves flat fee/long distance, at a much cheaper  
16 rate than what is currently being charged. That is  
17 the message that we are trying to send.

18 **COMMISSIONER JACOBS:** So you would need  
19 to -- so the traffic would flow through your central  
20 offices.

21 **MR. RAMOS:** That's correct --

22 **MR. BUECHELE:** Yes. I think part of the  
23 problem is the access charges would make this kind of  
24 thing infeasible.

25 **COMMISSIONER JACOBS:** And your contention is

1 that with the further consolidation that -- those --  
2 the level of access charges really becomes more of  
3 a -- under the control of those prevailing companies,  
4 I would say.

5 **MR. RAMOS:** Yes, sir, that's very correct  
6 sir; because even if you look at the GTE territory,  
7 GTE is one company that is not subjected to  
8 Section 271 filing.

9 Because of that particular reason, we have  
10 found and our experience is such that we found that  
11 GTE is uncooperative. They are very, very  
12 uncooperative, and it's because -- you know, and I  
13 don't blame them. They are not subject to 271 filing.

14 And the point -- the message we're trying to  
15 send across is that before these companies are allowed  
16 to merge, before they are allowed to put themselves  
17 together, regulators should seize this opportunity  
18 once again -- because during the course of the Bell  
19 Atlantic/NYNEX merger, that one is gone. It's lost.  
20 That one is gone. You can't break up those two  
21 companies again. Then also you had SBC/PacBell. You  
22 had SBC/PacBell/SNET. That also is -- all those  
23 opportunities are all gone.

24 So right now we have only five RBOCs left,  
25 and by the time they finish -- complete this round of



1 mergers, you're going to end up with only four RBOCs.  
2 And during the course of the BellAtlantic/NYNEX  
3 merger, one of the things that the Bell Atlantic  
4 expert witness wanted the FCC to enter into the record  
5 is the fact that the FCC and regulators would not be  
6 opposed to the recombination of the original Bell  
7 operating companies. And FCC said no. The FCC  
8 declined that particular request. It's -- it's in the  
9 Bell Atlantic/NYNEX order.

10 **COMMISSIONER JACOBS:** Thank you.

11 **MR. NILSON:** With that I'll conclude because  
12 Mr. Ramos quite effectively delivered my conclusion  
13 for me.

14 I'd like to introduce Mr. Richard Smith,  
15 vice-president of marketing for Supra Telecom.

16 **MR. SMITH:** I'd like to just back up  
17 briefly.

18 We have all witnessed the revolution in  
19 telecommunications technology in this aptly named  
20 information age. However, the benefits to consumers  
21 have been more evolutionary. Consumers are demanding  
22 more than ever new services, price performance and  
23 simplicity. Never before have better, faster, cheaper  
24 meant so much to so many.

25 Before we move forward, let's have a brief

1 overview of recent history from the consumers'  
2 perspective. I'm a veteran of the long distance  
3 market, having 22 years with AT&T.

4           The divestiture of the Bell system in 1984  
5 enabled competition. Fifteen years ago consumers  
6 finally began getting a choice. Most of us here today  
7 will remember what long distance pricing was like;  
8 complex rate schedules with three time-of-day calling  
9 periods, distance sensitive pricing, full minute  
10 rounding, et cetera.

11           Calls from Tallahassee to California were  
12 more than calls to Georgia. Calls after 5:00 p.m.  
13 were less than calls during business hours, but more  
14 than after 11:00; and if you talked for three minutes  
15 and one second, you paid for four minutes.

16           Today we all know this has dramatically  
17 changed. The bottom line: Consumers make simpler  
18 choices with savings upwards of 50% from days gone by.  
19 What made this possible? Competition.

20           Cellular has taken a parallel course. Until  
21 recently, roaming charges, complex rate plans with  
22 time-of-day pricing, expensive minimum monthly fees,  
23 and rounding up were the standard. Air time of  
24 59 cents, 49 cents, 39 cents were all common.  
25 Consumers had to make a rather large investment in the

1 phone itself. It was an up-scale market and a status  
2 symbol.

3 Now phones are affordable. Flatter rate  
4 claims, free weekends, no roaming, and even 10 cents a  
5 minute is a reality with more to come. Cellular  
6 phones are now commonplace and are no longer just a  
7 luxury product. It is more for convenience, moving  
8 for some to necessity. We all know why. Competition.

9 It is now time to move forward, not only in  
10 this discussion, but in the industry.

11 It was shown earlier that local competition  
12 after three years has yielded only 2% market share to  
13 the new entrants. If we were to look more closely,  
14 the majority of the 2% are to larger business  
15 customers. Further investigation would show  
16 facility-based competition to consumers is virtually  
17 nonexistent.

18 Supra Telecom defines consumer market as one  
19 to six lines. This includes both residential and  
20 small business customers. This is Supra's target  
21 market and the thrust of our business plan.

22 In the Yankee Group White Paper, Volume 14,  
23 No. 8, May 1997, on Page 8, and I quote, "To  
24 residential consumers, including small business: The  
25 expectation for local competition is that it will

1 bring simplicity and lower prices. Simplicity will  
2 come from dealing with one company for both local and  
3 long distance service."

4           The Yankee Group's Technologically Advanced  
5 Family -- or TAF -- survey indicates that 67.4% of  
6 households would be interested in dealing with a  
7 single provider for telecommunications services.

8           Utilizing information from the Common  
9 Carrier Bureau, the Yankee Group, strategists, and  
10 other industry groups, we have determined the  
11 expenditure patterns of telecommunications consumers.  
12 Consequently, we have designed products and service  
13 offerings that would save them a considerable amount  
14 of money as well as offer advanced, new, innovative  
15 service.

16           According to the Yankee Group report, 62% of  
17 that same TAF survey, that one-stop shopping is of  
18 primary importance to them. It is our desire to serve  
19 that segment of the market, and we have designed  
20 products to fit their needs. The consumer market  
21 accounts for over 85% and 72% of the total access  
22 lines and revenues, respectively, of the phone  
23 companies. That's incumbent LECs and IXC's in the  
24 United States.

25           To meet this demand, Supra telecom's product

1 mix will comprise feature-rich bundled packages with  
2 flat rate pricing, local, long distance and Internet  
3 capability delivered to meet consumers' needs.

4 Features and free voice mail will be the standard.  
5 All of this can be delivered for over half the price  
6 of comparable services; simple and on one bill.

7 In conclusion, it is incumbent upon  
8 regulators and innovative providers like Supra Telecom  
9 to bring the vision of TA of '96 to fruition for all  
10 consumers as we build the bridge for competition into  
11 the 21st century. Let the revolution begin; better,  
12 faster cheaper. Keep it simple, Supra.

13 Thank you.

14 **MS. KEATING:** Commissioners I just want to  
15 point out that in view of the time, AT&T has got --  
16 their presenter needs to catch a flight, and I got a  
17 feeling earlier on that Supra wanted to go a little  
18 bit further. They've gone a good bit over the hour  
19 that was allotted to them. So I would suggest that we  
20 go ahead and take AT&T's presentation at this time.

21 **COMMISSIONER DEASON:** I thought Supra's  
22 presentation was finished at this point.

23 **MR. BUCHELE:** No. We would -- we could  
24 wrap it up fairly quickly. Perhaps we can cut it  
25 short and finish in about 10, 15 minutes.

1           **COMMISSIONER DEASON:** Well, you've already  
2 utilized more than your allocated time. What flight  
3 does the AT&T --

4           **MS. KEATING:** 5:30.

5           **COMMISSIONER CLARK:** Maybe what we should do  
6 is take AT&T and the next one, and then if we have  
7 time, we'll come back to Supra.

8           **MS. KEATING:** AT&T is the last presentation.  
9 Then we allotted a few minutes for discussion. Now,  
10 if you'd like for Supra to come back up after AT&T --

11           **COMMISSIONER DEASON:** We'll proceed. We'll  
12 go ahead and take AT&T, and then we'll revert back to  
13 the conclusion of Supra's presentation, assuming that  
14 time permits.

15           **MS. MERRITT:** First, I'd like to say thank  
16 you for taking us out of order, and I apologize to  
17 Supra that we had to cut in the middle of their  
18 presentation here.

19           But I would like to introduce Mr. John  
20 Gardner who is our vice-president for federal affairs.  
21 He's based out of Washington D.C., and I will let  
22 Mr. Gardner move forward.

23           **MR. GARDNER:** Thank you, Mr. Chairman and  
24 Commissioners. Thank you for holding this hearing  
25 today.

1 I want to begin by commending you for  
2 focusing squarely on the effect of this proposed  
3 merger competition, an approach in accord with the  
4 1996 Telecom Act.

5 As a consequence of the act, it is clear  
6 that both state and federal policy makers are charged  
7 with the task of affirmatively promoting competition  
8 in the provision of local exchange telephone service.  
9 As the FCC has noted, quote, "The Telecom Act makes it  
10 clear that the public interest standard embodies a  
11 policy structure designed to promote more competition  
12 and deregulation."

13 FCC Chairman Kennard stated in the en banc  
14 hearing of last December that, quote, "For me, the  
15 single most important question on my mind is really  
16 quite simple, and that is, how will each of these  
17 mergers benefit American consumers?"

18 He wanted to know how past Bell operating  
19 company mergers have affected competition and service  
20 quality and whether promises to regulators have been  
21 kept.

22 On the national level it remains painfully  
23 clear that the act's central objective of meaningful  
24 local exchange competition and choice for customers  
25 has not been realized, in large measure because of

1 significant resistance waged by the incumbent local  
2 exchange carriers. Almost all local access lines in  
3 the United States remain under their direct control.

4 Of particular importance to the proposed  
5 merger of Bell Atlantic and GTE, the entry process has  
6 been further deterred by the entrenched and  
7 potentially growing incentive and ability of ILECs to  
8 engage in strategic measures designed to foreclose the  
9 entry of new competitors.

10 And this merger would provide even greater  
11 pools of access and other monopoly profits from which  
12 to entrench bottleneck monopolies. If both proposed  
13 RBOCs mergers are ultimately approved, it could well  
14 establish a market structure in which the nation's  
15 access lines may be largely divided between, in  
16 effect, a Bell east and a Bell west.

17 Thus, against the backdrop of a public  
18 policy designed to enable competition, a merger  
19 between two of the largest monopoly providers of  
20 telecommunications services in the United States is  
21 inherently suspect.

22 In studying this merger, I believe the  
23 Commission should ask whether there would be a  
24 positive impact. To obtain approval at the national  
25 level, Bell Atlantic and GTE must show that their



1 merger would serve the public interest by enhancing  
2 competition.

3           This view is shared by a number of state  
4 public utility commissions. Most recently, according  
5 to published reports, the staff of the Public  
6 Utilities Commission of Ohio -- a state like Florida  
7 where Bell Atlantic does not provide service but GTE  
8 does -- wrote that, quote, "The merger must do more  
9 than hold the public harmless or simply maintain the  
10 status quo. The public must be better off after the  
11 merger. Staff believes the application, as it  
12 currently stands, does not demonstrate how the public  
13 would be better off."

14           This proposed merger fails the required  
15 public interest and pro-competition standards of  
16 federal law. It would have serious adverse  
17 consequences for the development of local phone  
18 competition in Florida.

19           Our comments identify four principal reasons  
20 for denying the merger. First: It would only further  
21 impede efforts to open to competition the monopoly  
22 markets.

23           Second: It would violate Section 271 of the  
24 Telecommunications Act of 1996.

25           Third: It would produce no countervailing

1 pro-consumer benefits.

2 Fourth, and finally: Bell Atlantic's  
3 response to the merger conditions imposed by the FCC  
4 in connection with its acquisition of NYNEX precludes  
5 approval.

6 I encourage you to consider these four  
7 problems in light of both economic theory and the  
8 Florida evidence, and provide to the FCC and the  
9 U.S. Department of Justice at the earliest possible  
10 opportunity the data that demonstrates the adverse  
11 consequences.

12 The Department of Justice takes a more  
13 limited but still crucial examination of these  
14 mergers. The antitrust division could be interested,  
15 for instance, in evidence that competition could be  
16 harmed through effective partitioning of markets.

17 As Assistant Attorney General Joel Klein has  
18 stated, in the markets of the future, particularly  
19 high tech markets, interconnectivity will be crucially  
20 important. This is important, not only on a technical  
21 level, but an economic level as well. The Department  
22 wants to avoid in telecommunications the situation  
23 which some observers believe effectively exists in the  
24 airline industry, in which there is competition at a  
25 national level, but local markets are frequently

1 subject to dominance by one carrier.

2           This pending merger poses the danger of  
3 reinforcing local dominance and slowing the  
4 development of effective competition. We know that  
5 incumbent local monopolies engage in subtle forms of  
6 discrimination against new entrants, such as delaying  
7 the availability of access, degrading the quality of  
8 access, and charging more than the economic costs of  
9 access.

10           For the foreseeable future, new firms will  
11 depend upon the cooperation of the ILECs to provide  
12 access to essential network facilities so that they  
13 may in turn provide retail level service. Yet this  
14 merger would increase the incentives of the  
15 post-merger company to engage in exclusionary conduct  
16 by allowing it to internalize the value of raising  
17 rivals' costs, not only in its original region, but in  
18 GTE's region as well.

19           Prior to its proposed merger, GTE launched,  
20 quote, a competitive local exchange carrier that will  
21 market the full spectrum of GTE services in key  
22 markets without regard to franchise boundaries,  
23 unquote.

24           This vision has now radically changed to the  
25 detriment of competition. From the outset of the

1 passage of the act, GTE has taken every available  
2 opportunity to maintain its position as the exclusive  
3 provider of local service within its territories.

4           As this Florida Commission has noted in its  
5 1998 report on competition in telecommunications  
6 markets, GTE Florida must make substantial process --  
7 progress to fully open its markets to competition.  
8 Notably, only one GTE Florida exchange has more than  
9 1% penetration for residence lines, and  
10 notwithstanding the large population in half of them,  
11 competitors have not concentrated heavily on that  
12 area.

13           GTE's record as a monopoly access provider  
14 is equally discouraging. Its access charges remain  
15 substantially above costs, some twice as high as  
16 BellSouth's. The ability to use these inflated access  
17 charges to price squeeze companies will become even  
18 more dangerous if placed in the hands of a combined  
19 GTE/Bell Atlantic.

20           This merger would not speed the development  
21 of competition in GTE Florida service areas nor  
22 accelerate the merged companies entry into  
23 non-GTE Florida areas. This is particularly troubling  
24 because there are substantial economies of scope and  
25 scale for engaging in delay through litigation and

1 regulation.

2           Indeed, in a rare moment of candor, Bell  
3 Atlantic has admitted that this is a central aspect of  
4 the merger. As Bell Atlantic CEO, Ivan Seidenberg  
5 colorfully put it, quote: "You know the expression,  
6 'I want to be like Mike?' Well, in terms of  
7 regulations, we want to be like Chuck," referring to  
8 Charles Lee of GTE.

9           Similarly, Bell Atlantic general counsel  
10 James Young told investors that GTE, quote, "has done  
11 far better than Bell Atlantic has in getting unbundled  
12 element rates," unquote.

13           These views bode poorly for consumers in  
14 Florida and around the nation because they make clear  
15 that Bell Atlantic intends to emulate GTE's aggressive  
16 tactics to thwart the procompetitive purposes of the  
17 act.

18           The pace at which competition grows is  
19 critically dependent on the behavior of the ILECs  
20 themselves in providing essential inputs to new  
21 entrants on nondiscriminatory terms, including both  
22 price and quality.

23           Importantly, that behavior is in turn  
24 affected adversely by mergers such as this one that  
25 enhance the incentive and ability of these firms to

1 adopt exclusionary practices that inhibit entry.  
2 Thus, the speculative market conditions that these  
3 companies use to justify the merger are less likely to  
4 materialize if the merger is approved, paradoxically.

5           Because the companies would be vertically  
6 integrated, they will bear only the actual economic  
7 cost of providing access when using their own  
8 facilities to originate and terminate their long  
9 distance traffic. The other portion of the access  
10 charge above economic costs amounts only to an  
11 intracompany transfer payment. This increases the  
12 incentive and ability to engage in a price squeeze,  
13 for instance on a call from Tampa to New York or  
14 Boston.

15           This Commission has a strong interest in  
16 ensuring that every Bell operating company subject to  
17 Section 271 reviews fully and completely complies with  
18 the act. There is no provision in the act for  
19 transitional relief from the incorporated requirements  
20 of the section.

21           Congress made it clear that meaningful local  
22 competition can only occur by full compliance with the  
23 entire act. In the long run, to do otherwise would  
24 undermine competition in Florida.

25           Again, the Florida data indicates that this

1 merger is not necessary to ensure a viable local  
2 competitor. GTE and Bell Atlantic claim that they  
3 must combine into a super-RBOC with annual operating  
4 revenues of \$53 billion dollars and market  
5 capitalization of over \$125 billion for them to  
6 compete in other local exchange markets.

7           At the same time, they contend that each is  
8 somehow subject today to vigorous competition within  
9 its region from a multitude of fledgling entrants that  
10 have only a small fraction of each company's current  
11 size and none of the advantages of an incumbent  
12 monopoly. They cannot have it both ways.

13           This proposed merger will not yield any  
14 social welfare gains. Procompetitive claims built  
15 upon such a shaky foundation cannot support the weight  
16 of a proposed merger of this magnitude.

17           Bell Atlantic and GTE have couched their  
18 application in language designed to avoid any  
19 obligation to enter out-of-region markets should the  
20 merger be approved. Indeed, the only limitations on  
21 each company's ability to enter each other's markets  
22 now are those of will and not of size.

23           They have the back office capabilities and  
24 local exchange expertise unmatched by the CLECs, given  
25 the monopoly rates that are available and the

1 comparative advantage that Bell Atlantic and GTE have  
2 in the other's local markets that no other prospective  
3 entrant possesses. One can say that these companies  
4 were objectively likely to enter each other's markets.

5           As was noted earlier, both companies have  
6 long distance certificates from this Commission.  
7 Interestingly, GTE's ALEC, GTECC, is the only one  
8 reported to be serving throughout Florida.  
9 GTE Florida's relatively compact and contiguous  
10 service territory, combined with physical proximity to  
11 other cities experiencing competitive entry, provide  
12 GTE Florida with significant opportunities to compete  
13 with the other incumbent LECs.

14           The companies promise an effort to target  
15 additional business customers within 18 months, but  
16 will target residential customers only where it is  
17 economically feasible to do so. Clearly, the  
18 distinction indicates that the companies believe that  
19 competition for business customers is profitable, but  
20 the competition for residential customers is unlikely  
21 to be; hardly a prospect that will benefit all  
22 Floridians.

23           Rather, the policy in the public interest  
24 for Florida is, I believe, to encourage the widest  
25 possible competition in all local phone markets; not



1 restrict that competition through a merger that would  
2 enable certain profitable customers to be  
3 cherry-picked.

4           On the other hand, without the merger, Bell  
5 Atlantic could be a formidable competitor to  
6 GTE Florida. As the companies know, Miami, as well as  
7 other cities, share calling affinities with New York  
8 and other cities in the northeast. Bell Atlantic can  
9 and, I believe in time, would enter the Florida market  
10 without the merger.

11           Another shortcoming is the failure to  
12 provide a convincing explanation of why the alleged  
13 competitive benefits cannot be achieved by independent  
14 entry into each other's service territories. That is,  
15 why must public policy sacrifice competition between  
16 those two companies? Clearly independent entry would  
17 have far greater pro-competitive effects. The  
18 intensity of competition would be greater and would be  
19 realized in more geographic areas if this merger is  
20 denied.

21           Further, the already diminished number of  
22 large incumbent LECs, the merger would make it sharply  
23 more difficult for both the FCC and this Commission to  
24 use regulatory processes to check market power abuses,  
25 both by these companies and the remaining RBOCs,

1 including BellSouth.

2           The merger would reduce the already  
3 dwindling set of companies that regulators can employ  
4 to force nondiscriminatory provision of monopoly  
5 inputs to the ILECs' nascent competitors. This loss  
6 has particular impact on new services and technologies  
7 where there are few established standards for judging  
8 ILEC conduct.

9           This concern has been well articulated by  
10 FCC Commissioner Susan Ness. States, working as  
11 partners with the FCC, should share this view as well.  
12 The need for regulatory oversight increases  
13 commensurately with the merger. Yet if the merger  
14 simultaneously reduces regulators' ability to perform  
15 this oversight function, then anticompetitive conduct  
16 can be expected to escalate.

17           Finally, Bell Atlantic's failure to comply  
18 fully with commitments made as part of its acquisition  
19 of NYNEX should raise serious questions regarding  
20 fulfillment of its obligations under the 1996 Act and  
21 any special conditions that the FCC or other bodies  
22 may impose on Bell Atlantic.

23           As Chairman Kennard had asked, quote:  
24 "Assuming that this Commission were to find that there  
25 was a pattern of noncompliance by Bell Atlantic with

1 these very important market opening provisions in the  
2 law and in our rules, then why should we grant the  
3 merger?"

4 Yet according to Bell Atlantic's general  
5 counsel, even if they had to make merger commitments  
6 to secure the FCC's approval they could, quote, make  
7 some concessions that look good but have really no  
8 impact on business, unquote.

9 Can there be any serious doubt that if this  
10 merger is approved, the merged company would, under  
11 the theory of overregulation, oppose all rules and  
12 proceedings intended to apply and enforce any  
13 conditions?

14 The simpler and more logical course is to  
15 deny the application outright. In its  
16 Bell Atlantic/NYNEX order, the FCC noted that further  
17 reductions in the number of Bell companies or  
18 comparable incumbent LECS would present serious public  
19 interest concerns. Thus, the Commission stated that  
20 further RBOC mergers would have to meet an additional  
21 burden in establishing that a proposed merger will on  
22 balance be pro-competitive and, therefore, serve the  
23 public interest.

24 This the companies cannot hope to establish.  
25 The evidence is too far on the other side. Because

1 ALECs are finally beginning to start operations in  
2 GTE Florida's service territory and experiencing many  
3 of the same problems experienced by new entrants in  
4 BellSouth's territory, Bell Atlantic's failure to  
5 comply with FCC conditions regarding market opening  
6 bodes ill for Florida.

7           With Bell Atlantic controlling GTE's Florida  
8 service territory, competitors face the prospect of  
9 the combined worst practices of GTE and Bell Atlantic  
10 in restricting competition.

11           The competitive war for local exchange  
12 markets has only recently been declared in Florida as  
13 elsewhere. Consumers stand to benefit greatly from  
14 competitive battles that are hopefully soon to be  
15 waged. Lower prices, improved service and innovative  
16 service offerings will emerge as new and existing  
17 rivals aggressively compete for the huge revenues at  
18 stake.

19           This is not the time for armistices to be  
20 signed by prospective combatants. The peaceful life  
21 of the monopolist is simply inconsistent with the  
22 policy goal of promoting competition in this industry.

23           We respectfully suggest that this Commission  
24 should advise the FCC and the U.S. Department of  
25 Justice that this proposed merger is not in the public

1 interest, will not promote competition in Florida, and  
2 should, therefore, be denied.

3 Thank you.

4 **COMMISSIONER CLARK:** Let me ask a question.  
5 Do you think the standard should be that they must  
6 show a positive impact?

7 **MR. GARDNER:** Yes, we believe that to be the  
8 standard; and we believe that's the standard the FCC  
9 would use as well.

10 **COMMISSIONER CLARK:** Where does that come  
11 from?

12 **MR. GARDNER:** Well, it comes from the  
13 structure of the Telecom Act in the first instance in  
14 terms of the public policy goal of promoting  
15 competition.

16 Secondly, it comes from the  
17 Bell Atlantic/NYNEX order where the Commission noted  
18 that further RBOC mergers would pose very serious  
19 public interest concerns and, therefore, that any  
20 parties seeking such a merger would have an additional  
21 burden of showing that the transaction would benefit  
22 competition, not merely maintain the status quo --

23 **COMMISSIONER CLARK:** Let me just ask --

24 **MR. GARDNER:** Sure.

25 **COMMISSIONER CLARK:** -- it strikes me from a

1 logic standpoint, what is the interest they are  
2 protecting? Just by way of explanation, we have --  
3 we're supposed to approve territorial agreements  
4 between elected companies, and I think at one point we  
5 set a standard of showing a benefit to those people  
6 affected by the merger. And I think what the court  
7 says, it was no, you have to show some detriment,  
8 because if you can't show any public interest that is  
9 going to be harmed or something the government has an  
10 interest in protecting, what can be your basis for  
11 preventing something that you can show no harm for?

12 **MR. GARDNER:** Well, I'd make two comments.  
13 First, I think the standard about a detriment is  
14 really the antitrust standard which the Department of  
15 Justice uses in analyzing the merger. And Assistant  
16 Attorney General Klein, when he spoke on the  
17 Bell Atlantic/NYNEX merger, in essence said, I found  
18 no potential competition; therefore, I could not show  
19 an antitrust harm.

20 But in terms of the public interest  
21 standard, I believe the FCC will be looking at a  
22 balancing test; do the alleged procompetitive benefits  
23 of the transaction outweigh anticompetitive  
24 consequences. Among those consequences would be, for  
25 instance, the reduction in the number of Bell

1 operating companies which would reduce the  
2 commissions' ability to benchmark and would also  
3 through the strength of the combined companies make it  
4 that much more difficult for competitive carriers to  
5 enter the markets on a -- on reasonable terms. And  
6 that's why I think the FCC will be using a balancing  
7 test in which --

8 **COMMISSIONER CLARK:** That's a little  
9 different; a balancing test. Are you --

10 **MR. GARDNER:** Well, a balancing test I think  
11 implies that the balance has to be weighted towards  
12 pro-competitive benefits. That's why I said that  
13 there would be -- there would have to be benefits to  
14 competition from -- if the merger were to be approved.

15 **COMMISSIONER CLARK:** Okay. Thank you.

16 **MS. KEATING:** Commissioners, let me just  
17 point out that Mr. Gardner and Sprint's presenter,  
18 Mr. Eisenberg, are both on the same 5:25 flight, so  
19 that unless anybody has any specific questions for  
20 them, I suggest that they be excused.

21 **COMMISSIONER DEASON:** Any questions? (No  
22 response.) They may be excused.

23 **MR. GARDNER:** Thank you, Commissioner.

24 **COMMISSIONER DEASON:** We can revert to the  
25 conclusion of Supra's presentation.

1           **MR. BUCHELE:** We apologize for the time. I  
2 think the whole point of our presentation, I think,  
3 that maybe got a little bit out of hand was that there  
4 is a better way to all of this.

5           The only way you're going to get any real  
6 competition is if there's facilities-based  
7 competition. The numbers that we have on the board on  
8 display right here reflect what prices could be if  
9 there was actually facilities-based competition.

10           Those numbers are based on having access to  
11 facilities, and we believe that if you spread around  
12 some of the facilities, that's the only way you're  
13 going to jump start competition. That is why we have  
14 a proposal that we would like some thought be given to  
15 it in terms of how can you spread up some of the most  
16 crucial assets, which are the last mile, in such a way  
17 that you could really, really do something for  
18 stimulating competition.

19           And one of the things that we believe that  
20 our proposal has is that if you divest -- and we have  
21 a little block diagram here -- but this just  
22 demonstrates that where you have central offices  
23 represented by each square within an entire block,  
24 there really is no really facilities-based  
25 competition.



1           The incumbent LEC will service any areas  
2 through the central office within that grid. If you  
3 were to throw in some others, what would happen is  
4 given the fact that distances would be greatly  
5 reduced, your distances are now only a few miles to  
6 businesses, shopping centers, new developments,  
7 housing communities, things of that nature.

8           It then becomes feasible to branch out from  
9 a central office into another area serviced by the  
10 incumbent's central office; and what you could  
11 potentially have is competition, real facilities-based  
12 competition, for areas served by different central  
13 offices because of the reduced distances involved.

14           You could conceivably, if you spread them  
15 around among a number of ILECs or ALECs and the  
16 incumbent ILEC, have a situation where, in fact, you  
17 could have two or three or maybe even more carriers  
18 competing for -- competing for the business of  
19 consumers within the territories -- or within the  
20 areas currently served by a central office.

21           We also believe that, given that scenario,  
22 what would happen is that you're faced with the  
23 prospect of losing the business. The incumbent, or  
24 whoever that area encompasses would have a great  
25 incentive to share the wealth in such a way of either

1 through reasonable resale or through collocation or  
2 interconnection or unbundled network elements, because  
3 if your prospect is to lose a new housing community or  
4 a large shopping center or office building or  
5 something of that nature, rather than lose it based  
6 upon the fact that there are short distances involved  
7 in branching out, you may have a great incentive to  
8 actually let the -- your competitor within your  
9 central office or give them access to your unbundled  
10 network elements or collocation or even resale.

11 And that, we believe, would ultimately  
12 create a situation where you have fair agreements that  
13 are being filed and entered into and which other  
14 people can adopt. And so that's what we believe that  
15 a strategy of divestiture on the most basic level of  
16 the central office assets would do something to  
17 really, really generate competition.

18 And, like we said before, some of these  
19 benefits are that with -- when you're only within a  
20 few miles of a local exchange carrier, there are  
21 incentives to either run those connections into the  
22 competing carrier's area or enter into fair  
23 agreements.

24 We believe that this kind of divestiture  
25 would foster a cooperative environment between the

1 incumbents and an acquiring ALEC. We believe that it  
2 would encourage stability and restore the  
3 entrepreneurial confidence in the CLEC industry. We  
4 believe that it would help lead to the reduction and  
5 elimination of regulation by some real competition.

6 We also believe that the proposal, like we  
7 said, would result in the negotiation of reasonable  
8 bilateral agreements between competing  
9 facilities-based carriers, which will potentially have  
10 a snowball effect of allowing others, other carriers,  
11 other ALECs, to adopt those favorable arrangements and  
12 provisions and, thereby, helping to facilitate some of  
13 the great barriers that exist right now in entering  
14 into the territories of these central offices. And we  
15 believe that this would help eliminate some of those  
16 barriers and the pitfalls currently existing in the  
17 interconnection and resale agreements and collocation  
18 agreements.

19 We also believe that based upon the fact  
20 that you would have to divest information about those  
21 central offices, that it would require sharing of the  
22 OSS and the databases that underlie it, thus loosening  
23 the ILECs' grip on this important aspect of running  
24 every -- any telecommunications business.

25 And, finally, we believe that if it was

1 spread around, some of these assets were spread around  
2 to other ALECs, you would create some significantly  
3 good sized ALECs for the FCC and state regulators to  
4 help benchmark.

5 We also believe that this proposal would  
6 still fit in line with the stated goals of the merging  
7 companies in that they want to do out-of-territory and  
8 global expansion. We believe that this proposal would  
9 stimulate new and innovative telecommunications  
10 services.

11 Certainly we believe that it would foster  
12 all the benefits of competition that we talked about  
13 before, including new data networks and all kinds of  
14 new services that only a competitive environment can  
15 bring; and that when there's real competition, people  
16 have an incentive to compete for the business.

17 Supra, this company, is trying to construct  
18 a modern network, facilities-based network, and  
19 certainly this company would like an opportunity to  
20 bid on some of those assets.

21 So at this point I will turn it over to  
22 Mr. Ramos to wrap up.

23 **MR. RAMOS:** Thank you very much,  
24 Commissioners, for granting us this opportunity to  
25 wrap up this presentation.

1           According to the FCC during -- the  
2     implementation of the 1996 Act will attempt to  
3     determine the best ways to encourage competition and  
4     pave the way for aggressive competition in the local  
5     markets.

6           We believe that the process of opening local  
7     telecom markets to continue under regulation will  
8     likely be slowed by consolidation among incumbent  
9     LECs, who would otherwise be a participant in the  
10    process. That part was taken out of the  
11    Bell Atlantic/NYNEX order.

12           An example of divestiture conditions imposed  
13    on a merger is the current example of the MCI WorldCom  
14    merger. You recall, Commissioners, that last year MCI  
15    WorldCom announced their merger intentions, and the  
16    European union took the lead about the summer of last  
17    year and decided that before the merger of  
18    MCI WorldCom could be approved by regulators, that  
19    MCI WorldCom should agree to divest one of its  
20    Internet assets, probably the UUNET asset or the MCI  
21    backbone itself.

22           GTE was one of the companies that fought  
23    tooth and nail to get this issue approved at that  
24    point in time. As a matter of fact, before the  
25    European union came up with its decision at that time,

1 GTE had already filed a lawsuit in the federal courts  
2 challenging the merger of MCI WorldCom, and eventually  
3 MCI WorldCom had to sell the Internet business to  
4 Cable & Wireless, to transfer the assets to Cable &  
5 Wireless, as well as the employees; and Cable &  
6 Wireless got the right to use MCI's name for a year  
7 after the divestiture.

8           According to the 26th president of the  
9 United States, President Theodore Roosevelt, he said  
10 once that in this world the one thing simply worth  
11 having is the opportunity to do well, and a piece of  
12 work of vital consequence to the welfare of mankind.

13           Because what we are asking here today that  
14 the Commission should do -- and the regulators should  
15 impose the conditions of this merger -- is to be  
16 looked at from the point of view that it's going to  
17 improve the welfare of the people.

18           And, Commissioners, I'd like to add one  
19 thing; that the only difference between Bell  
20 Atlantic's pleadings and Supra's proposal is that  
21 while Bell Atlantic is requesting an asset acquisition  
22 through a merger approval, Supra is seeking an asset  
23 acquisition through divestiture. Without required  
24 assets, Supra will not be able to implement its  
25 national services strategy.

1           Commissioners, the Commission is the  
2 conscience of this industry, a role that regulators  
3 have played for almost 130 years. You set the rules  
4 and standards for industry. This is about what is  
5 right for the people of Florida, the American public  
6 and the TA.

7           In her newest book, "It Takes a Village,"  
8 the First Lady, Mrs. Rodham Clinton, talked about the  
9 fact that it takes the collective responsibility of  
10 all of us to raise a child. As one of the FCC  
11 Commissioners recently stated, think of the TA as a  
12 child. And that is Commissioner Susan Ness.

13           The Congress of this country, by the passage  
14 of the TA, placed the ultimate responsibility of  
15 raising the TA in the laps of this Commission as well  
16 as the other commissions.

17           When I think of the tortuous route my  
18 colleagues and I have traveled in the last three years  
19 or so to get to this stage that we are right now, when  
20 I think of the tears and pains that we have  
21 collectively shed and shared, the 100% consumers that  
22 want to save on their local telephone bill, the  
23 Floridians that want a choice in their local telephone  
24 service, as well as the Americans who want one bill  
25 for their telecommunications services, and this whole

1 process, I think about what President Theodore  
2 Roosevelt said, and would very much appreciate it if  
3 you can find it in your wisdom to write a letter to  
4 the FCC backing the proposal that Supra submitted to  
5 the FCC and to this Commission on this merger.

6 Like I said early on, the FCC has such  
7 rights to place conditions on -- divestiture  
8 conditions on mergers. The European union did it last  
9 year; says the initiatives were from the U.S.  
10 regulators, the U.S. regulators had no choice but to  
11 agree with the European union, because the MCI  
12 WorldCom transaction was more of a global transaction.

13 In this instance, you don't have the  
14 European union interfering in this process because the  
15 Bell Atlantic/GTE transaction is more of a local  
16 transaction than a global transaction. And in that  
17 case, that means it's left to the U.S. regulators to  
18 determine what would be best for consumers and  
19 competition.

20 Thank you very much.

21 **MS. KEATING:** We had reserved a few minutes  
22 at the end of the presentations for additional  
23 discussion if there is any; for instance, if there's  
24 any specific questions for any of the previous  
25 presenters from the Commissioners or from other



1 participants.

2 **COMMISSIONER DEASON:** Any questions?

3 **MR. BUECHELE:** We have some questions and  
4 we'd like to voice them to the merging parties, GTE  
5 and Bell Atlantic.

6 And one of the things that we'd like to know  
7 is if GTE cannot compete right now in Miami and it's  
8 already the same size or larger than BellSouth, why  
9 are they going to be able to compete in Miami after  
10 they merge? And, in fact, if that's the case, how big  
11 does BellSouth have to be in order to compete in GTE  
12 areas in Florida such as Tampa?

13 **COMMISSIONER DEASON:** Is anyone here going  
14 to respond? Please identify yourself again for the  
15 record.

16 **MR. GOULD:** I'm Jeff Gould with GTE  
17 Corporation. We have -- as we've indicated, the  
18 reason we'll be able to complete in Miami after the  
19 merger is because of the existing customer  
20 relationships that Bell Atlantic brings to the merged  
21 entity. We've made that clear in our filings and in  
22 our comments today, I believe.

23 **MR. BUECHELE:** And we'd also like to know if  
24 it's true that GTE will be divesting itself of many of  
25 its assets at this point in time.

1           **MR. GOULD:** I think you're referring to the  
2 property repositioning that we initiated in 1998.  
3 And, yes, we are in the process of divesting -- I  
4 believe it's approximately 1.5 million access lines.

5           **COMMISSIONER JACOBS:** What will happen to  
6 those?

7           **MR. GOULD:** Those are being offered for sale  
8 to parties who are willing to bid on them. They're in  
9 a number of states. None of them are in Florida, but  
10 they are up for sale and we are currently negotiating  
11 with prospective buyers.

12           **MR. BUCHELE:** Does GTE agree with the fact  
13 that the only way you can compete is with  
14 facilities-based?

15           **MR. GOULD:** We believe that the primary --  
16 the best way to compete is with facilities-based  
17 assets. We do, however, believe -- and we will enter  
18 initially using either unbundled networks or resale,  
19 but ultimately facilities-based competition is the  
20 only really competition.

21           **MR. BUCHELE:** And how then can Bell  
22 Atlantic not compete in Miami using unbundled network  
23 elements or anything of that nature in a  
24 facilities-based scheme without actually having  
25 central offices at this time, as opposed to requiring

1 GTE --

2           **MR. MATHIS:** I'm Mark Mathis with Bell  
3 Atlantic. We can't compete now. If you look at our  
4 experience in long distance, we had grand visions of  
5 how successful we were going to be in Florida and  
6 other states, and we have less than 10,000 customers  
7 as a reseller.

8           It hasn't been a great success. We don't  
9 have a presence here. And our hope is that by  
10 combining with GTE, we're going to be able to take  
11 advantage of the facilities they have, including their  
12 BBN, backbone Internet network, to provide service.

13           **MR. BUECHELE:** And would you agree that the  
14 best way to have competition in any area is to have a  
15 central office in that area?

16           **MR. MATHIS:** I don't know what the best way  
17 is. I mean, that remains to be seen. We're going to  
18 be entering these markets, as our chairman said, and  
19 see how we do. We may not be successful, but we're  
20 certainly going to try.

21           And if you want to have RBOC to RBOC  
22 competition, which is what a lot of the public policy  
23 makers of this country want, then that's what we  
24 offer.

25           What's not going to happen here -- and,

1 frankly, I find it sort of amazing to listen to this  
2 discussion this afternoon. There's all this talk  
3 about the fact that you're going to be eliminating an  
4 RBOC. Well, GTE never has been, is not, and never  
5 will be an RBOC. It was not part of the Bell system.

6 In addition, this really has nothing to do  
7 with 271 in our states. We can provide long distance  
8 now here in Florida, and we do; and the fact that  
9 there is a merger is not going to eliminate us as a  
10 long distance provider, however small we may be in  
11 Florida. It's just not relevant for this particular  
12 market.

13 **MR. BUECHELE:** And just one more thing. In  
14 Florida right now isn't it true that whether or not  
15 you choose to, let's say, go into the Miami area  
16 depends upon the economics of it, since right now GTE  
17 is not there, and certainly you could, without GTE,  
18 either establish your own central offices in the Miami  
19 area or work out arrangements with BellSouth because,  
20 in fact, they're your customers that you say have the  
21 connection between Miami and the northeast?

22 **MR. MATHIS:** Well, it's true that it is a  
23 matter of economics, and right now we don't think that  
24 with the combination that we have as ourselves, that  
25 we can make a go of it. We haven't been able to be

1 successful in long distance, much less being able to  
2 then go take on local.

3           On the other hand, when you combine Bell  
4 Atlantic with GTE, you're putting together two  
5 companies with two very different organizations and  
6 facilities. I mean, they do have Internet assets. We  
7 don't. We have nothing. We're a reseller in Florida  
8 of long distance.

9           And the hope is -- and, you know, you never  
10 know if these things are going to work out -- but the  
11 hope is that by combining the two companies, we will  
12 be able to combine our different best practices, our  
13 different facilities, our different strengths to be a  
14 successful competitor to BellSouth.

15           Now, if you want -- if this Commission and  
16 the FCC wants to take a chance that that's something  
17 that might happen, they should approve the merger.  
18 This Commission already has, but I guess the issue  
19 here is whether or not they want to support the merger  
20 in front of the FCC.

21           **MR. BUECHELE:** Would you agree or disagree  
22 that the competition in the long distance market only  
23 occurred when people had the ability to have the  
24 physical assets to transport that long distance and it  
25 was spread amongst a lot of companies?

1           **MR. MATHIS:** I wouldn't agree with that at  
2 all. In fact, I think if you look at the MCI  
3 strategy, they initially started doing their resale,  
4 and over time, they built out their facilities.

5           I don't think that only being able to  
6 provide long distance through facilities was the basis  
7 for competition.

8           **MR. GOULD:** I'd point out that GTE today is  
9 providing long distance, has a substantial long  
10 distance business in excess of 2 and a half million  
11 customers, and it is not a facilities-based long  
12 distance business.

13           **COMMISSIONER JACOBS:** It appears that you  
14 guys are looking at an end run game that's pretty much  
15 a national and international marketplace and the RBOCs  
16 are going to be the major players. Is that a fair  
17 assessment?

18           **MR. GOULD:** Yes. We believe that the new  
19 marketplace is one for bundled packages provided  
20 nationwide, and we want to be able to compete with  
21 AT&T, TCI, MCI WorldCom, Sprint, Deutsch Telecom,  
22 France Telecom. Those are the three major players in  
23 the worldwide market for bundled telecom services.  
24 This merger enables us to us compete in that market  
25 with those players.

1           **COMMISSIONER JACOBS:** As policy makers here  
2 then, how do we ensure that -- particularly in a state  
3 where we have some high density areas, but the large  
4 part of this marketplace are not high density areas,  
5 how do we make sure then that we maintain some level  
6 of competitiveness in those areas as well?

7           **MR. GOULD:** I think you certainly do have  
8 that obligation, and we have an obligation to see that  
9 that's carried out with you.

10           And as I spoke earlier, we believe that the  
11 appropriate way to get full-scale residential  
12 competition in all markets is to remove the subsidies  
13 from the existing rate structure.

14           If you want competition in the local  
15 residential market, your -- the subsidies that are  
16 presently there today create prices that are below  
17 cost, making it uneconomical for a new entrant to  
18 compete. To get competition you have to remove those  
19 subsidies and collect them in some other way.

20           **COMMISSIONER JACOBS:** Thank you.

21           **COMMISSIONER DEASON:** Further questions?

22           **MR. RAMOS:** Actually, Commissioners, I'm  
23 sorry. The particular issue that was raised by  
24 Commissioner Johnson earlier on before she left on  
25 asking the ILECs to divest themselves of their central

1 offices and the loops, an idea that was formerly  
2 propounded by LTD, she said that during the course of  
3 our presentation we should mention something about it,  
4 about that particular issue.

5 In Connecticut there used to be a company  
6 called SNET. Right now SNET has been was acquired by  
7 SBC -- SNET, S-N-E-T, was acquired by SBC last year.  
8 That used to be the incumbent local exchange carrier  
9 in the state of Connecticut.

10 And the Connecticut Public Utilities  
11 Commission in 1997 did an experiment with SNET where  
12 they formed two separate companies from the present  
13 SNET. One was in charge of the central offices and  
14 the local loops, and then the other one was --  
15 provided services directly to the public. And that's  
16 the kind of idea that Commissioner Johnson was talking  
17 about earlier on.

18 That whole scenario right now has collapsed  
19 because of the fact that SBC has acquired SNET, and  
20 even before the acquisition of SNET by SBC, the idea  
21 itself suffered a lot of setbacks because of what our  
22 counsel said earlier on. The companies are still the  
23 same corporations, though you have a wholesale unit  
24 and you have a resale unit; but the point of the  
25 matter still remains, that the culture of the



1 individual employees of the corporations are still the  
2 same.

3           So we're just trying to reinforce that, that  
4 that idea is totally different from our divestiture  
5 idea. Our divestiture idea is saying that those  
6 assets should be sold to small or medium-sized ALECs  
7 that would be able to compete with these companies.

8           **MR. BUCHELE:** We have a question. Are any  
9 of the assets being divested by GTE located within  
10 current Bell Atlantic territories?

11           **MR. GOULD:** No. We have some assets. The  
12 only two states where we serve territory that Bell  
13 Atlantic also serves is Pennsylvania and Virginia.  
14 And at the present -- as part of the original  
15 offering, none of those assets were offered for sale.

16           **MR. MATHIS:** I should say that once upon a  
17 time they were in some of our states and they did  
18 dispose of those assets.

19           **COMMISSIONER DEASON:** Any further questions?

20           **MR. BUCHELE:** Just one more.

21           Do you have any proposal for creating any  
22 real competition between the RBOCs, or is it just  
23 merger?

24           **MR. MATHIS:** Well, I think we've set forth  
25 our proposal for real competition with the RBOCs. You

1 may not like it. You may not believe it. You may not  
2 wanted to endorse it, but we think it's a good  
3 proposal and would start here in Florida with Miami  
4 Orlando and Jacksonville. And we think that's a real  
5 proposal for competition with RBOCs, and we have it in  
6 several other states as well.

7 **MR. BUECHELE:** Did you do any of that  
8 competition after you -- Bell Atlantic merged with  
9 NYNEX?

10 **MR. MATHIS:** Well, after Bell Atlantic  
11 merged with NYNEX, we were not going into Miami,  
12 Orlando or Jacksonville.

13 **MR. BUECHELE:** How about anywhere else?

14 **MR. MATHIS:** Well, why would we do that?  
15 The reason for doing the GTE merger is to facilitate  
16 our ability to compete in places like Miami.

17 **MS. MILLER:** Commissioners, if I could, I  
18 think originally this workshop sprung from, I think,  
19 Sprint's request that you weigh in at the federal  
20 level. And so we have received their comments, we  
21 have reviewed them, and then I think Mary Bane asked  
22 that you hold a workshop on it.

23 We're looking for any input that you want to  
24 give us. If not, we'll try to develop something, but  
25 this has been a hard one for us as to how you might

1 want us to weigh in and, you know, whether you're  
2 comfortable.

3           **COMMISSIONER CLARK:** See, my thought was --  
4 and the purpose of this is to sort of look beyond just  
5 Florida and look at it from the standpoint of what  
6 would we suggest to the authority -- the authority  
7 that has the ability to do something about it; are  
8 there concerns that have been raised today that we  
9 would like to say we've heard from them and we think  
10 these merit your further looking at them.

11           I mean, I'd be concerned that they're going  
12 to have 32% of the access lines. On the other hand,  
13 they may be right, that the end game sort of is going  
14 to be a global competition, and that you will have  
15 large -- five large companies, perhaps, that are the  
16 ultimate competitors. But what does that mean  
17 regionally?

18           I think there is a concern that it will have  
19 the impact that the airline industry has had.  
20 Frankly, I'm tired of paying the rates we have to pay  
21 just get to Atlanta, and it's because there's no real  
22 competition on that route.

23           **COMMISSIONER JACOBS:** I think I'll echo  
24 particularly the last point. I don't doubt that the  
25 driving forces right now in the international and the

1 national marketplace are as described here. I think  
2 we have to be focused on what does this mean for this  
3 region, for this state, and what are the implications,  
4 what issues are raised.

5 I don't know that we can make final  
6 determinations, but I think issues -- we can raise  
7 issues. We can indicate to the agency what we think  
8 should be important considerations that they look at,  
9 and then I think we may reiterate things that we've  
10 heard on how they play into those issues.

11 I'd be concerned that we don't get lost in  
12 the shuffle. I think that we have to recognize what  
13 things are unique to Florida, what things are unique  
14 to this region, how those issues that are raised by  
15 this transaction affect those particular issues, and  
16 to what extent we might offer some solutions; and then  
17 I think that's something that we have to vote on and  
18 figure out where we go from there.

19 **COMMISSIONER DEASON:** Let me offer my  
20 thoughts.

21 Obviously our jurisdiction is limited in  
22 this regard. We've already recognized that fact.  
23 We've taken action to the extent that we have  
24 jurisdiction. The question is now do we wish to  
25 provide additional comments to the ultimate decision

1 makers.

2 Just because we've requested comments and  
3 we've held this workshop, I don't think that it's  
4 necessary that we file comments. So I think, Staff,  
5 you need to evaluate whether it is worthwhile to file  
6 comments. Whether we have something to add to the  
7 debate and we feel compelled enough to enter into that  
8 debate so that hopefully the end product would be  
9 better for it.

10 Just because we've gone through this  
11 exercise, don't feel like you have an obligation to  
12 come back with a recommendation that we have anything  
13 to do at this point. But if Staff feels compelled and  
14 wants to make a recommendation, I think that's the  
15 process that needs to follow is that you need to make  
16 a recommendation to the Commission that, first of all,  
17 that we do file comments and what those comments  
18 should say.

19 **MS. MILLER:** I don't have a Commission  
20 calendar in front of me, but I think the next Internal  
21 Affairs is around the 16th, so I don't think we'd make  
22 that one because we'd have to turn them in by next  
23 Wednesday, I think.

24 **COMMISSIONER DEASON:** When are the comments  
25 due?

1           **MS. MILLER:** Well, that's interesting.  
2 We've talked to the FCC and the Department of Justice,  
3 and basically they don't have an exact deadline, and  
4 they say that the sooner you weigh in, the better your  
5 chance of having it seriously considered, but that  
6 overall, they were -- the FCC said they were kind of  
7 on a six-month time clock; and I think they said that  
8 last month.

9           So there's no exact deadline, and so I guess  
10 what I'm thinking about is bringing something to  
11 Internal Affairs or the recommendation not to file  
12 anything; the Internal Affairs after the one on the  
13 16th.

14           **COMMISSIONER DEASON:** Is that fine?

15           **COMMISSIONER CLARK:** Fine.

16           **COMMISSIONER DEASON:** Okay.

17           **MR. BUECHELE:** Could I -- just one comment  
18 before we --

19           **COMMISSIONER DEASON:** I want you to  
20 recognize that we're after the allotted hour that we  
21 were going to conclude this, so make your comment  
22 extremely brief.

23           **MR. BUECHELE:** I appreciate your brevity. I  
24 would just like to tell the Commission that the fact  
25 that you've recognized that you have limited authority

1 and have ruled the way you have, based on that limited  
2 authority, if you don't provide comments to the FCC,  
3 it means that the state of Florida will not have  
4 voiced its position on this matter. And we think that  
5 perhaps an issue of such great magnitude as this,  
6 perhaps we should -- and we would implore the  
7 Commission to think about actually voicing the state's  
8 opinion on that, because, in fact, that's what our  
9 democracy is about, in hoping to have our voices  
10 heard.

11 Thank you.

12 **COMMISSIONER DEASON:** Okay. Does Staff have  
13 any concluding comments?

14 **MS. MILLER:** One person has raised the idea  
15 of us sending our competition report. So I'm just  
16 going to put that and -- for folks to think about, and  
17 we may bring that back. We're just debating a lot of  
18 things.

19 **COMMISSIONER DEASON:** I'm sorry. Which  
20 report?

21 **MS. MILLER:** Our Florida competition report  
22 that we have to file with the Legislature.

23 **COMMISSIONER DEASON:** Okay. All right. I  
24 want to thank everyone for your attendance and  
25 participation, and this workshop is now concluded.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25

(Thereupon, the workshop concluded  
at 5:10 p.m.)

- - - - -







agreements 122/3, 126/12, 126/23, 127/8, 127/17, 127/18  
 aid 39/8, 68/6  
 aimed 98/5  
 Air 41/23, 102/23  
 airline 110/24, 143/19  
 Alabama 41/25  
 ALEC 76/11, 116/7, 127/1  
 ALECs 70/25, 71/3, 71/6, 84/21, 84/22, 84/25, 85/6, 85/7, 120/1, 125/15, 127/11, 128/2, 128/3, 141/6  
 ALECs' 68/7  
 alleged 34/13, 117/12, 122/22  
 alliances 20/6, 30/2, 30/3  
 allocate 65/5  
 allocated 65/14, 106/2  
 allocations 64/25  
 allotted 105/19, 106/9, 146/20  
 allow 7/2, 11/21, 12/12, 13/8, 15/14, 57/12, 64/15, 75/12, 76/22, 81/8, 81/18, 86/3, 91/2, 92/5  
 allowed 40/22, 55/22, 59/19, 61/17, 62/17, 72/21, 72/22, 84/18, 100/15, 100/16  
 allowing 51/11, 60/20, 69/19, 75/14, 81/9, 95/5, 111/16, 127/10  
 allows 39/12, 84/10, 93/23, 97/19  
 alternative 67/3, 68/15  
 amazing 136/1  
 ambitious 7/8  
 amended 48/3  
 Amendment 54/7  
 America 31/22, 98/25  
 American 56/24, 65/23, 77/19, 107/17, 131/5  
 Americans 131/24  
 Ameritac 84/1  
 Ameritech 20/9  
 Ameritech/SBC 30/16  
 amount 9/18, 37/3, 64/18, 104/13  
 amounts 35/13, 114/10  
 analyzing 122/15  
 anathema 46/12  
 anchor 8/2, 9/2, 21/1, 42/22, 43/23, 44/5, 45/3, 45/8, 45/13  
 Ann 87/17  
 announced 9/4, 68/2, 84/2, 129/15  
 announcement 44/16, 67/25  
 announcing 33/15  
 annual 115/3  
 answer 21/14, 22/6, 49/11, 55/3, 80/16, 98/23  
 answering 89/21, 90/2, 90/9, 90/18, 91/1  
 answers 8/10  
 anti-competitive 41/8  
 anticipate 19/16  
 anticipated 31/8  
 anticompetitive 32/24, 34/21, 48/16, 118/15, 122/23  
 antitrust 9/3, 18/1, 30/7, 56/23, 57/6, 57/7, 60/18, 63/12, 63/15, 63/23, 110/14, 122/14, 122/19  
 AOL 99/4, 99/6, 99/7  
 apologize 87/13, 95/25, 106/16, 124/1  
 applicable 73/4  
 applicants 42/3  
 applicants' 41/10  
 application 33/22, 109/11, 115/18, 119/15  
 applications 76/9, 95/14  
 applies 59/4  
 apply 67/17, 119/12  
 appreciate 5/6, 15/21, 16/12, 16/20, 16/23, 21/11, 132/2, 146/23  
 apprehension 16/10  
 approach 88/1, 107/3  
 appropriate 48/7, 92/11, 139/11  
 approval 15/19, 16/6, 32/20, 33/23, 36/22, 40/1, 40/8, 40/13, 40/19, 67/18, 100/24, 110/5, 119/6, 130/22  
 approvals 44/19  
 approve 67/20, 72/8, 72/11, 122/3, 137/17  
 approved 16/4, 16/24, 18/2, 18/3, 83/10, 83/23, 84/7, 100/13, 114/4, 115/20, 119/10, 123/14, 129/18, 129/23  
 approving 16/2  
 arbitration 69/1, 81/24  
 area 10/11, 18/15, 21/20, 27/24, 28/13, 44/10, 52/20, 62/10, 78/14, 98/18, 112/12, 125/9, 125/24, 126/22, 135/14, 135/15, 136/15, 136/19  
 areas 7/4, 10/16, 12/18, 19/21, 21/22, 22/16, 32/6, 41/17, 41/24, 45/4, 71/19, 89/11, 92/2, 93/19, 93/20, 95/18, 95/22, 112/21, 112/23, 117/19, 125/1, 125/12, 125/20, 133/12, 139/3, 139/4, 139/6  
 arena 69/4  
 argue 72/20  
 argued 42/11  
 argues 44/2  
 arguing 45/2, 73/7  
 argument 46/3, 46/12, 81/14  
 arguments 73/4, 73/6  
 Arizona 41/21

arm 63/25  
 armistices 120/19  
 arrangement 40/15  
 arrangements 38/2, 127/11, 136/19  
 array 92/2  
 Article 54/1, 54/9  
 articulated 118/9  
 articulation 88/11  
 ascertain 39/14, 52/5  
 aspect 14/13, 53/6, 113/3, 127/23  
 assert 40/7  
 assess 39/13  
 assessment 138/17  
 asset 86/23, 86/25, 129/20, 130/21, 130/22  
 assets 6/20, 84/21, 86/8, 88/2, 124/16, 126/16, 128/1, 128/20, 129/20, 130/4, 130/24, 133/25, 134/17, 137/6, 137/24, 141/6, 141/9, 141/11, 141/15, 141/18  
 assist 80/10  
 Assistant 110/17, 122/15  
 assisting 67/8  
 assure 94/6  
 assured 16/1  
 asymmetry 39/10  
 AT&T 2/12, 3/10, 20/5, 45/23, 46/23, 57/5, 57/7, 57/8, 57/16, 59/13, 59/25, 60/20, 60/23, 61/20, 63/12, 63/17, 63/25, 64/1, 83/12, 84/2, 102/3, 105/15, 106/3, 106/6, 106/8, 106/10, 106/12, 138/21  
 AT&T's 56/25, 105/20  
 Atlanta 143/21  
 Atlantic 1/6, 1/7, 2/6, 3/5, 4/4, 5/1, 8/9, 8/22, 10/24, 12/5, 13/1, 13/8, 13/17, 14/4, 14/8, 14/17, 15/23, 16/2, 16/16, 16/17, 16/21, 17/3, 17/14, 17/15, 18/18, 19/18, 20/19, 20/21, 21/5, 21/12, 26/10, 26/14, 26/23, 29/13, 31/17, 32/3, 32/8, 32/18, 32/19, 33/4, 33/12, 33/20, 33/25, 34/6, 34/13, 34/18, 34/23, 35/2, 36/2, 39/24, 39/25, 40/3, 40/7, 40/10, 40/17, 41/20, 41/23, 42/8, 43/4, 43/6, 43/7, 44/3, 45/1, 45/3, 45/8, 45/12, 45/18, 45/21, 45/24, 45/25, 46/4, 49/6, 67/21, 68/1, 71/22, 72/5, 72/18, 72/22, 73/19, 76/8, 76/13, 83/14, 83/24, 84/1, 90/13, 91/11, 92/13, 93/13, 101/3, 108/5, 108/25, 109/7, 112/19, 113/3, 113/4, 113/9, 113/11, 113/15, 115/2, 115/17, 116/1, 117/5, 117/8, 118/22, 118/25, 120/7, 120/9, 130/21, 133/5, 133/20, 134/22, 135/3, 137/4, 141/10, 141/13, 142/8, 142/10  
 Atlantic's 12/14, 12/24, 13/2, 15/12, 38/5, 42/13, 44/5, 45/10, 45/20, 110/2, 118/17, 119/4, 120/4, 130/20  
 Atlantic/GTE 5/8, 5/18, 5/20, 9/1, 11/20, 14/14, 21/4, 30/20, 31/10, 36/20, 37/6, 48/21, 79/4, 86/22, 132/15  
 Atlantic/NYNEX 83/7, 84/14, 94/4, 100/19, 101/9, 119/16, 121/17, 122/17, 129/11  
 ATM 13/9, 93/16, 93/22, 95/19, 97/16, 97/18  
 attachment 60/24  
 attachments 61/15  
 attack 10/12  
 attacks 9/21  
 attained 40/1, 43/18  
 attempt 129/2  
 ATTENDANCE 2/1, 147/24  
 attention 94/13  
 attitude 61/8  
 attorney 29/2, 57/4, 110/17, 122/16  
 attractive 8/14, 90/3  
 audience 31/21  
 audio 91/19  
 August 58/3  
 authority 16/6, 33/22, 36/24, 40/21, 48/1, 82/12, 143/6, 146/25, 147/2  
 authorized 56/6  
 automatically 59/18  
 automotive 92/3  
 availability 5/21, 35/16, 39/10, 48/11, 111/7  
 available 32/16, 38/20, 40/14, 93/22, 112/1, 115/25  
 average 37/8, 37/11  
 avoid 31/5, 57/6, 110/22, 115/18  
 awareness 42/24  
 awkward 95/25

**B**

backbone 13/25, 14/2, 14/5, 14/7, 47/2, 47/9, 47/12, 93/17, 93/23, 95/19, 97/17, 97/18, 97/19, 129/21, 135/12  
 backdrop 108/17  
 background 5/4, 6/21, 34/12, 51/20  
 backing 132/4  
 bad 32/3, 32/4  
 balance 119/22, 123/11  
 balancing 122/22, 123/6, 123/9, 123/10  
 banc 107/13  
 bandwidth 89/10, 93/19, 93/24, 94/1, 97/20  
 Bane 142/21  
 BARONE 27, 29/8  
 barriers 6/1, 45/7, 70/17, 70/19, 70/23, 72/1, 72/6,

72/12, 127/13, 127/16  
 base 8/1, 9/1, 12/15, 12/18, 12/24, 13/2, 15/12, 42/21, 43/23, 61/12, 95/4  
 based 65/12, 66/22, 83/22, 92/1, 92/6, 92/9, 95/21, 96/1, 96/15, 106/21, 124/10, 126/5, 127/19, 147/1  
 basis 5/23, 6/17, 15/4, 35/8, 43/3, 53/24, 61/3, 122/10, 130/6  
 battles 120/14  
 BBN 135/12  
 bear 114/6  
 behavior 48/16, 113/19, 113/23  
 behavioral 67/1  
 Bell 1/6, 1/7, 3/5, 5/8, 5/18, 5/20, 8/9, 8/22, 8/25, 10/24, 11/19, 12/5, 12/14, 12/24, 12/25, 13/2, 13/7, 13/17, 14/4, 14/8, 14/14, 14/17, 15/12, 15/23, 16/16, 16/17, 16/21, 17/2, 17/3, 17/13, 17/15, 17/21, 18/18, 19/17, 20/19, 20/21, 21/4, 21/5, 21/12, 26/10, 26/14, 26/23, 29/13, 30/20, 30/23, 31/4, 31/9, 31/17, 32/3, 32/7, 32/17, 32/19, 33/4, 33/12, 33/19, 33/25, 34/6, 34/11, 34/12, 34/18, 34/23, 35/1, 36/2, 36/20, 37/6, 38/5, 39/24, 39/25, 40/3, 40/7, 40/10, 40/17, 40/22, 41/20, 41/23, 42/8, 42/13, 43/4, 43/6, 43/7, 44/3, 44/5, 44/25, 45/2, 45/5, 45/8, 45/10, 45/12, 45/17, 45/19, 45/21, 45/24, 45/25, 46/4, 48/21, 49/6, 57/14, 59/19, 60/2, 63/17, 64/4, 67/21, 70/6, 71/22, 71/23, 72/5, 72/18, 72/22, 72/24, 73/2, 73/18, 76/8, 76/13, 79/4, 83/7, 83/14, 83/24, 83/25, 84/1, 84/13, 86/22, 90/12, 91/11, 92/12, 93/13, 94/4, 100/18, 101/3, 101/6, 101/9, 102/4, 107/18, 108/5, 108/16, 108/25, 109/7, 110/2, 113/2, 113/4, 113/9, 113/11, 113/15, 114/16, 115/2, 115/17, 116/1, 117/4, 117/8, 118/17, 118/22, 118/25, 119/4, 119/16, 119/17, 120/4, 120/7, 120/9, 121/17, 122/17, 122/25, 129/11, 130/19, 130/21, 132/15, 133/5, 133/20, 134/21, 135/2, 136/5, 137/3, 141/10, 141/12, 142/8, 142/10  
 BellAtlantic/NYNEX 101/2  
 BellSouth 21/8, 27/23, 27/25, 28/8, 72/18, 72/22, 73/19, 73/20, 73/22, 73/23, 118/1, 133/8, 133/11, 136/19, 137/14  
 BellSouth's 112/16, 120/4  
 benchmark 123/2, 128/4  
 benchmarking 39/7, 39/12  
 benchmarks 32/16, 38/20, 39/8, 39/19  
 BENDER 2/9, 3/7, 51/8  
 beneficial 5/9, 5/11, 12/10, 13/23  
 benefit 10/23, 11/9, 11/19, 38/16, 43/20, 62/12, 70/19, 78/14, 87/10, 87/15, 89/22, 97/16, 107/17, 116/21, 120/13, 121/21, 122/5  
 benefited 66/24  
 benefits 11/14, 26/10, 30/4, 43/16, 73/25, 74/1, 74/24, 75/1, 75/15, 75/19, 76/22, 78/5, 79/3, 79/5, 79/17, 84/24, 95/2, 101/20, 110/1, 117/13, 122/22, 123/12, 123/13, 126/19, 128/12  
 BETH 2/2  
 Betty 1/19  
 bid 128/20, 134/8  
 big 6/2, 81/20, 133/10  
 bigger 80/7  
 bilateral 127/8  
 bill 105/6, 131/22, 131/24  
 billed 98/3  
 billion 68/18, 115/4, 115/5  
 binding 54/12  
 Binghamton 87/17  
 bit 12/4, 16/22, 17/2, 19/9, 20/17, 50/5, 51/20, 75/19, 80/7, 85/13, 105/18, 124/3  
 blame 100/13  
 blind 75/9  
 block 124/21, 124/23  
 blocking 97/4  
 board 11/11, 23/5, 89/9, 91/24, 124/7  
 boards 92/14  
 boasted 44/16  
 boasts 90/20  
 BOCs 73/1  
 bode 113/13  
 bodes 120/6  
 bodies 51/20, 53/13, 118/21  
 body 58/11  
 bolts 46/5  
 bold 66/1  
 book 131/7  
 boost 11/3, 11/20  
 Boston 114/14  
 bottleneck 108/12  
 bottom 102/17  
 boundaries 64/17, 111/22  
 branch 51/25, 125/8  
 branching 70/10, 126/7  
 brand 7/22, 8/17, 8/22, 34/11, 42/9, 42/22, 42/23, 42/24, 43/24, 45/10, 45/13, 45/20, 45/21  
 brands 11/1  
 break 4/20, 5/25, 49/2, 49/25, 50/24, 70/17, 72/1,

100/20  
breakthrough 55/20  
brevity 146/23  
bridge 51/14, 105/10  
Brief 5/1, 53/19, 66/22, 101/25, 146/22  
bring 6/1, 13/8, 20/18, 37/24, 91/17, 104/1, 105/9, 128/15, 147/17  
bringing 146/10  
brings 74/6, 133/20  
broad 6/4, 10/15, 52/20  
broader 12/13  
brought 60/5  
BUCHELE 2/10, 3/8, 3/11, 51/6, 69/25, 70/3, 85/12  
build 80/4, 105/10  
building 7/12, 8/13, 12/9, 13/10, 14/23, 126/4  
built 10/9, 66/6, 115/14, 138/4  
bulk 11/12, 11/13, 71/9, 76/25  
bulking 75/8  
bulletin 89/9, 91/24, 92/14  
bundle 28/4, 44/13  
bundled 11/6, 27/24, 105/1, 138/19, 138/23  
bundling 28/6  
burden 55/24, 119/21, 121/21  
Bureau 104/9  
business 9/10, 9/15, 9/24, 10/2, 10/4, 10/9, 10/10, 14/9, 26/24, 27/8, 27/9, 27/13, 42/12, 42/14, 44/6, 49/7, 52/3, 52/18, 53/25, 64/2, 64/3, 67/14, 67/16, 67/23, 74/7, 74/11, 74/16, 76/20, 76/21, 76/24, 79/9, 79/12, 95/24, 96/5, 96/18, 98/7, 99/1, 102/13, 103/14, 103/20, 103/21, 103/24, 116/15, 116/19, 119/8, 125/18, 125/23, 127/24, 128/16, 130/3, 138/10, 138/12  
businesses 40/16, 41/2, 44/9, 76/23, 95/12, 125/6  
buy 28/3, 90/9  
buyers 134/11

C

Cable 14/3, 20/6, 47/4, 58/22, 130/4, 130/5  
calendar 145/20  
California 25/2, 43/11, 68/5, 102/11  
call 35/1, 69/24, 89/21, 91/1, 97/4, 97/23, 99/14, 114/13  
caller 18/8  
calls 37/14, 98/1, 102/11, 102/12, 102/13  
Cambridge 18/12  
came 65/9, 83/15, 83/16, 83/17, 129/25  
campaign 44/23  
campaigns 8/24  
Canada 42/5  
candidate 34/1  
candor 113/2  
cap 64/14, 64/17  
capabilities 8/21, 30/1, 37/20, 46/1, 115/23  
capability 91/17, 105/3  
capacity 13/12  
capital 43/22, 79/24  
capitalization 115/5  
capitalize 19/19  
caps 64/7, 64/10, 64/13, 64/15, 64/20  
Carolina 43/14  
carried 139/9  
carrier 28/12, 34/15, 40/24, 46/6, 46/9, 49/10, 59/1, 59/2, 59/5, 59/7, 62/3, 62/17, 62/20, 68/25, 80/21, 80/25, 104/9, 111/1, 111/20, 126/20, 140/8  
carrier's 126/22  
carrier-to-carrier 38/7  
carriers 15/16, 15/18, 37/18, 38/21, 39/1, 39/5, 39/7, 39/17, 62/3, 62/5, 62/14, 62/15, 63/19, 63/20, 64/19, 66/24, 67/2, 67/3, 67/12, 73/9, 108/2, 123/4, 125/17, 127/9, 127/10  
carries 15/6  
carry 7/7, 15/8, 58/23  
Carter 61/10  
Carterfone 61/15, 61/22  
Carterfones 61/9  
case 9/24, 10/4, 25/20, 25/23, 27/8, 27/13, 37/22, 61/8, 132/17, 133/10  
cases 80/20  
CASWELL 2/5  
catch 105/16  
category 47/13  
caused 22/1  
caution 41/12  
cease 55/9  
cellular 6/15, 41/19, 41/20, 41/23, 42/1, 42/4, 73/9, 102/20, 103/5  
Center 1/19, 126/4  
centers 125/6  
central 18/5, 21/17, 22/5, 24/14, 82/18, 84/20, 85/1, 85/5, 93/13, 93/17, 94/20, 95/1, 95/6, 96/1, 96/15, 98/19, 99/12, 99/19, 107/23, 113/3, 124/22, 125/2, 125/9, 125/10, 125/12, 125/20, 126/9, 126/16, 127/14, 127/21, 134/25, 135/15, 136/18, 139/25, 140/13

CENTREX 95/21, 96/1  
cents 102/24, 103/4  
century 53/10, 53/11, 105/11  
CEO 66/11, 113/4  
CERTIFICATE 3/14, 59/3, 149/1  
certificates 116/6  
certified 33/18, 63/10, 149/7  
CERTIFY 149/4  
CHAIRMAN 1/12, 4/3, 4/18, 9/4, 29/11, 49/24, 50/22, 51/11, 66/3, 66/11, 107/13, 118/23, 135/18  
challenges 48/10  
challenging 130/2  
chance 137/16, 146/5  
change 59/21, 61/8, 64/8, 66/7, 69/22, 93/10  
changed 44/24, 102/17, 111/24  
changes 67/11, 74/12, 96/22  
changing 58/12  
Chapter 48/3, 48/10  
characteristics 52/11  
characterized 70/21  
charge 91/6, 96/17, 114/10, 140/13  
charged 58/20, 59/17, 99/16, 107/6  
charges 91/8, 97/24, 99/23, 100/2, 102/21, 112/14, 112/17  
charging 59/14, 99/2, 111/8  
Charles 113/8  
Charleston 18/8  
cheaper 22/8, 99/15, 101/23, 105/12  
check 117/24  
checklist 35/8, 35/14, 40/11  
cherry-picked 117/3  
Chicago 62/23  
chief 51/8  
child 92/3, 131/10, 131/12  
children 94/6  
choice 5/22, 30/24, 36/18, 38/9, 48/12, 102/6, 107/24, 131/23, 132/10  
choices 68/11, 102/18  
choose 21/15, 136/15  
chose 34/4, 72/3  
Chuck 9/4, 113/7  
CINDY 2/4  
circle 73/2  
circumstances 5/15, 31/10, 86/3  
cities 13/9, 13/14, 20/15, 25/9, 116/11, 117/7, 117/8  
citizen 5/17  
citizens 5/9, 6/25, 15/25, 17/1  
civilians 58/8  
claim 32/21, 33/1, 41/5, 41/13, 41/15, 42/8, 43/5, 43/17, 45/9, 46/5, 46/16, 61/4, 115/2  
claimed 54/23  
claims 43/3, 103/4, 115/14  
CLARK 1/13, 49/4, 49/11, 49/13, 49/16, 49/23, 86/11, 86/16, 86/21, 87/2, 87/8, 106/5, 121/4, 121/10, 121/23, 121/25, 123/8, 123/15, 143/3, 146/15  
CLASS 95/21  
classified 52/21  
Clause 54/5  
clean 94/18  
clear 49/5, 71/1, 107/5, 107/10, 107/23, 113/14, 114/21, 133/21  
Clearly 4/9, 34/18, 45/12, 60/23, 93/8, 116/17, 117/16  
CLEC 7/8, 7/11, 7/16, 17/6, 25/21, 25/24, 33/19, 33/22, 36/12, 36/16, 38/11, 43/9, 43/13, 44/21, 46/15, 50/9, 79/6, 127/3  
CLEC's 36/9  
CLECs 26/3, 36/3, 38/3, 43/2, 43/19, 44/9, 44/12, 50/14, 50/17, 68/12, 82/16, 115/24  
Clinton 131/8  
clock 146/7  
close 24/21  
closing 9/6  
coal 18/12  
coexist 64/25  
collapsed 140/18  
colleague 75/18  
colleagues 131/18  
collect 139/19  
collective 131/9  
collocate 81/9, 81/10  
collocation 80/22, 81/7, 81/23, 126/1, 126/10, 127/17  
colorfully 113/5  
Columbia 17/19  
combatants 120/20  
combination 5/19, 15/13, 26/9, 43/25, 45/7, 136/24  
combine 6/14, 115/3, 137/3, 137/12  
combined 8/11, 9/5, 9/20, 15/21, 25/13, 31/14, 37/5, 50/6, 112/18, 116/10, 120/9, 123/3  
combines 6/19  
combining 14/8, 19/25, 135/10, 137/11  
comfortable 143/2  
commence 56/8  
Commenced 1/17

commending 107/1  
commensurately 118/13  
comment 33/3, 88/1, 146/17, 146/21  
comments 4/14, 29/4, 65/7, 89/3, 109/19, 122/12, 133/22, 142/20, 144/25, 145/2, 145/4, 145/6, 145/17, 145/24, 147/2, 147/13  
commerce 54/3, 54/4, 54/7, 54/14, 54/18, 55/5, 55/6, 56/13, 58/19  
commercial 60/9, 62/21  
commercially 35/7  
COMMISSION 1/1, 1/23, 4/10, 5/7, 15/24, 16/1, 16/9, 16/11, 16/20, 33/24, 39/9, 39/13, 40/2, 40/13, 41/12, 47/6, 47/10, 48/20, 48/22, 49/21, 51/18, 52/2, 55/7, 55/8, 55/10, 56/20, 58/23, 59/3, 59/8, 62/8, 65/13, 68/6, 69/7, 80/17, 80/19, 82/25, 108/23, 109/6, 112/4, 114/15, 116/6, 117/23, 118/24, 119/19, 120/23, 121/17, 130/14, 131/1, 131/15, 132/5, 137/15, 137/18, 140/11, 145/16, 145/19, 146/24, 147/7, 149/3, 149/5  
Commission's 39/18, 48/2  
COMMISSIONER 1/13, 1/14, 4/13, 21/16, 21/19, 21/25, 22/13, 22/19, 22/22, 23/3, 23/9, 23/12, 23/16, 23/19, 23/22, 23/25, 24/4, 24/12, 24/18, 24/22, 24/24, 25/3, 25/6, 25/8, 25/20, 25/23, 26/1, 26/8, 26/25, 27/1, 27/23, 28/2, 28/10, 28/11, 31/20, 49/4, 49/11, 49/13, 49/16, 49/23, 50/4, 50/21, 69/9, 77/7, 78/2, 78/22, 79/1, 79/10, 79/19, 80/8, 80/13, 81/13, 85/9, 85/16, 85/23, 86/2, 86/11, 86/16, 86/21, 87/2, 87/8, 87/9, 87/25, 88/4, 88/10, 88/15, 88/22, 89/1, 98/11, 98/20, 99/18, 99/25, 101/10, 105/21, 106/1, 106/5, 106/11, 118/10, 121/4, 121/10, 121/23, 121/25, 123/8, 123/15, 123/21, 123/23, 123/24, 131/12, 133/2, 133/13, 134/5, 138/13, 139/1, 139/20, 139/21, 139/24, 140/16, 141/19, 143/3, 143/23, 144/19, 145/24, 146/14, 146/15, 146/16, 146/19, 147/12, 147/19, 147/23  
Commissioners 4/21, 29/12, 47/25, 51/6, 51/11, 55/16, 65/25, 66/13, 66/25, 67/25, 75/3, 76/1, 105/14, 106/24, 123/16, 128/24, 129/14, 130/18, 131/1, 131/11, 132/25, 139/22, 142/17  
commissions 18/24, 29/21, 53/17, 55/1, 109/4, 131/16  
commissions' 123/2  
Commitment 56/21, 57/15  
commitments 118/18, 119/5  
committed 9/8  
common 38/21, 39/5, 59/1, 62/3, 62/5, 62/17, 62/20, 63/19, 92/19, 102/24, 104/8  
commonplace 103/6  
Communications 2/8  
communication 60/6, 60/10, 63/4, 64/25  
Communications 2/13, 29/15, 30/6, 40/2, 46/25, 48/22, 49/21, 52/1, 57/18, 57/20, 58/7, 58/9, 58/13, 58/15, 58/16, 58/21, 59/11, 60/4, 60/7, 60/9, 60/12, 62/1, 62/7, 62/22, 63/14, 63/19, 65/2, 84/9  
communities 18/22, 19/2, 92/14, 125/7  
community 92/13, 93/10, 99/7, 126/3  
compact 116/9  
companies 6/23, 17/16, 19/14, 20/1, 20/7, 20/11, 21/9, 25/11, 25/13, 29/25, 30/13, 31/4, 31/16, 31/24, 31/25, 32/11, 34/16, 34/20, 35/7, 42/4, 42/5, 45/14, 52/3, 56/10, 56/19, 57/1, 57/3, 57/12, 57/13, 57/14, 59/19, 61/7, 64/4, 64/9, 67/17, 67/19, 68/6, 70/7, 74/5, 74/7, 74/10, 74/19, 75/14, 76/11, 78/17, 83/11, 83/13, 83/14, 84/13, 84/16, 85/8, 86/3, 86/12, 87/18, 96/20, 98/3, 100/3, 100/15, 100/21, 101/7, 104/23, 112/17, 112/22, 114/3, 114/5, 116/3, 116/5, 116/14, 116/18, 117/6, 117/16, 117/25, 118/3, 119/17, 119/24, 122/4, 123/1, 123/3, 128/7, 129/22, 137/5, 137/11, 137/25, 140/12, 140/22, 141/7, 143/15  
Company 2/8, 5/16, 5/21, 6/24, 7/2, 8/8, 8/11, 9/5, 9/8, 9/20, 10/7, 11/1, 11/6, 11/21, 13/3, 14/11, 15/21, 17/5, 17/21, 18/7, 18/10, 18/20, 19/2, 19/15, 25/10, 26/22, 28/25, 29/15, 36/23, 37/14, 38/10, 40/9, 40/16, 40/22, 45/23, 50/7, 57/10, 60/22, 60/25, 61/17, 73/2, 87/16, 87/17, 99/4, 100/7, 104/2, 107/19, 111/15, 114/16, 119/10, 128/17, 128/19, 140/5  
company's 22/2, 115/10, 115/21  
comparable 39/17, 105/6, 119/18  
comparative 116/1  
compare 39/6  
compared 90/17  
compelled 16/11, 145/7, 145/13  
compelling 12/1  
compensate 32/24, 41/8  
compete 6/16, 7/21, 11/13, 15/16, 20/15, 21/8, 27/5, 31/15, 31/24, 33/17, 36/4, 36/10, 41/13, 41/16, 42/10, 42/12, 46/7, 68/8, 70/9, 70/12, 71/13, 72/2, 73/23, 73/24, 74/5, 79/6, 85/3, 85/5, 86/5, 115/6, 116/12, 120/17, 128/16, 133/7, 133/9, 133/11, 134/13, 134/16, 134/22, 135/3, 138/20, 138/24, 139/18, 141/7, 142/16  
competing 8/5, 9/8, 10/6, 14/9, 31/19, 34/25, 71/8, 125/18, 126/22, 127/8  
competition 5/9, 6/2, 7/20, 10/15, 10/18, 11/24, 12/8, 14/12, 14/15, 29/18, 29/23, 30/10, 30/14, 31/7, 32/4, 32/12, 33/2, 33/11, 36/21, 36/23, 46/17,



46/19, 46/21, 47/22, 48/9, 48/12, 52/14, 61/23, 62/5, 62/10, 63/19, 65/21, 68/11, 69/4, 69/16, 69/22, 70/18, 70/24, 70/25, 71/3, 71/11, 72/2, 72/7, 73/8, 73/13, 73/14, 74/1, 74/6, 74/14, 74/18, 74/21, 74/24, 74/25, 75/4, 75/7, 75/8, 75/10, 75/13, 75/16, 76/10, 76/15, 76/23, 77/2, 77/11, 77/17, 78/5, 78/8, 86/9, 93/9, 95/6, 102/5, 102/19, 103/8, 103/11, 103/16, 103/25, 105/10, 107/3, 107/7, 107/11, 107/19, 107/24, 108/18, 109/2, 109/18, 109/21, 110/15, 110/24, 111/4, 111/25, 112/5, 112/7, 112/21, 113/18, 114/22, 114/24, 115/8, 116/19, 116/20, 116/25, 117/1, 117/15, 117/18, 120/10, 120/22, 121/1, 121/15, 121/22, 122/18, 123/14, 124/6, 124/7, 124/9, 124/13, 124/18, 124/25, 125/11, 125/12, 126/17, 127/5, 128/12, 128/15, 129/3, 129/4, 132/19, 134/19, 134/20, 135/14, 135/22, 137/22, 138/7, 139/12, 139/14, 139/18, 141/22, 141/25, 142/5, 142/8, 143/14, 143/22, 147/15, 147/21

competitive 6/6, 9/21, 26/3, 27/16, 36/9, 38/17, 43/16, 44/8, 47/1, 47/3, 47/12, 48/6, 62/1, 68/15, 74/4, 74/7, 74/9, 74/17, 74/23, 75/2, 75/19, 76/4, 82/22, 111/20, 116/11, 117/13, 120/11, 120/14, 123/4, 128/14

competitiveness 13/24, 139/6

competitor 5/16, 6/13, 7/3, 20/2, 20/12, 33/5, 33/13, 115/2, 117/5, 126/8, 137/14

competitors 32/8, 35/9, 38/14, 71/16, 72/3, 79/21, 108/9, 112/11, 118/5, 120/8, 143/16

complained 57/3

complaint 55/22, 57/4, 63/16

complaints 54/22, 55/9, 69/6

complementary 6/15, 6/20

complete 57/21, 67/4, 100/25, 133/18

complex 97/7, 102/8, 102/21

complexities 52/4

compliance 114/22

complies 114/17

comply 118/17, 120/5

comprise 47/11, 76/25, 105/1

computer 50/2, 50/25, 74/15, 91/14, 91/18, 92/7, 92/23

ComSat 60/13

conceded 61/16

concentrated 12/19, 12/24, 112/11

concentration 33/9, 68/20

concept 20/25

concern 118/9, 143/18

concerned 143/11, 144/11

concerns 11/20, 32/5, 50/5, 76/18, 119/19, 121/19, 143/8

concessions 119/7

conclude 101/11, 146/21

Concluded 1/18, 147/25, 148/1

concluding 58/6, 147/13

conclusion 98/10, 101/12, 105/7, 106/13, 123/25

condition 84/8

conditioning 94/6

conditions 38/22, 39/2, 58/12, 84/11, 84/17, 85/11, 85/19, 88/7, 110/3, 114/2, 118/21, 119/13, 120/5, 129/12, 130/15, 132/7, 132/8

conduct 4/5, 35/15, 111/15, 118/8, 118/15

Conference 1/19, 31/22

confidence 127/3

configurable 89/12

conflict 54/14

confusing 23/16, 24/1

Congress 53/20, 54/2, 58/20, 58/24, 65/3, 69/12, 71/14, 114/21, 131/13

connected 61/16

Connecticut 17/23, 140/5, 140/9, 140/10

connecting 19/5, 22/24, 60/21, 61/2, 63/11

connection 110/4, 136/21

connections 126/21

connectivity 14/7

conscience 131/2

conscious 90/3

consent 57/12, 59/23, 60/18

consequence 107/5, 130/12

consequences 109/17, 110/11, 122/24

considerable 104/13

consideration 62/16

considerations 144/8

consolidate 59/6, 73/1

consolidated 58/16

consolidation 31/9, 33/6, 100/1, 129/8

consolidations 30/9

conspiring 63/18

constitution 53/24, 54/1, 54/8, 54/10, 54/15

constrained 93/3

constraint 93/5

construct 59/1, 128/17

constructing 93/16

construction 68/19

Consumer 31/21, 48/11, 68/11, 74/5, 74/20, 76/20, 90/8, 90/9, 94/15, 94/19, 97/1, 97/25, 103/18, 104/20

consumers 16/8, 30/4, 30/7, 32/4, 33/11, 36/19, 38/15, 48/8, 65/23, 74/2, 74/19, 74/25, 75/15, 75/20, 77/19, 78/11, 78/15, 79/17, 90/4, 90/21, 91/18, 91/21, 92/20, 93/6, 93/12, 97/6, 101/20, 101/21, 102/5, 102/17, 102/25, 103/16, 103/24, 104/11, 105/10, 107/17, 113/13, 120/13, 125/19, 131/21, 132/18

consumers' 102/1, 105/3

consummated 17/20

consummation 37/2, 40/8

ConTel 5/13

contend 115/7

contention 99/25

contiguous 116/9

continue 12/7, 40/15, 68/10, 69/25, 82/15, 82/20, 89/4, 97/12, 129/7

continued 13/24, 54/20, 55/4

continues 29/20, 53/5

continuous 70/6

contrary 43/6, 46/14

control 30/18, 30/20, 34/24, 52/9, 57/18, 97/18, 100/3, 108/3

controlled 32/11, 34/20, 88/13

controlling 57/9, 120/7

controls 37/8, 37/12

controversial 64/7

convened 4/2

convenience 59/3, 103/7

conversion 21/23

conversions 22/9

convince 21/3, 67/20

convinced 31/23

convincing 117/12

cooperation 60/8, 111/11

cooperative 126/25

copper 94/19, 94/20

corporate 5/17

Corporation 1/6, 2/6, 5/13, 60/12, 60/13, 61/10, 133/17

Corporation/Bell 2/6

corporations 140/23, 141/1

correct 50/1, 99/21, 100/5

correspond 99/10

corridor 34/3

cost 7/12, 8/12, 10/6, 10/15, 27/17, 79/24, 89/25, 90/3, 90/8, 90/22, 98/6, 114/7, 139/17

cost-effective 90/17, 93/24, 94/8

cost-effectively 95/22, 96/3

cost-free 89/21

costly 39/22, 97/8

costs 36/13, 37/15, 59/10, 111/8, 111/17, 112/15, 114/10

couched 115/17

counsel 69/9, 113/9, 119/5, 140/22

Counsel's 2/4

counsels 68/22

counter 48/17

countervailing 109/25

countries 42/6, 60/8

country 6/3, 20/15, 43/20, 57/23, 58/8, 68/4, 73/15, 131/13, 135/23

COUNTY 149/2

course 17/21, 47/14, 70/18, 83/6, 100/18, 101/2, 102/20, 119/14, 140/2

court 29/3, 55/24, 87/10, 122/6

courts 130/1

courts' 55/13

cover 6/21

coverage 17/11

covered 9/18, 89/5, 98/18

create 5/10, 6/15, 6/24, 13/19, 36/6, 70/23, 97/13, 98/9, 126/12, 128/2, 139/16

created 53/19, 54/11, 55/7, 58/13, 60/14, 89/17, 99/6

creates 5/20, 74/21

creating 14/20, 141/21

creation 69/19

credible 32/23, 41/6

critical 8/1, 48/19, 78/13, 78/16, 79/15, 84/25, 99/12

critically 113/19

crucial 94/21, 110/13, 124/16

crucially 110/19

CSR 1/22, 149/3

cue 89/16

culture 140/25

currently 10/6, 14/23, 15/3, 36/8, 37/1, 40/3, 40/17, 51/25, 70/17, 72/16, 76/12, 89/23, 90/11, 91/8, 91/13, 92/20, 92/21, 98/3, 99/16, 109/12, 125/20, 127/16, 134/10

custodians 66/5

customer 5/22, 8/16, 9/13, 9/14, 12/15, 12/18, 12/24, 13/17, 15/12, 20/21, 21/1, 26/22, 30/24, 42/14, 93/24, 95/3, 97/1, 133/19

customers 8/2, 8/4, 9/2, 10/5, 10/8, 10/23, 11/5, 11/9, 11/15, 11/18, 11/24, 13/4, 13/15, 13/18, 14/10,

17/7, 18/15, 18/23, 26/12, 26/19, 27/11, 27/16, 27/21, 37/19, 41/14, 41/16, 42/20, 42/21, 42/22, 43/21, 43/24, 44/5, 44/6, 44/7, 44/20, 45/3, 45/9, 45/13, 61/1, 76/21, 76/22, 76/24, 81/11, 85/2, 91/8, 93/22, 96/2, 96/14, 96/16, 97/21, 97/23, 98/2, 98/16, 98/17, 99/3, 103/15, 103/20, 107/24, 116/15, 116/16, 116/19, 116/20, 117/2, 135/6, 136/20, 138/11

customers' 60/24

cut 105/24, 106/17

**D**

D.C. 22/16, 106/21

Dallas 61/10

damage 61/4

danger 111/2

dangerous 112/18

data 12/3, 12/13, 44/14, 46/20, 46/22, 47/21, 62/6, 110/10, 114/25, 128/13

databases 127/22

DATE 1/16, 40/10, 68/19

daughter 88/24

Dave 75/18

DAVID 2/7, 2/9, 3/6, 3/9, 68/23, 69/8

day 29/21, 33/22

days 47/15, 73/3, 102/18

DC 20/20

deadline 146/3, 146/9

deal 20/10, 58/12, 81/21, 82/8, 82/10, 82/19, 92/21

dealing 10/13, 104/2, 104/6

dealt 4/10

DEASON 1/13, 27/1, 28/11, 105/21, 106/1, 106/11, 123/21, 123/24, 133/2, 133/13, 139/21, 141/19, 144/19, 145/24, 146/14, 146/16, 146/19, 147/12, 147/19, 147/23

debate 145/7, 145/8

debating 147/17

December 4/11, 65/6, 107/14

decide 66/19

decided 57/24, 61/14, 62/8, 129/17

deciding 43/7

decision 16/2, 49/17, 61/23, 62/17, 129/25, 144/25

declared 120/12

declares 54/10

declined 101/8

declines 39/19

decreases 39/18

decree 60/19

defeat 11/16

defensive 71/15

define 97/13

defines 103/18

definition 45/14

degrade 36/2

degrading 111/7

degree 59/23, 73/21

Delaware 17/18, 22/11

delay 36/2, 38/3, 75/13, 112/25

delayed 74/24, 74/25, 75/4

delaying 111/6

delays 65/13

deliver 94/2, 94/8, 94/22, 95/9, 95/20, 96/10

delivered 96/16, 101/12, 105/3, 105/5

delivery 7/13, 8/13, 37/17, 38/7

demand 9/23, 55/4, 62/9, 104/25

demanding 101/21

democracy 147/9

demonstrate 109/12

demonstrates 71/21, 110/10, 124/22

denied 38/16, 74/24, 75/1, 75/5, 83/15, 117/20, 121/2

density 139/3, 139/4

deny 36/3, 38/3, 75/14, 119/15

denying 82/6, 109/20

Department 17/25, 49/21, 56/13, 57/3, 57/8, 57/21, 59/14, 63/13, 63/16, 110/9, 110/12, 110/21, 120/24, 122/14, 146/2

depend 111/11

dependent 38/3, 113/19

depends 136/16

depicted 64/24

deploy 78/13, 80/3, 80/15, 82/21, 95/17

deployed 11/17, 42/19, 96/13

deploying 94/21

deployment 15/15, 65/24, 74/2, 77/20

deregulation 107/12

describe 76/5, 78/10

described 50/13, 76/9, 77/24, 144/1

description 89/5

deserves 11/3

design 34/9, 94/9

designed 61/11, 67/11, 68/2, 104/12, 104/19, 107/11, 108/8, 108/18, 115/18

desire 20/14, 73/14, 74/4, 104/18

desired 37/24, 93/6, 96/6

desist 55/10  
 detail 89/14  
 details 94/11  
 detection 39/20  
 deter 35/3, 50/14  
 determination 64/8  
 determinations 144/6  
 determine 4/13, 39/4, 129/3, 132/18  
 determined 25/15, 104/10  
 deterred 108/6  
 detriment 33/11, 111/25, 122/7, 122/13  
 Deutch 20/8  
 Deutsch 138/21  
 develop 8/13, 11/16, 65/17, 74/22, 82/20, 142/24  
 developed 13/6, 31/7, 35/21  
 development 6/9, 9/12, 19/1, 24/8, 33/10, 48/9,  
 109/17, 111/4, 112/20  
 developments 125/6  
 device 61/9, 61/19, 63/8, 63/11  
 devices 61/22, 92/22  
 diagram 124/21  
 dictated 63/7  
 difference 6/24, 7/1, 53/11, 130/19  
 differences 19/19, 23/21  
 difficult 27/15, 35/16, 42/21, 52/5, 71/11, 79/5,  
 117/23, 123/4  
 difficulty 94/17, 96/21  
 digital 18/6, 21/17, 22/1, 24/15, 24/17, 25/4  
 diminish 32/14, 38/19  
 diminished 117/21  
 Dimlich 68/23, 69/8  
 direct 50/10, 108/3  
 directed 72/6  
 disadvantaged 38/15  
 disagree 137/21  
 disapproved 48/24  
 disbursed 12/17  
 disconnect 61/1  
 discontinue 59/5  
 discouraging 112/14  
 discovered 52/10  
 discriminate 36/25  
 discrimination 35/11, 36/5, 36/8, 37/1, 38/23, 111/6  
 Discriminatory 35/15, 35/19  
 discuss 5/7, 17/2  
 discussing 14/15  
 discussion 3/12, 28/23, 78/12, 103/10, 106/9, 132/23,  
 136/2  
 discussions 92/6  
 dispersed 21/21, 71/19  
 display 124/8  
 dispose 141/18  
 distance 6/13, 14/14, 14/21, 14/25, 15/3, 15/8, 15/15,  
 15/16, 17/6, 17/9, 19/7, 19/24, 26/21, 29/19, 32/12,  
 34/4, 34/22, 36/23, 37/15, 38/9, 44/14, 49/7, 49/10,  
 52/2, 64/2, 73/8, 89/13, 91/7, 95/15, 97/15, 97/20,  
 98/1, 98/6, 98/16, 99/15, 102/2, 102/7, 102/9, 104/3,  
 105/2, 114/9, 116/6, 135/4, 136/7, 136/10, 137/1,  
 137/8, 137/22, 137/24, 138/6, 138/9, 138/10, 138/12  
 distances 125/4, 125/5, 125/13, 126/6  
 distant 42/6  
 distinction 116/18  
 distress 56/15  
 distribution 52/15  
 District 17/19  
 diversify 29/25  
 divest 84/20, 87/19, 124/20, 127/20, 129/19, 139/25  
 divested 141/9  
 divesting 88/2, 133/24, 134/3  
 divestiture 17/16, 41/1, 63/24, 76/7, 84/8, 85/21,  
 85/25, 93/12, 98/18, 102/4, 126/15, 126/24, 129/12,  
 130/7, 130/23, 132/7, 141/4, 141/5  
 divided 108/15  
 Division 2/2, 41/19, 63/15, 110/14  
 doable 9/13  
 documents 95/14  
 doesn't 81/21  
 dollars 115/4  
 dominance 69/12, 111/1, 111/3  
 dominant 64/18  
 doors 29/23, 61/23  
 doubt 35/23, 119/9, 143/24  
 dramatically 102/16  
 drive 9/14, 11/13  
 driven 74/3  
 driving 73/11, 143/25  
 dropped 64/15  
 DSL 89/11, 94/10, 94/12, 95/3, 95/7, 95/8, 95/16  
 during 4/6, 4/23, 58/5, 72/4, 83/6, 100/18, 101/2,  
 102/13, 129/1, 140/2  
 dwindling 118/3

E

e-mail 91/16, 92/21, 99/3, 99/5  
 e-mails 99/9  
 earn 59/19, 64/9, 64/16  
 earning 64/11  
 easier 90/20  
 easily 64/24, 97/11  
 Easley 1/19  
 east 72/24, 108/16  
 easy 89/2  
 echo 143/23  
 economic 19/1, 21/23, 110/7, 110/21, 111/8, 114/6,  
 114/10  
 economical 8/14, 42/18  
 economically 9/13, 42/19, 116/17  
 economics 9/14, 136/16, 136/23  
 economies 112/24  
 Economists 34/25  
 economy 79/23  
 effect 28/12, 45/7, 107/2, 108/16, 127/10  
 effective 7/20, 20/2, 20/12, 33/10, 39/11, 48/9, 56/22,  
 59/15, 110/16, 111/4  
 effectiveness 32/15, 38/19, 39/20  
 effects 16/8, 32/24, 34/21, 36/7, 41/8, 50/10, 50/13,  
 75/12, 117/17  
 efficiencies 10/25, 97/18  
 efficiency 72/20, 74/9  
 efficient 53/4, 65/5  
 efficiently 52/25  
 Effort 24/6, 55/2, 80/10, 116/14  
 efforts 43/8, 44/17, 66/25, 75/10, 109/21  
 eight 43/10  
 EISENBERG 2/7, 3/6  
 elected 122/4  
 elections 92/16  
 Electric 59/17, 59/24, 63/17, 64/1  
 electromagnetic 64/22, 64/23  
 Electronic 61/10, 92/14  
 element 78/12, 113/12  
 elements 34/24, 35/23, 69/2, 80/22, 83/19, 126/2,  
 126/10, 134/23  
 eliminate 32/7, 33/4, 63/18, 72/3, 96/16, 127/15,  
 136/9  
 eliminated 61/21  
 eliminating 71/16, 71/24, 72/6, 72/12, 136/3  
 elimination 72/16, 127/5  
 Elkins 55/12, 55/17  
 embodies 107/10  
 emerge 71/11, 120/16  
 emergence 77/1, 77/10  
 emphasize 79/14  
 empirical 43/1  
 employ 118/3  
 employees 95/25, 130/5, 141/1  
 empowered 55/9, 56/9  
 empowering 48/3  
 empty 72/10  
 emulate 113/15  
 en 107/13  
 encompasses 125/24  
 encourage 65/11, 65/24, 69/20, 74/12, 77/19, 91/9,  
 110/6, 116/24, 127/2, 129/3  
 encouraging 48/12  
 end 37/9, 73/10, 86/23, 86/25, 101/1, 132/22, 138/14,  
 143/13, 145/8  
 endorse 142/2  
 endowed 53/14  
 ends 37/12, 37/14, 37/15  
 enforce 53/13, 119/12  
 enforceable 32/23, 41/7  
 engage 38/23, 108/8, 111/5, 111/15, 114/12  
 engaged 43/8  
 engages 36/8  
 engaging 39/21, 112/25  
 engine 24/10  
 engineering 34/9  
 engines 19/4  
 England 17/23, 23/1  
 enhance 14/9, 26/3, 30/10, 47/20, 113/25  
 enhanced 11/23, 76/17, 92/24, 93/1, 94/24  
 enhancement 47/22  
 enhancing 109/1  
 enjoy 10/6, 95/2  
 enjoyed 91/25  
 ensure 11/1, 30/8, 48/10, 48/14, 52/18, 59/8, 63/10,  
 82/17, 115/1, 139/2  
 ensures 13/23  
 ensuring 19/3, 114/16  
 enter 9/5, 27/7, 32/22, 34/1, 34/7, 34/25, 36/10,  
 36/16, 41/6, 44/2, 44/4, 44/25, 62/17, 73/20, 82/16,  
 101/4, 115/19, 115/21, 116/4, 117/9, 123/5, 126/22,  
 134/17, 145/7

entered 126/13  
 entering 34/16, 43/2, 43/19, 43/25, 47/19, 50/15,  
 60/3, 127/13, 135/18  
 enterprise 10/2, 52/24  
 enterprises 43/22  
 enters 36/15  
 entity 31/13, 60/13, 133/21  
 entrant 116/3, 139/17  
 entrants 48/13, 68/18, 103/13, 111/6, 113/21, 115/9,  
 120/3  
 entrench 70/22, 108/12  
 entrenched 72/13, 108/6  
 entrepreneurial 127/3  
 entry 9/24, 34/14, 35/4, 41/11, 42/16, 42/18, 46/15,  
 50/17, 62/11, 62/16, 70/23, 108/5, 108/9, 112/22,  
 114/1, 116/11, 117/14, 117/16  
 environment 26/3, 29/24, 68/14, 126/25, 128/14  
 envision 70/5, 72/19  
 envisioned 33/14, 70/9, 71/14, 77/4, 77/13, 91/23  
 equal 18/7  
 equally 112/14  
 equals 19/11, 19/12  
 Equant 46/24  
 equipment 12/21, 59/17, 60/2, 60/21, 60/25, 61/2,  
 61/4, 61/7, 61/18, 63/7, 63/9, 63/22, 81/7, 81/9, 81/10  
 escalate 118/16  
 Escplanade 1/20  
 essence 122/17  
 establish 26/15, 39/19, 55/1, 68/7, 80/20, 81/4,  
 108/14, 119/24, 136/18  
 established 10/11, 118/7  
 establishing 6/5, 6/12, 119/21  
 establishment 60/8  
 estimates 37/7  
 European 47/6, 47/10, 129/16, 129/25, 132/8,  
 132/11, 132/14  
 evaluate 145/5  
 evaluating 34/13  
 evaluation 25/15  
 event 17/14, 32/23, 41/7  
 events 53/21  
 evidence 43/1, 46/14, 110/8, 110/15, 119/25  
 evolutionary 101/21  
 evolved 53/22, 67/5  
 examination 52/11, 110/13  
 examine 30/15  
 exceeding 29/19  
 excess 138/10  
 excessive 59/9  
 exchange 33/10, 37/21, 44/13, 44/18, 46/1, 48/6,  
 66/24, 67/2, 67/3, 67/12, 68/25, 70/18, 71/12, 71/25,  
 73/15, 73/21, 75/7, 75/13, 80/21, 80/25, 87/18, 107/8,  
 107/24, 108/2, 111/20, 112/8, 115/6, 115/24, 120/11,  
 126/20, 140/8  
 exciting 29/17  
 exclusionary 111/15, 114/1  
 exclusive 112/2  
 excuse 58/19, 98/11  
 excused 123/20, 123/22  
 executive 53/15  
 exercise 35/2, 145/11  
 exhaustive 10/1  
 exist 68/9, 70/17, 92/16, 127/13  
 existing 9/19, 10/23, 11/8, 45/5, 62/15, 120/16,  
 127/16, 133/19, 139/13  
 exists 9/23, 37/1, 48/4, 71/3, 110/23  
 expand 11/22, 29/25, 33/16  
 expanded 63/6  
 expansion 9/15, 128/8  
 expect 20/11, 20/17, 29/24, 90/22  
 expectation 103/25  
 expectations 29/19  
 expected 7/14, 118/16  
 expedite 4/4  
 expedited 44/18, 82/3  
 expeditious 82/5  
 expenditure 104/11  
 expense 68/7  
 expensive 94/2, 102/22  
 experience 15/14, 19/24, 34/8, 34/9, 34/12, 44/12,  
 46/6, 58/6, 100/10, 135/4  
 experienced 11/9, 120/3  
 experiencing 116/11, 120/2  
 experiment 140/11  
 expert 101/4  
 expertise 42/9, 45/25, 46/1, 115/24  
 explanation 117/12, 122/2  
 explanations 42/15  
 explicit 10/17  
 express 16/10, 16/25  
 expression 113/5  
 external 29/10  
 extreme 57/25

eye 75/9		grant 119/2 granted 53/16, 54/2, 56/7, 58/24 granting 128/24 graphically 72/14 greater 7/14, 9/22, 37/2, 42/24, 74/8, 108/10, 117/17, 117/18 greatest 26/10, 66/17 grew 51/24 grid 125/2 grip 127/23 ground 7/9, 83/16, 83/17, 83/23, 84/6 group 9/25, 43/21, 57/2, 103/22, 104/9, 104/16 Group's 104/4 groups 54/25, 92/1, 104/10 grow 8/7, 54/20 growing 96/23, 108/7 grows 113/18 growth 29/18, 54/21, 74/13 GTE 1/5, 1/6, 2/6, 3/4, 5/13, 7/7, 7/22, 8/5, 8/21, 10/22, 10/24, 11/10, 12/4, 12/12, 12/23, 13/6, 13/9, 13/13, 13/14, 14/1, 14/8, 14/22, 14/23, 15/2, 15/8, 15/23, 19/17, 19/21, 22/4, 24/16, 26/9, 29/14, 31/3, 31/17, 32/3, 32/18, 33/5, 33/13, 33/15, 33/18, 33/21, 34/1, 34/17, 34/23, 35/2, 36/2, 39/24, 40/6, 42/1, 42/8, 42/11, 42/22, 43/2, 43/3, 43/7, 43/9, 43/13, 43/18, 44/2, 44/4, 44/8, 44/11, 44/16, 44/23, 45/24, 46/3, 46/24, 47/5, 47/7, 47/10, 67/21, 68/1, 71/19, 73/17, 73/18, 73/22, 73/24, 76/8, 76/13, 79/3, 79/6, 79/11, 81/2, 81/4, 81/5, 81/6, 81/8, 84/1, 90/13, 91/11, 92/13, 93/12, 100/6, 100/7, 100/11, 108/5, 108/25, 109/7, 111/19, 111/21, 112/1, 112/6, 112/8, 112/21, 113/8, 113/10, 115/2, 115/17, 116/1, 116/9, 116/12, 117/6, 120/2, 120/9, 129/22, 130/1, 133/4, 133/7, 133/11, 133/16, 133/24, 134/12, 135/1, 135/10, 136/4, 136/16, 136/17, 137/4, 138/8, 141/9, 142/15 GTE's 5/4, 7/3, 9/4, 9/17, 12/15, 13/7, 15/13, 27/24, 32/9, 38/6, 43/5, 44/10, 45/3, 47/20, 81/11, 111/18, 112/13, 113/15, 116/7, 120/7 GTE/Bell 4/4, 5/1, 16/2, 68/1, 112/19 GTECC 116/7 guarantee 52/19 guaranteed 67/10 guess 23/7, 26/5, 85/9, 85/17, 137/18, 146/9 guidelines 52/17, 56/20 guiding 52/5 guys 138/14
<p style="text-align: center;"><b>F</b></p> <p>Fabio 86/14 face 30/17, 120/8 faced 125/22 facilitate 127/12, 142/15 facilities 9/19, 12/22, 15/2, 15/5, 15/10, 38/13, 42/19, 43/23, 44/1, 45/6, 59/2, 59/6, 59/9, 80/3, 80/5, 86/4, 98/19, 98/22, 111/12, 114/8, 124/11, 124/12, 135/11, 137/6, 137/13, 138/4, 138/6 facilities-based 6/12, 7/20, 14/20, 15/15, 15/18, 69/4, 77/2, 77/11, 78/4, 78/8, 79/16, 124/6, 124/9, 124/24, 125/11, 127/9, 128/18, 134/14, 134/16, 134/19, 134/24, 138/11 facility-based 103/16 fact 13/6, 16/24, 16/25, 29/16, 33/18, 37/12, 57/17, 73/18, 79/14, 80/14, 95/1, 101/5, 125/4, 125/16, 126/6, 127/19, 129/24, 131/9, 133/10, 134/12, 136/3, 136/8, 136/20, 138/2, 140/19, 144/22, 146/24, 147/8 factor 8/1, 94/21 factors 7/10, 33/25, 36/1, 36/14 failed 40/10 falls 109/14 failure 117/11, 118/17, 120/4 fair 7/9, 40/9, 52/18, 85/7, 126/12, 126/22, 138/16 fall 32/5 Family 104/5 farmers 54/23 faster 101/23, 105/12 father 99/8 favorable 127/11 favoritism 88/25 fax 92/21 FCC 4/15, 16/10, 16/12, 18/3, 29/22, 31/20, 32/20, 33/24, 40/9, 49/14, 49/17, 58/13, 58/18, 59/10, 60/6, 60/19, 61/7, 61/14, 62/4, 62/13, 63/1, 63/6, 63/10, 63/3, 65/10, 65/14, 66/1, 66/3, 83/8, 83/9, 83/15, 83/18, 83/23, 85/18, 85/24, 101/4, 101/5, 101/7, 107/9, 107/13, 110/3, 110/8, 117/23, 118/10, 118/11, 118/21, 119/16, 120/5, 120/24, 121/8, 122/21, 123/6, 128/3, 129/1, 131/10, 132/4, 132/5, 132/6, 137/16, 137/20, 146/2, 146/6, 147/2 FCC's 64/7, 119/6 feasible 15/11, 39/14, 62/11, 116/17, 125/8 feature 90/23, 91/13, 91/20, 95/20, 96/22 feature-rich 105/1 features 28/7, 89/12, 90/1, 97/4, 105/4 federal 30/6, 30/7, 38/21, 39/9, 40/2, 48/22, 49/21, 52/1, 52/10, 54/9, 54/15, 57/23, 60/14, 106/20, 107/6, 109/16, 130/1, 142/19 federally 55/8 Federation 31/22 fee/long 99/15 fees 102/22 fiber 13/12, 18/6 fiberoptics 65/2 field 58/13, 62/18 fields 74/13 Fifteen 102/5 Fifth 61/14, 32/21, 41/4 fight 81/6 figure 86/17, 144/18 file 61/20, 145/4, 145/5, 145/17, 146/11, 147/22 filed 59/14, 63/16, 126/13, 130/1 filing 33/23, 85/18, 100/8, 100/13 filings 133/21 fill 74/19 finalize 69/1 financial 10/25, 42/14, 62/19 find 51/17, 73/25, 118/24, 132/3, 136/1 finding 35/9, 57/23 fine 146/14, 146/15 finish 100/25, 105/25 finished 105/22 firm 37/7, 37/11 firms 111/10, 113/25 fit 104/20, 128/6 five 100/24, 143/15 five-member 55/7 fix 56/6 fixing 55/23 flat 89/12, 97/21, 98/15, 99/15, 105/2 flatter 103/3 fledgling 115/9 flight 105/16, 106/2, 123/18 floor 64/15, 75/17 FLORIDA 1/1, 1/21, 5/9, 5/22, 6/22, 6/25, 7/4, 9/3, 9/9, 9/17, 10/9, 10/16, 13/5, 13/19, 15/25, 17/1, 17/4, 17/9, 20/16, 20/24, 21/4, 21/8, 24/16, 25/2, 25/9, 27/3, 32/5, 32/9, 33/5, 33/11, 34/1, 34/4, 34/7, 34/17, 37/17, 38/15, 41/25, 43/12, 46/14, 80/21, 109/6, 109/18,</p>	<p>110/8, 112/4, 112/6, 112/8, 112/21, 112/23, 113/14, 114/24, 114/25, 116/8, 116/12, 116/24, 117/6, 117/9, 120/6, 120/7, 120/12, 121/1, 131/5, 133/12, 134/9, 135/5, 136/8, 136/11, 136/14, 137/7, 142/3, 143/5, 144/13, 147/3, 147/21, 149/1, 149/5 Florida's 116/9, 120/2 Florida-New 34/3 Floridians 116/22, 131/23 flourish 10/18 flow 75/1, 75/15, 99/19 focus 50/7, 85/17 focused 18/21, 144/2 focusing 107/2 folks 147/16 follow 22/10, 45/3, 145/15 followed 53/20 footprint 92/12 forbid 54/15 forbidden 41/2 force 62/1, 118/4 forces 74/4, 74/10, 74/18, 143/25 foreclose 108/8 foreclosed 40/17 foreign 54/3, 60/24, 61/4, 61/18, 63/7, 63/9 foremost 34/2 foreseeable 111/10 foreseeing 98/12 formation 31/12 formed 17/16, 140/12 formidable 33/13, 117/5 forms 111/5 fortify 71/10, 73/14 Fortune 21/6, 67/20, 96/3 forum 82/14, 82/15, 82/18 footer 126/25, 128/11 fostering 76/15 fosters 74/18 fought 129/22 found 17/25, 54/1, 100/10, 122/17 foundation 115/15 four 15/17, 43/14, 47/3, 72/17, 80/19, 101/1, 102/15, 109/19, 110/6 Fourth 6/11, 6/12, 14/1, 14/20, 32/17, 39/23, 110/2 FPSC 1/23, 2/2, 2/4, 149/3 fraction 115/10 frame 13/9, 93/16 France 20/8, 138/22 franchise 7/21, 7/23, 8/6, 9/9, 10/8, 10/12, 10/21, 10/22, 11/2, 11/14, 11/25, 27/22, 28/13, 111/22 franchised 7/3 free 30/8, 52/14, 70/23, 89/7, 89/8, 89/15, 90/25, 91/2, 91/5, 99/4, 99/5, 103/4, 105/4 frequencies 56/14, 65/6, 65/14 frequency 65/1, 65/2 frequently 110/25 front 48/22, 49/20, 80/19, 137/20, 145/20 fruitful 105/9 fulfillment 118/20 full-page 8/19 full-scale 139/11 function 59/12, 91/2, 118/15 functioning 34/10 fundamental 97/16 future 12/5, 21/14, 68/8, 73/5, 95/16, 110/18, 111/10</p> <p style="text-align: center;"><b>G</b></p> <p>gain 11/5, 21/2 gains 36/24, 115/14 game 138/14, 143/13 GARCIA 1/12, 4/3, 4/18, 29/11, 49/24, 50/22 GARDNER 2/12, 3/10, 106/20 gargantuan 32/1 generate 126/17 gentlemen 85/10 GEOFFREY 2/5, 3/4, 5/2 geographic 12/18, 98/17, 117/19 geographical 21/20, 52/20 geographically 99/13 Georgia 41/21, 102/12 giant 82/10 Global 13/11, 29/15, 60/10, 128/8, 132/12, 132/16, 143/14 GNI 13/11, 13/14, 14/24 goni 74/4, 120/22, 121/14 goals 46/13, 66/2, 128/6 gobbling 14/10 goods 52/15 GOULD 2/5, 3/4, 5/2, 79/3, 133/16 governing 54/14 government 5/5, 51/22, 52/1, 52/8, 52/13, 53/25, 54/9, 56/6, 56/14, 57/19, 57/23, 58/4, 58/18, 122/9 grand 135/4</p>	<p style="text-align: center;"><b>H</b></p> <p>half 18/5, 105/5, 112/10, 138/10 halt 33/10 hampered 59/16 Hampshire 17/24, 18/14, 22/19, 22/21, 23/2, 23/8, 23/13 hand 14/5, 19/23, 21/24, 117/4, 124/3, 137/3, 143/12 handicap 44/8 handling 92/22 hands 55/15, 58/8, 112/18 happy 21/14 hard 11/1, 19/16, 142/25 hardly 47/15, 116/21 hardware 96/10, 96/11 harm 32/11, 36/6, 50/18, 63/11, 122/11, 122/19 harmed 110/16, 122/9 harmful 36/22 harmless 109/9 Harvard 18/11 headquarters 20/20, 21/6 healthy 19/3, 30/9, 69/22 heavily 47/1, 112/11 heels 74/17 heft 11/5, 13/3, 46/5 held 63/25, 71/6, 145/3 help 82/4, 82/16, 127/4, 127/15, 128/4 helped 65/17 helpful 88/7 helping 127/12 helps 26/18, 26/23 Hepburn 55/20, 55/21 high 8/12, 10/15, 11/2, 30/24, 59/16, 89/10, 90/21, 93/15, 93/23, 94/12, 95/9, 95/15, 95/16, 110/19, 112/15, 139/3, 139/4 higher 7/13, 36/12, 36/17, 36/18, 64/16, 65/22, 77/18, 77/23 highest 90/23 historians 66/17 history 53/19, 66/16, 66/21, 66/22, 74/11, 102/1 hit 7/9 hold 9/25, 109/9, 142/22 holding 106/24 holdings 42/4 hollow 42/25 Holmes 66/18</p>

<p>home 11/18, 95/13 hooking 24/2 hookups 23/6 hope 20/22, 20/25, 51/16, 119/24, 135/9, 137/9, 137/11 hoped 65/13 hoping 147/9 host 12/12, 80/23 hotels 20/24 hour 105/18, 146/20 hours 102/13 House 18/11 households 104/6 housing 125/7, 126/3 hubs 94/19 huge 120/17 hundred 75/3 hundreds 47/18 hurt 50/16</p>	<p>indicate 91/1, 144/7 indicated 26/2, 33/15, 60/23, 133/17 indicates 104/5, 114/25, 116/18 indicating 78/20 inductive 61/9 industries 74/23 industry 20/5, 29/17, 31/16, 33/7, 51/21, 51/23, 51/24, 52/7, 52/11, 52/17, 52/21, 52/25, 53/5, 53/7, 57/18, 57/20, 61/24, 61/25, 63/14, 66/4, 66/7, 66/16, 66/23, 67/5, 74/23, 98/4, 103/10, 104/10, 110/24, 120/22, 127/3, 131/2, 131/4, 143/19 infeasible 99/24 inflated 112/16 information 2/11, 24/14, 39/10, 65/4, 101/20, 104/8, 127/20 informed 57/5 infrastructure 13/11, 82/21 inherent 97/17 inhibit 114/1 initial 43/5, 45/16 initiate 62/21 initiated 65/6, 134/2 initiatives 132/9 injury 14/11 innovation 74/13 innovative 37/18, 38/16, 66/2, 74/6, 76/3, 76/6, 77/3, 77/12, 77/25, 79/18, 89/5, 95/10, 96/20, 104/14, 105/8, 120/15, 128/9 innovators' 65/15 input 142/23 inputs 35/1, 35/3, 35/7, 35/17, 35/22, 36/3, 50/16, 113/20, 118/5 inquiry 65/7 insight 66/15 install 61/17, 96/9 installed 63/7 integrate 6/23 integrated 11/11, 37/23, 114/6 intense 29/20, 46/22 intensify 29/20 intensity 117/18 intent 27/10 intention 76/5 intentions 84/2, 129/15 interaction 97/1 interconnect 38/13, 57/2, 57/13, 60/17, 61/11, 61/25, 63/5 interconnection 35/18, 38/1, 39/1, 56/9, 81/4, 81/23, 82/19, 126/2, 127/17 interconnections 89/10 interconnectivity 110/19 interest 4/12, 23/20, 40/16, 40/23, 48/19, 53/3, 53/6, 56/10, 57/9, 63/25, 64/3, 68/12, 71/8, 84/24, 107/10, 109/1, 109/15, 114/15, 116/23, 119/19, 119/23, 121/1, 121/19, 122/1, 122/8, 122/10, 122/20 Interestingly 116/7 interexchange 32/19, 36/21, 38/11, 39/25, 40/4, 40/24, 98/13 interface 97/11 interfering 132/14 interLATA 15/3, 40/21, 49/7 Internal 145/20, 146/11, 146/12 internalize 111/16 international 6/20, 41/19, 58/15, 58/21, 138/15, 143/25 Internationally 42/3 Internet 6/10, 11/21, 11/22, 12/3, 12/5, 12/8, 12/11, 12/12, 12/20, 13/23, 13/25, 14/1, 14/5, 14/6, 14/9, 14/11, 19/6, 19/24, 26/6, 26/7, 26/18, 26/24, 29/18, 33/2, 46/17, 46/19, 47/2, 47/8, 47/9, 47/12, 47/14, 47/16, 47/21, 89/16, 89/18, 91/14, 91/25, 92/7, 93/1, 93/15, 94/12, 94/17, 94/19, 94/22, 95/9, 96/24, 99/1, 99/4, 105/2, 129/20, 130/3, 135/12, 137/6 interposed 34/14 intersecting 93/17 interstate 41/21, 54/18, 55/4, 55/6, 58/15, 58/20 intervenes 52/13 intervention 63/8 intracompany 114/11 intrastrate 59/11 introduce 12/12, 13/4, 16/17, 16/21, 18/7, 21/12, 51/7, 66/11, 75/22, 101/14, 106/19 introduced 18/8 introduction 8/3, 12/20, 77/5, 77/15 intuitive 97/10 invest 8/16, 13/13, 40/23 invested 68/18 investigate 55/9 investigation 103/15 investing 15/1, 15/9 investment 13/15, 41/18, 59/18, 96/11, 102/25 investments 12/21, 42/17, 43/23, 79/24 investors 113/10</p>	<p>ION 37/23, 38/8, 38/12 ironic 67/13 irreversible 31/11 Island 17/25 issue 4/9, 49/19, 55/9, 60/17, 64/7, 68/22, 79/23, 84/19, 88/11, 129/23, 137/18, 139/23, 140/4, 147/5 issued 56/18 issues 4/15, 27/15, 81/16, 82/1, 82/5, 82/10, 82/11, 144/4, 144/6, 144/7, 144/10, 144/14, 144/15 ITEM 3/3 items 35/14 Ivan 113/4 IXC 46/24 IXCs 36/25, 104/23</p>
<b>I</b>		
<p>ICC 55/7, 55/21, 55/22, 55/25, 56/9, 56/18, 57/12 ICC's 55/13 ID 18/8 idea 53/22, 140/1, 140/16, 140/20, 141/4, 141/5, 147/14 identical 66/2 identified 29/2, 43/10, 45/6 identify 97/13, 109/19, 133/14 ignored 93/19, 95/19 II 58/5 ILEC 17/6, 38/3, 38/13, 44/1, 67/9, 71/20, 118/8, 125/16 ILEC's 38/4 ILECs 35/25, 36/3, 38/25, 67/7, 67/14, 69/12, 72/17, 92/25, 97/7, 108/7, 111/11, 113/19, 125/15, 139/25 ILECs' 118/5, 127/23 Ill 120/6 Illinois 41/25, 43/11 illogical 10/7 illusive 94/14 imagination 17/8 imagine 6/9, 72/25 impact 36/21, 62/14, 63/14, 76/19, 98/12, 108/24, 118/6, 119/8, 121/6, 143/19 impede 37/16, 109/21 impedes 39/11 impediments 96/19 impetus 93/14 implement 130/24 implementation 64/21, 129/2 implemented 84/18 implementing 76/14, 96/21 implications 144/3 implicit 10/16 implies 123/11 implore 147/6 importance 12/4, 91/20, 104/18, 108/4 impose 118/22, 130/15 imposed 35/5, 51/22, 57/20, 85/11, 110/3, 129/12 impossible 84/15 improve 65/12, 69/17, 130/17 improved 37/19, 55/16, 60/10, 120/15 improvements 69/22 in-franchise 10/23, 11/4, 11/14 in-region 37/4, 37/13, 40/4, 44/10, 45/14 inaudible 49/16, 87/6, 88/19 incentive 22/1, 23/5, 23/14, 36/10, 69/17, 108/7, 113/25, 114/12, 125/25, 126/7, 128/16 incentives 38/6, 70/16, 74/3, 74/10, 74/21, 111/14, 126/21 income 89/23, 91/21 inconsistent 40/18, 41/18, 120/21 incorporated 114/19 increase 32/10, 34/19, 37/6, 37/10, 38/5, 69/17, 91/12, 96/17, 111/14 increased 26/11, 59/18, 61/23, 62/4 increases 15/7, 39/21, 114/11, 118/12 increasing 54/21, 98/17 increment 94/1 incumbent 31/24, 31/25, 33/8, 34/14, 35/6, 35/11, 45/12, 46/10, 50/19, 66/24, 67/1, 67/11, 68/25, 80/21, 80/25, 85/4, 104/23, 105/7, 108/1, 111/5, 115/11, 116/13, 117/22, 119/18, 125/1, 125/16, 125/23, 129/8, 140/8 incumbent's 125/10 incumbents 11/16, 127/1 independent 43/25, 57/1, 57/11, 57/13, 58/18, 117/13, 117/16 independents 57/2 India 42/5 Indiana 41/25, 43/12</p>	<p>indicate 91/1, 144/7 indicated 26/2, 33/15, 60/23, 133/17 indicates 104/5, 114/25, 116/18 indicating 78/20 inductive 61/9 industries 74/23 industry 20/5, 29/17, 31/16, 33/7, 51/21, 51/23, 51/24, 52/7, 52/11, 52/17, 52/21, 52/25, 53/5, 53/7, 57/18, 57/20, 61/24, 61/25, 63/14, 66/4, 66/7, 66/16, 66/23, 67/5, 74/23, 98/4, 103/10, 104/10, 110/24, 120/22, 127/3, 131/2, 131/4, 143/19 infeasible 99/24 inflated 112/16 information 2/11, 24/14, 39/10, 65/4, 101/20, 104/8, 127/20 informed 57/5 infrastructure 13/11, 82/21 inherent 97/17 inhibit 114/1 initial 43/5, 45/16 initiate 62/21 initiated 65/6, 134/2 initiatives 132/9 injury 14/11 innovation 74/13 innovative 37/18, 38/16, 66/2, 74/6, 76/3, 76/6, 77/3, 77/12, 77/25, 79/18, 89/5, 95/10, 96/20, 104/14, 105/8, 120/15, 128/9 innovators' 65/15 input 142/23 inputs 35/1, 35/3, 35/7, 35/17, 35/22, 36/3, 50/16, 113/20, 118/5 inquiry 65/7 insight 66/15 install 61/17, 96/9 installed 63/7 integrate 6/23 integrated 11/11, 37/23, 114/6 intense 29/20, 46/22 intensify 29/20 intensity 117/18 intent 27/10 intention 76/5 intentions 84/2, 129/15 interaction 97/1 interconnect 38/13, 57/2, 57/13, 60/17, 61/11, 61/25, 63/5 interconnection 35/18, 38/1, 39/1, 56/9, 81/4, 81/23, 82/19, 126/2, 127/17 interconnections 89/10 interconnectivity 110/19 interest 4/12, 23/20, 40/16, 40/23, 48/19, 53/3, 53/6, 56/10, 57/9, 63/25, 64/3, 68/12, 71/8, 84/24, 107/10, 109/1, 109/15, 114/15, 116/23, 119/19, 119/23, 121/1, 121/19, 122/1, 122/8, 122/10, 122/20 Interestingly 116/7 interexchange 32/19, 36/21, 38/11, 39/25, 40/4, 40/24, 98/13 interface 97/11 interfering 132/14 interLATA 15/3, 40/21, 49/7 Internal 145/20, 146/11, 146/12 internalize 111/16 international 6/20, 41/19, 58/15, 58/21, 138/15, 143/25 Internationally 42/3 Internet 6/10, 11/21, 11/22, 12/3, 12/5, 12/8, 12/11, 12/12, 12/20, 13/23, 13/25, 14/1, 14/5, 14/6, 14/9, 14/11, 19/6, 19/24, 26/6, 26/7, 26/18, 26/24, 29/18, 33/2, 46/17, 46/19, 47/2, 47/8, 47/9, 47/12, 47/14, 47/16, 47/21, 89/16, 89/18, 91/14, 91/25, 92/7, 93/1, 93/15, 94/12, 94/17, 94/19, 94/22, 95/9, 96/24, 99/1, 99/4, 105/2, 129/20, 130/3, 135/12, 137/6 interposed 34/14 intersecting 93/17 interstate 41/21, 54/18, 55/4, 55/6, 58/15, 58/20 intervenes 52/13 intervention 63/8 intracompany 114/11 intrastrate 59/11 introduce 12/12, 13/4, 16/17, 16/21, 18/7, 21/12, 51/7, 66/11, 75/22, 101/14, 106/19 introduced 18/8 introduction 8/3, 12/20, 77/5, 77/15 intuitive 97/10 invest 8/16, 13/13, 40/23 invested 68/18 investigate 55/9 investigation 103/15 investing 15/1, 15/9 investment 13/15, 41/18, 59/18, 96/11, 102/25 investments 12/21, 42/17, 43/23, 79/24 investors 113/10</p>	<p>JACKSONVILLE 9/7, 9/22, 11/17, 27/4, 142/4, 142/12 JACOBS 1/14, 25/8, 25/20, 25/23, 26/1, 26/8, 26/25, 50/4, 50/21, 98/11, 98/20, 99/18, 99/25, 101/10, 134/5, 138/13, 139/1, 139/20, 143/23 James 113/10 January 80/18 Jeff 20/14, 133/16 Jersey 17/17, 18/9 job 82/2, 82/25 JOE 1/12 Joel 110/17 JOHN 2/12, 3/10 JOHNSON 1/14, 21/16, 21/19, 21/25, 22/13, 22/19, 22/22, 23/3, 23/9, 23/12, 23/16, 23/22, 23/25, 24/4, 24/12, 24/18, 24/22, 24/24, 25/3, 25/6, 27/23, 28/2, 28/10, 77/7, 78/2, 78/22, 79/1, 79/10, 79/19, 80/8, 80/13, 81/13, 85/9, 85/16, 85/23, 86/2, 87/9, 87/25, 88/4, 88/10, 88/15, 88/22, 89/1, 139/24, 140/16 joined 16/3 joint 30/2, 76/9 Journal 8/19 judicial 53/15, 55/13, 58/25 JULIA 1/14 July 44/15 jump 65/19, 86/9, 124/13 juncture 69/24 June 61/4 jurisdiction 18/2, 60/6, 144/21, 144/24 Justice 18/1, 49/22, 57/3, 57/8, 59/14, 63/13, 63/16, 110/9, 110/12, 120/25, 122/15, 146/2 justifications 42/25 justify 13/20, 15/1, 31/12, 42/16, 114/3</p>
<b>K</b>		
<p>KEATING 2/2 Kennard 107/13, 118/23 Kentucky 43/12 key 10/13, 12/14, 39/4, 111/21 KIM 2/5 Kingsbury 56/21, 57/15, 57/16 Klein 110/17, 122/16 known 54/4, 57/15, 60/13 knows 70/4</p>		
<b>L</b>		
<p>Laboratories 63/17 lack 16/6, 55/13, 93/8 lacking 43/22 lacks 11/10, 42/9, 45/10 Lady 131/8 laid 15/20, 56/20 land 54/12 land-mobile 63/4 landline 42/4 lands 56/7 landscape 66/7, 67/4 language 48/2, 115/18 laps 131/15 large 5/12, 15/14, 19/20, 20/21, 21/9, 22/15, 30/13, 31/12, 31/24, 31/25, 34/17, 42/14, 43/21, 44/6, 44/9, 71/20, 73/8, 76/20, 76/23, 94/2, 102/25, 107/25, 112/10, 117/22, 126/4, 139/3, 143/15 larger 20/2, 35/24, 42/20, 45/15, 68/6, 68/7, 73/19, 78/17, 95/12, 103/14, 133/8 largest 14/1, 14/3, 25/1, 108/19 later 4/24, 21/15, 44/23, 63/5, 85/14 launch 9/21, 10/3 launched 111/19 law 38/21, 48/4, 53/14, 54/11, 109/16, 119/2 lawmakers 52/6 laws 18/1, 30/6, 30/8, 54/11, 54/13, 54/15, 55/1, 57/6 lawsuit 130/1 LCD 87/16</p>		



lead 81/5, 127/4, 129/16  
lead-off 51/13  
learned 23/18  
learning 19/7, 95/15  
leased 13/12  
leasing 98/22  
leave 72/17, 87/10, 88/5, 91/5  
leaving 4/23, 72/23  
LEC 6/2, 34/12, 34/25, 36/9, 45/12, 46/10, 49/9, 125/1  
LECs 33/8, 50/19, 85/4, 104/23, 116/13, 117/22, 119/18, 129/9  
led 54/25, 56/21  
Lee 9/4, 113/8  
left 65/1, 100/24, 132/17, 139/24  
Legal 2/2, 49/19  
Legislation 60/5  
legislative 35/9, 53/15, 54/8, 58/25, 67/11  
Legislature 147/22  
LEON 1/14, 149/2  
lessening 64/18  
letter 132/3  
Level 46/24, 89/23, 100/2, 107/22, 108/25, 110/21, 110/25, 111/13, 126/15, 139/5, 142/20  
levels 74/9  
Leveraging 13/17  
liable 35/8  
libraries 22/24, 22/25  
licenses 65/15  
licensing 43/13, 56/17  
lies 12/14  
life 66/3, 120/20  
life-styles 74/15  
light 42/7, 43/1, 110/7  
lightweight 65/1  
likelihood 36/15  
limit 60/1, 93/21  
limitations 115/20  
Limited 2/8, 59/25, 94/1, 110/13, 144/21, 146/25, 147/1  
limits 7/11, 47/25  
line 61/18, 68/20, 98/25, 102/17, 128/6  
linear 64/24  
lines 18/4, 21/17, 22/20, 22/21, 30/21, 30/22, 56/10, 60/21, 60/22, 68/3, 71/5, 86/13, 86/24, 86/25, 87/4, 90/21, 103/19, 104/22, 108/2, 108/15, 112/9, 134/4, 143/12  
linking 95/11  
list 9/7, 10/1, 46/25, 47/5  
listen 92/9, 136/1  
listening 15/21, 73/17  
listing 89/7  
lists 97/5  
literally 47/17  
literate 91/14  
litigation 31/5, 35/13, 112/25  
little 16/22, 17/2, 17/13, 19/9, 20/17, 51/19, 71/8, 72/9, 75/19, 80/6, 85/13, 85/14, 89/14, 105/17, 123/8, 124/3, 124/21  
live 20/10  
lobbyists 67/20  
lobster 18/14  
local 6/2, 7/3, 17/5, 18/19, 26/20, 28/3, 28/6, 29/23, 30/13, 30/18, 31/1, 31/6, 31/7, 32/10, 32/12, 33/10, 33/16, 34/8, 34/19, 34/21, 34/23, 35/10, 35/17, 36/5, 36/7, 37/20, 38/8, 43/19, 44/12, 44/14, 44/18, 46/1, 46/7, 48/6, 52/2, 66/24, 67/2, 67/3, 67/12, 68/9, 68/25, 69/16, 70/18, 70/24, 71/12, 71/24, 73/2, 73/15, 73/21, 73/7, 75/13, 76/10, 76/16, 80/21, 80/25, 87/18, 87/19, 103/11, 103/25, 104/2, 105/2, 107/8, 107/24, 108/1, 108/2, 109/17, 110/25, 111/3, 111/5, 111/20, 112/3, 114/21, 115/1, 115/6, 115/24, 116/2, 116/25, 120/11, 126/20, 129/4, 129/6, 131/22, 131/23, 132/15, 137/2, 139/14, 140/8, 140/14  
located 94/25, 141/9  
locations 91/12  
log 91/4  
Logic 10/7, 66/21, 73/4, 122/1  
logical 9/19, 119/14  
loop 87/20  
loops 140/1, 140/14  
loosening 127/22  
loot 126/3, 126/5  
losing 125/23  
loss 118/5  
lost 100/19, 144/11  
LOU 2/9, 3/7, 66/14, 66/22, 67/6, 69/14, 69/15  
Louis 62/24  
Louisiana 41/25  
low 64/25, 89/25, 90/12, 90/13, 91/21, 96/17, 97/21  
lower 36/12, 36/13, 36/16, 65/22, 74/1, 77/18, 77/22, 104/1, 120/15  
luxury 103/7

M

Ma 30/23  
machine 90/2, 90/9, 90/18  
magnitude 115/16, 147/5  
mail 28/7, 89/16, 89/18, 89/24, 90/8, 90/12, 90/14, 90/19, 91/2, 92/21, 92/24, 95/21, 96/2, 105/4  
mailbox 91/5  
main 50/20, 53/11, 92/20  
Maine 17/24, 18/15, 19/6, 23/24, 24/1, 24/8  
maintain 31/6, 96/9, 109/9, 112/2, 121/22, 139/5  
maintained 90/18  
maintenance 90/20, 96/12  
major 9/5, 11/19, 13/18, 15/16, 15/18, 26/12, 79/3, 138/16, 138/22  
majority 90/15, 103/14  
makers 107/6, 135/23, 139/1, 145/1  
malls 21/2  
management 19/13, 97/4, 97/7  
mandate 58/23  
Manhattan 18/11  
mankind 130/12  
manner 82/6, 93/24, 94/9  
manufactured 61/10  
manufacturers 54/22, 63/21  
manufacturing 60/1, 63/25  
March 1/16  
MARK 2/5, 2/10, 3/5, 3/8, 3/11, 16/15, 26/11, 51/6, 51/10, 70/3, 75/25, 85/12, 135/2  
market 6/6, 6/13, 9/23, 13/1, 13/24, 17/9, 17/10, 30/19, 33/9, 34/1, 34/7, 34/23, 34/25, 36/13, 36/22, 37/17, 37/25, 46/11, 46/22, 47/1, 47/2, 47/12, 50/6, 50/15, 52/25, 63/2, 63/6, 71/10, 71/25, 73/21, 74/3, 74/5, 74/10, 74/15, 75/5, 76/16, 79/22, 82/16, 82/22, 89/24, 90/24, 97/25, 98/7, 102/3, 103/1, 103/12, 103/18, 103/21, 104/19, 104/20, 108/14, 111/21, 114/2, 115/4, 117/9, 117/24, 119/1, 120/5, 136/12, 137/22, 138/23, 138/24, 139/15  
marketing 13/1, 34/9, 101/15  
marketplace 6/18, 20/12, 30/17, 46/23, 47/17, 47/23, 52/13, 62/1, 77/2, 77/11, 138/15, 138/19, 139/4, 144/1  
markets 9/6, 9/16, 10/1, 10/3, 10/10, 10/12, 27/3, 27/7, 27/9, 27/11, 29/18, 30/8, 30/14, 32/10, 32/13, 32/22, 34/19, 34/22, 35/10, 35/20, 36/7, 38/9, 40/17, 41/6, 41/11, 41/22, 43/20, 44/13, 44/18, 45/6, 46/8, 47/21, 48/13, 50/18, 50/19, 60/3, 68/7, 68/9, 69/16, 70/18, 70/24, 71/12, 73/9, 73/16, 74/17, 74/22, 75/2, 75/8, 75/14, 83/2, 93/18, 109/22, 110/16, 110/18, 110/19, 110/25, 111/22, 112/6, 112/7, 115/6, 115/19, 115/21, 116/2, 116/4, 116/25, 120/12, 123/5, 129/5, 129/7, 135/18, 139/12  
Marriott 21/3  
Marriott's 20/19  
Mary 142/21  
Maryland 17/18, 19/7  
mass 78/13, 78/16, 79/15, 84/25, 99/12  
Massachusetts 17/24  
Massachusetts 18/12  
massive 80/2  
material 37/10  
materialize 77/5, 77/14, 114/4  
MATHIS 2/6, 3/5, 16/15, 135/2  
Matter 1/4, 21/22, 35/9, 43/5, 70/20, 129/24, 136/23, 140/25, 147/4  
matters 4/5  
maxim 69/21  
maximum 78/14  
McCaw 20/5  
MCI 8/19, 14/3, 15/5, 15/19, 20/7, 46/23, 47/4, 47/7, 62/23, 83/12, 84/3, 129/13, 129/14, 129/18, 129/19, 129/20, 130/2, 130/3, 132/11, 138/2, 138/21  
MCI's 130/6  
meaningful 107/23, 114/21  
measure 57/25, 58/24, 107/25  
measures 35/19, 108/8  
medical 95/14  
medium 84/22  
medium-sized 141/6  
meet 8/15, 104/25, 105/3, 119/20  
meeting 29/19, 39/5, 48/19, 81/3, 81/5  
mega-BOC 69/19  
megahertz 63/3  
meld 26/4  
members 16/19  
men 18/14  
mention 11/4, 12/25, 140/3  
mentioned 14/22, 45/15, 68/22, 79/4, 79/8, 95/19, 97/17  
merchants 54/22  
merge 43/7, 44/3, 72/21, 72/23, 83/11, 83/13, 86/12, 100/16, 133/10  
merged 26/22, 32/11, 34/20, 36/23, 37/14, 38/10, 40/8, 40/16, 71/22, 71/23, 112/22, 119/10, 133/20,

142/8, 142/11  
merger 4/4, 5/8, 5/12, 5/13, 5/18, 5/20, 5/23, 5/25, 6/5, 6/8, 6/11, 6/14, 6/19, 6/22, 7/2, 8/9, 8/11, 8/20, 9/1, 9/6, 10/21, 11/6, 11/11, 11/20, 11/21, 12/2, 12/10, 12/23, 13/7, 13/22, 14/14, 14/16, 14/19, 15/6, 15/19, 15/24, 16/4, 16/13, 16/22, 16/24, 17/20, 17/25, 19/9, 19/11, 19/12, 20/3, 20/13, 21/10, 25/14, 28/11, 29/13, 30/16, 30/17, 31/10, 32/3, 32/7, 32/14, 32/21, 32/25, 33/1, 33/4, 33/12, 33/15, 33/23, 34/2, 36/20, 36/22, 37/2, 37/3, 37/16, 38/5, 38/18, 39/18, 40/8, 40/19, 41/5, 41/9, 42/10, 42/23, 43/17, 44/16, 45/4, 46/16, 48/17, 48/21, 48/23, 49/6, 68/1, 68/5, 70/21, 73/10, 73/11, 73/13, 76/8, 76/15, 76/19, 78/7, 80/4, 80/14, 81/18, 82/6, 83/7, 83/9, 83/24, 83/25, 84/2, 84/4, 84/7, 84/23, 85/25, 94/4, 98/12, 100/19, 101/3, 107/3, 108/5, 108/10, 108/18, 108/22, 109/1, 109/8, 109/11, 109/14, 109/20, 110/3, 111/2, 111/14, 111/19, 112/20, 113/4, 114/3, 114/4, 115/1, 115/13, 115/16, 115/20, 117/1, 117/4, 117/10, 117/19, 117/22, 118/2, 118/13, 119/3, 119/5, 119/10, 119/21, 120/25, 121/20, 122/6, 122/15, 122/17, 123/14, 129/13, 129/14, 129/15, 129/17, 130/2, 130/15, 130/22, 132/5, 133/19, 136/9, 137/17, 137/19, 138/24, 141/23, 142/15  
merger's 16/7  
mergers 5/10, 5/15, 16/7, 30/2, 30/3, 30/12, 48/1, 67/18, 67/21, 70/6, 71/22, 72/5, 72/8, 72/11, 72/15, 72/19, 73/5, 73/7, 75/6, 84/7, 84/11, 84/18, 101/1, 107/17, 107/19, 108/13, 110/14, 113/24, 119/20, 121/18, 132/8  
merges 46/9  
merging 32/18, 39/24, 42/13, 43/17, 44/25, 67/17, 67/19, 72/20, 83/10, 128/6, 133/4  
merit 33/2, 46/18, 143/10  
MERRITT 2/12  
message 91/5, 92/2, 99/17, 100/14  
messages 89/20, 92/9, 92/10, 92/23  
messaging 89/9, 89/10, 90/25, 91/3, 91/15, 91/19, 92/18, 92/20, 93/4, 93/6  
met 35/14, 49/9, 62/19, 69/8  
method 92/19, 98/18  
metropolitan 22/16  
Mexico 41/21  
MFS 20/7  
Miami 9/7, 9/22, 11/16, 27/3, 73/23, 99/8, 117/6, 133/7, 133/9, 133/18, 134/22, 136/15, 136/18, 136/21, 142/3, 142/11, 142/16  
Michigan 43/14  
microwave 62/18, 62/21  
middle 83/16, 83/17, 83/23, 84/6, 106/17  
mike 78/23, 113/6  
mile 86/6, 124/16  
miles 18/6, 94/25, 125/5, 126/20  
MILLER 2/4  
million 7/15, 18/4, 18/6, 18/15, 30/21, 45/22, 68/3, 134/4, 138/10  
mind 107/15  
miners 18/12  
minimizing 12/3  
minimum 102/22  
minute 97/24, 102/9, 103/5  
minutes 28/17, 37/8, 37/11, 102/14, 102/15, 105/25, 106/9, 132/21  
MISCELLANEOUS 3/2  
misconduct 39/21, 39/22  
missed 77/7  
MIT 18/12  
mix 105/1  
mobile 63/2  
Mobility 27/25, 28/8  
model 89/17  
modern 66/18, 78/19, 128/18  
modification 76/14  
modifications 38/1  
modified 96/25  
moment 113/2  
Monday 1/16  
money 27/6, 27/16, 68/13, 90/10, 104/14  
MONICA 2/7, 29/8  
monitor 35/19  
monitored 92/10  
monopolies 31/7, 35/11, 108/12, 111/5  
monopolist 36/6, 120/21  
monopolistic 53/6  
monopoly 30/11, 31/2, 35/2, 46/10, 48/5, 52/22, 52/24, 61/6, 67/9, 69/21, 108/11, 108/19, 109/21, 112/13, 115/12, 115/25, 118/4  
month 90/7, 146/8  
monthly 96/17, 97/21, 102/22  
months 9/6, 44/15, 44/23, 69/6, 116/15  
motivation 73/12  
motivating 52/6  
move 54/17, 63/1, 63/13, 101/25, 103/9, 106/22  
Moves 60/16

Moving 59/13, 62/2, 103/7  
**MR. BENDER** 51/10  
**MR. BUCHELE** 51/5, 66/10, 70/2, 80/6, 80/11, 85/13, 85/21, 86/1, 86/6, 86/14, 87/5, 88/3, 88/9, 88/12, 88/18, 88/21, 88/23, 99/22, 105/23, 124/1, 133/3, 133/23, 134/12, 134/21, 135/13, 136/13, 137/21, 141/8, 141/20, 142/7, 142/13, 146/17, 146/23  
 Mr. Chairman 16/19, 47/24, 106/23  
 Mr. Dave 75/22  
**MR. EISENBERG** 29/11, 49/8, 49/12, 49/15, 49/19, 50/10, 123/18  
 Mr. Eisenburg 29/7, 29/9  
 Mr. Gardner 106/22, 106/23, 121/7, 121/12, 121/24, 122/12, 123/10, 123/17, 123/23  
 Mr. Geoffrey 79/2  
 Mr. Gould 5/4, 5/6, 24/16, 24/20, 24/23, 25/1, 25/5, 25/12, 25/22, 25/25, 26/7, 26/9, 27/5, 28/14, 73/17, 133/16, 134/1, 134/7, 134/15, 138/8, 138/18, 139/7, 141/11  
 Mr. John 106/19  
 Mr. Kay 66/11  
 Mr. Louis 51/8  
 Mr. Mark 69/25  
**MR. MATHIS** 16/19, 21/18, 21/21, 22/6, 22/18, 22/20, 23/2, 23/4, 23/10, 23/15, 23/18, 23/24, 24/2, 24/6, 135/2, 135/16, 136/22, 138/1, 141/16, 141/24, 142/10, 142/14  
**MR. NILSON** 75/25, 77/10, 78/9, 79/11, 89/4, 90/15, 101/11  
**MR. RAMOS** 66/13, 70/4, 78/23, 78/25, 80/12, 83/3, 85/12, 85/15, 86/19, 86/22, 87/6, 87/23, 88/19, 90/23, 99/21, 100/5, 101/12, 128/22, 128/23, 139/22  
 Mr. Richard 101/14  
**MR. SMITH** 101/16  
 Mrs. Redham 131/8  
**MS. BARONE** 29/8  
**MS. CASWELL** 5/3, 24/13  
 Ms. Keating 4/7, 4/17, 4/25, 28/16, 49/1, 50/1, 51/3, 105/14, 106/4, 106/8, 123/16, 132/21  
**MS. MERRITT** 106/15  
**MS. MILLER** 142/17, 145/19, 146/1, 147/14, 147/21  
 mufflers 9/11  
 multimedia-enabled 92/23  
 multitude 115/9  
 muscle 11/10

**N**

nail 89/8, 129/23  
 name 29/3, 29/4, 42/9, 42/23, 42/24, 43/24, 45/13, 45/18, 45/20, 51/6, 70/2, 130/6  
 named 101/19  
 names 47/3  
 nascent 118/5  
 Nathan 57/15  
 nation 5/22, 113/14  
 nation's 30/22, 54/20, 108/14  
 national 5/23, 6/6, 6/12, 6/17, 8/17, 8/23, 12/15, 13/10, 13/24, 14/20, 14/23, 14/24, 42/22, 43/24, 44/17, 44/22, 45/10, 45/23, 54/19, 58/2, 65/3, 71/24, 76/6, 77/3, 77/12, 79/17, 92/12, 107/22, 108/24, 110/25, 130/25, 138/15, 144/1  
 nations 54/3  
 nationwide 15/4, 24/20, 43/9, 138/20  
 natural 52/22, 52/23  
 nature 52/16, 125/7, 126/5, 134/23  
 necessary 8/12, 8/22, 9/1, 10/14, 10/17, 15/2, 35/22, 47/22, 52/18, 57/25, 59/4, 93/25, 95/23, 96/10, 115/1, 145/4  
 necessity 103/8  
 need 7/4, 16/5, 28/24, 31/13, 36/3, 37/25, 38/12, 42/18, 45/19, 45/24, 46/4, 50/1, 62/9, 73/23, 73/25, 80/2, 85/3, 86/4, 93/21, 96/8, 99/18, 118/12, 145/5, 145/15  
 needed 15/1, 35/17, 42/23, 58/11, 90/1, 93/14  
 needs 8/16, 34/25, 42/22, 43/6, 73/22, 74/20, 80/1, 104/20, 105/3, 105/16, 145/15  
 negative 75/11  
 negotiate 85/7  
 negotiated 57/7  
 negotiating 134/10  
 negotiation 127/7  
 negotiator 81/5  
 neither 32/22, 42/7  
 nepotism 88/23  
 Ness 31/21, 118/10, 131/12  
 network 13/1, 13/2, 13/10, 13/11, 14/23, 15/4, 15/15, 35/23, 37/21, 37/24, 38/4, 60/10, 61/5, 63/11, 69/2, 75/23, 80/15, 80/22, 83/19, 94/7, 111/12, 126/2, 126/10, 128/18, 134/22, 135/12  
 network-wide 89/8, 90/25  
 networks 12/9, 38/14, 68/19, 82/20, 128/13, 134/18  
 new 5/16, 5/20, 7/2, 8/3, 9/8, 10/7, 11/1, 11/6, 11/21,

12/12, 12/20, 13/4, 13/7, 17/17, 17/22, 17/23, 17/24, 18/9, 18/14, 21/4, 22/19, 22/20, 23/1, 23/2, 23/7, 23/13, 26/21, 29/18, 31/13, 32/12, 32/22, 34/22, 34/24, 35/4, 37/5, 37/7, 37/17, 37/18, 37/20, 37/24, 38/7, 38/10, 38/11, 38/16, 41/6, 41/11, 41/21, 42/5, 44/19, 47/16, 48/12, 61/24, 62/5, 62/9, 62/12, 62/14, 62/16, 65/11, 65/16, 65/24, 68/18, 68/19, 69/20, 74/2, 74/6, 74/11, 74/22, 76/3, 76/6, 77/3, 77/12, 77/20, 77/24, 78/19, 79/17, 89/5, 89/17, 90/9, 91/9, 95/10, 96/22, 97/13, 99/8, 101/22, 103/13, 104/14, 108/9, 111/6, 111/10, 113/20, 114/13, 117/7, 118/6, 120/3, 120/16, 125/6, 126/3, 128/9, 128/13, 128/14, 138/18, 139/17  
 newest 131/7  
 news 92/1  
**NILSON** 2/9, 3/9, 75/18, 75/23  
 nine 68/4  
 non-GTE 112/23  
 noncompliance 118/25  
 noncontiguous 46/8  
 nondiscriminatory 39/3, 113/21, 118/4  
 Nonetheless 44/2  
 nonexistent 30/25, 103/17  
 nontechnical 91/20  
 nonusage-sensitive 91/15  
 North 43/14  
 northeast 12/25, 13/18, 19/21, 26/12, 33/19, 117/8, 136/21  
 notes 87/11  
 November 63/15, 68/1  
 NTIA 65/4, 65/6  
 number 26/11, 28/20, 32/15, 33/25, 37/11, 38/20, 39/17, 47/11, 51/24, 54/21, 96/13, 109/3, 117/21, 119/17, 122/25, 125/15, 134/9  
 numbers 86/17, 97/5, 124/7, 124/10  
 nurturing 12/7  
**NYNEX** 17/20, 17/21, 19/11, 34/4, 71/23, 72/6, 83/14, 83/24, 110/4, 118/19, 142/9, 142/11

**O**

objective 107/23  
 objectively 116/4  
 objectives 48/20  
 obligation 115/19, 139/8, 145/11  
 obligations 14/17, 31/5, 35/6, 39/6, 118/20  
 observers 110/23  
 obstacles 34/14  
 obtain 59/2, 108/24  
 obtained 40/7, 40/12, 43/13  
 obtaining 42/13, 94/18  
 occasions 80/20  
 occurring 33/6, 78/8  
 OCS 35/20  
 offer 14/19, 27/10, 30/4, 38/21, 74/8, 78/6, 87/20, 90/16, 92/2, 97/10, 104/14, 135/24, 144/16, 144/19  
 offered 43/9, 73/6, 97/6, 98/16, 134/7, 141/15  
 offering 27/23, 28/3, 28/5, 28/7, 46/1, 46/6, 50/15, 62/23, 77/23, 78/11, 90/22, 96/19, 97/20, 141/15  
 offerings 8/4, 11/7, 36/17, 69/17, 69/20, 69/23, 96/22, 104/13, 120/16  
 Office 2/4, 15/5, 34/10, 57/21, 84/20, 93/17, 94/20, 95/1, 95/13, 96/1, 96/15, 98/19, 115/23, 125/2, 125/9, 125/10, 125/20, 126/4, 126/9, 126/16, 135/15  
 officer 51/9  
 offices 13/19, 18/5, 21/17, 22/5, 24/14, 26/13, 82/18, 85/1, 85/5, 93/13, 95/6, 95/12, 99/13, 99/20, 124/22, 125/13, 127/14, 127/21, 134/25, 136/18, 140/1, 140/13  
 Ohio 43/14, 109/6  
 old 11/18, 30/23, 65/12  
 Oliver 66/18  
**OLUKAYODE** 2/9, 3/8  
 Olympia 23/22  
 on-demand 37/23  
 one-stop 104/17  
 one-two 98/5  
 onset 4/22  
 open 29/22, 63/2, 83/1, 109/21, 112/7  
 opened 30/14, 61/23  
 opening 29/18, 119/1, 120/5, 129/6  
 operate 25/17, 50/9, 52/24, 53/9, 59/2, 68/14  
 operated 25/14  
 operating 15/13, 25/10, 31/4, 40/22, 51/9, 70/7, 101/7, 107/18, 114/16, 115/3, 123/1  
 operation 53/4  
 operations 6/23, 17/5, 18/16, 18/20, 25/8, 34/10, 60/1, 75/24, 120/1  
 opinion 16/11, 83/8, 147/8  
 opportunities 67/8, 100/23, 116/12  
 opportunity 5/7, 13/1, 16/20, 21/12, 29/12, 36/24, 38/2, 51/12, 100/17, 110/10, 112/2, 128/19, 128/24, 130/11  
 oppose 119/11  
 opposed 50/8, 84/3, 101/6, 134/25

opposing 55/14  
 options 25/16  
 order 8/7, 27/14, 31/6, 35/3, 37/24, 50/2, 55/1, 56/9, 56/18, 63/6, 65/22, 71/10, 72/7, 73/22, 73/24, 77/17, 86/5, 88/6, 101/9, 106/16, 119/16, 121/17, 129/11, 133/11  
 orders 55/10  
 Oregon 43/15  
 organizations 137/5  
 original 101/6, 111/17, 141/14  
 Originally 17/16, 142/18  
 originate 37/4, 114/8  
 originating 37/9  
 Orlando 9/7, 9/22, 11/16, 26/13, 27/3, 142/4, 142/12  
 OSS 34/11, 34/12, 35/21, 80/23, 83/19, 85/1, 127/22  
 out-of-franchise 27/2, 27/11  
 out-of-region 34/5, 41/24, 42/2, 44/17, 44/20, 46/8, 115/19  
 out-of-territory 128/7  
 outcomes 5/11  
 outfit 14/24  
 outset 111/25  
 outstanding 18/23  
 outweigh 62/16, 122/23  
 overcoming 39/9  
 overemphasized 91/21  
 overlap 49/17, 87/7  
 overlaps 88/20  
 overregulation 119/11  
 oversight 48/8, 82/13, 118/12, 118/15  
 overview 102/1  
 owner 96/18  
 owners 96/5  
 ownership 58/4

**P**

p.m. 1/17, 1/18, 4/2, 102/12, 148/2  
 PacBell 71/23  
 pace 113/18  
 Pacific 20/9  
 package 7/16, 8/14, 9/11  
 packaged 6/6, 8/3  
 packages 105/1, 138/19  
 paid 102/15  
 painfully 107/22  
 pains 131/20  
 Paper 103/22  
 paradigm 90/14, 90/16  
 paradoxically 114/4  
 parallel 102/20  
 pardon 41/15  
 parent 88/14, 88/24  
 parents 94/25  
 part 17/22, 22/2, 22/7, 22/25, 23/13, 24/5, 24/7, 24/10, 60/9, 78/20, 81/16, 86/7, 99/22, 118/18, 129/10, 136/5, 139/4, 141/14  
 participant 129/9  
 participants 28/18, 28/21, 67/22, 133/1  
 participate 17/10  
 participated 60/11  
 participation 65/16, 147/25  
 parties 31/13, 32/22, 40/6, 41/6, 41/13, 41/15, 45/2, 72/12, 72/20, 82/4, 121/20, 133/4, 134/8  
 parties' 43/17  
 partitioning 110/16  
 partners 118/11  
 Partnership 2/8, 26/5, 41/22  
 parts 26/24, 51/15  
 pass 55/1  
 passage 7/6, 31/2, 55/17, 56/4, 68/17, 69/14, 71/4, 71/18, 112/1, 131/13  
 passed 55/5, 56/8, 60/5  
 path 94/20  
 pattern 67/1, 68/10, 118/25  
 patterns 104/11  
 pave 129/4  
 pay 91/8, 94/24, 143/20  
 paying 90/7, 143/20  
 payment 114/11  
 PBX 95/21, 96/1  
 PCS 41/22  
 peaceful 120/20  
 pending 111/2  
 penetrate 79/22  
 penetration 80/2, 90/23, 91/11, 93/9, 112/9  
 Pennsylvania 17/17, 141/13  
 percentages 24/14, 86/13, 86/17, 86/18, 95/5  
 perform 53/18, 118/14  
 Performance 35/18, 39/16, 47/21, 93/23, 101/22  
 performances 83/20  
 performing 51/14, 83/1  
 period 3/13

periods 102/9  
 permit 11/6, 21/7, 32/22, 41/5  
 permits 22/7, 106/14  
 permitted 44/3, 54/13, 98/3  
 personal 74/14  
 personally 5/11  
 perspective 6/4, 16/22, 21/11, 30/15, 102/2  
 persuade 72/8  
 Pete 27/24  
 Philippines 42/5  
 phone 31/1, 95/20, 96/2, 96/4, 96/7, 97/5, 98/2,  
 103/1, 104/22, 109/17, 116/25  
 phones 103/3, 103/6  
 phonetic 5/13  
 physical 80/22, 81/7, 116/10, 137/24  
 pick 67/15, 67/17, 67/23  
 piece 130/11  
 Pioneers 65/11, 65/17  
 pitfalls 127/16  
 PLACE 1/19, 35/20, 49/6, 70/7, 84/10, 132/7, 149/5  
 placed 35/24, 84/8, 112/18, 131/14  
 places 9/21, 21/9, 50/8, 142/16  
 plan 23/6, 76/22, 103/21  
 planned 33/16  
 plans 9/5, 27/1, 27/5, 102/21  
 platform 91/2  
 platforms 7/13, 8/13, 11/22, 15/13  
 play 144/10  
 played 131/3  
 player 17/8, 44/17  
 players 46/23, 47/4, 47/11, 47/18, 50/20, 138/16,  
 138/22, 138/25  
 playing 89/19  
 plays 78/19  
 pleadings 130/20  
 point 4/19, 13/16, 19/17, 25/12, 28/9, 28/17, 28/24,  
 34/19, 36/1, 38/18, 39/23, 41/4, 46/16, 72/25, 75/17,  
 78/3, 78/9, 79/8, 81/15, 84/5, 99/6, 100/14, 105/15,  
 105/22, 122/4, 123/17, 124/2, 128/21, 129/24, 130/16,  
 133/25, 138/8, 140/24, 143/24, 145/13  
 points 7/5, 13/13, 13/20, 15/10, 78/18  
 policy 60/19, 61/3, 62/4, 65/11, 65/13, 107/6, 107/11,  
 108/18, 116/23, 117/15, 120/22, 121/14, 135/22, 139/1  
 pools 108/11  
 poor 39/15  
 population 112/10  
 portion 16/14, 63/3, 114/9  
 pose 121/18  
 poses 111/2  
 position 49/5, 51/21, 63/1, 70/12, 83/17, 84/6, 112/2,  
 147/4  
 positioned 34/6  
 positive 16/9, 108/24, 121/6  
 possesses 116/3  
 possible 19/15, 27/18, 31/4, 48/11, 50/25, 61/24,  
 95/20, 102/19, 110/9, 116/25  
 Post 56/2, 56/4, 57/21  
 post-merger 111/15  
 Postmaster 56/5  
 POTAMI 1/22, 149/3  
 potential 15/7, 32/8, 33/4, 37/1, 38/14, 72/3, 73/8,  
 75/8, 95/7, 122/18  
 power 4/19, 30/11, 31/14, 33/9, 35/3, 50/6, 53/12,  
 54/2, 54/6, 54/19, 55/11, 55/13, 117/24  
 powerful 39/8  
 powers 53/15, 53/16, 58/25, 69/21  
 practice 36/5  
 practices 10/24, 19/13, 19/17, 36/18, 39/6, 39/13,  
 52/18, 55/3, 55/14, 114/1, 120/9, 137/12  
 praised 64/20  
 preamble 69/14  
 precedence 13/20, 15/10  
 precludes 110/4  
 precluding 45/8  
 predetermined 64/12  
 predivestiture 73/3  
 predominantly 13/12  
 preeminence 54/8  
 preexisting 43/21  
 Preference 65/11, 65/17  
 premerger 94/5  
 prerequisite 10/15  
 prescription 40/25  
 presence 13/16, 15/10, 17/4, 26/4, 33/16, 92/12, 135/9  
 Presentation 3/4, 3/5, 3/6, 3/7, 3/8, 3/9, 3/10, 3/11,  
 4/19, 4/25, 16/15, 28/19, 28/25, 29/6, 46/18, 50/3,  
 51/3, 51/15, 67/6, 70/1, 90/11, 96/4, 105/20, 105/22,  
 106/8, 106/13, 106/18, 123/25, 124/2, 128/25, 140/3  
 presentations 28/20, 28/22, 88/6, 132/22  
 presented 31/9  
 presenter 5/2, 105/16, 123/17  
 presenters 132/25  
 presents 38/2

president 18/20, 51/8, 130/8, 130/9, 132/1  
 presidential 18/13, 92/15  
 press 94/14  
 Pressure 54/25  
 prestige 96/17  
 pretty 138/14  
 prevailing 100/3  
 prevent 63/18, 78/7  
 preventing 48/15, 122/11  
 price 36/19, 52/15, 64/6, 64/10, 64/13, 64/14, 64/15,  
 64/17, 64/20, 90/7, 97/22, 101/22, 105/5, 112/17,  
 113/22, 114/12  
 prices 10/6, 27/17, 30/24, 36/17, 38/17, 59/17, 65/22,  
 74/1, 74/9, 77/4, 77/13, 77/18, 77/22, 104/1, 120/15,  
 124/8, 139/16  
 pricing 69/2, 102/7, 102/9, 102/22, 105/2  
 primary 18/14, 76/2, 76/18, 104/18, 134/15  
 PrimeCo 17/11, 41/22  
 priorities 19/8  
 private 58/4, 60/13, 61/11, 63/20  
 privately 90/18  
 pro-competition 109/15  
 pro-competitive 5/24, 6/9, 10/20, 10/21, 12/2, 30/5,  
 117/17, 119/22, 123/12  
 pro-consumer 110/1  
 pro-economic 24/8  
 problem 68/12, 79/22, 81/1, 81/16, 87/12, 99/23  
 problems 48/21, 80/24, 81/19, 81/22, 110/7, 120/3  
 proceed 28/19, 106/11  
 proceeding 29/5, 62/4, 69/2  
 PROCEEDINGS 1/11, 47/6, 119/12, 149/7  
 process 13/10, 14/22, 25/16, 38/15, 50/17, 82/4,  
 108/5, 112/6, 129/6, 129/10, 132/1, 132/14, 134/3,  
 145/15  
 processed 65/15  
 processes 117/24  
 procompetitive 46/13, 113/16, 115/14, 122/22  
 Prodded 56/25  
 produce 19/14, 109/25  
 product 69/23, 103/7, 104/25, 145/8  
 products 7/17, 11/15, 27/16, 104/12, 104/20  
 profile 12/16  
 profitability 36/13  
 profitable 79/9, 116/19, 117/2  
 profits 64/9, 64/11, 67/9, 108/11  
 program 22/24, 68/2  
 progress 112/7  
 prohibit 60/20  
 prohibited 40/4, 60/25, 64/11, 92/25  
 prohibitions 61/21  
 prohibits 32/17, 39/23  
 project 9/19  
 promise 41/10, 94/7, 94/8, 116/14  
 promises 70/14, 72/5, 72/7, 72/10, 83/18, 83/21,  
 83/22, 83/23, 94/4, 107/20  
 promote 48/12, 65/15, 65/21, 76/10, 77/17, 107/11,  
 121/1  
 promoting 11/24, 107/7, 120/22, 121/14  
 promotion 76/3  
 proof 55/24  
 properties 6/15, 41/20  
 property 134/2  
 proposal 23/4, 51/16, 66/1, 76/7, 76/15, 78/21, 79/3,  
 85/22, 87/18, 87/22, 89/6, 124/14, 124/20, 127/6,  
 128/5, 128/8, 130/20, 132/4, 141/21, 141/25, 142/3,  
 142/5  
 proposals 89/15  
 proposed 29/13, 30/16, 33/15, 48/17, 59/8, 68/5,  
 70/21, 72/16, 93/12, 107/2, 108/4, 108/12, 109/14,  
 111/19, 115/13, 115/16, 119/21, 120/25  
 proposes 92/5  
 propounded 140/2  
 propriety 48/1  
 prospect 13/14, 14/19, 30/17, 116/21, 120/8, 125/23,  
 126/3  
 protect 30/7, 30/8, 48/8, 67/11  
 protecting 122/2, 122/10  
 protection 67/9  
 protective 61/18, 63/8  
 protectural 73/6  
 proud 18/25  
 proved 10/24, 10/25  
 proves 90/13  
 provide 11/6, 13/3, 14/24, 18/22, 20/23, 22/8, 27/2,  
 32/18, 35/7, 38/6, 38/25, 42/11, 48/8, 50/17, 66/8,  
 69/18, 75/20, 76/6, 76/7, 76/11, 77/22, 79/16, 82/21,  
 91/19, 91/24, 92/19, 93/13, 93/18, 94/4, 95/3, 97/11,  
 98/13, 108/10, 109/7, 110/8, 111/11, 111/13, 116/11,  
 117/12, 135/12, 136/7, 138/6, 144/25, 147/2  
 provider 5/17, 6/16, 10/22, 14/2, 14/5, 14/6, 14/20,  
 34/8, 39/24, 45/12, 47/16, 81/21, 92/16, 104/7, 112/3,  
 112/13, 136/10  
 providers 12/8, 14/7, 38/10, 47/8, 47/14, 48/14,

82/8, 94/18, 105/8, 108/19  
 provides 8/10, 9/1, 11/20, 15/3, 40/6, 41/23, 42/1,  
 52/23  
 provision 12/2, 36/25, 38/24, 48/6, 48/7, 56/8, 68/14,  
 107/8, 114/18, 118/4  
 provisioning 35/20, 97/19  
 provisions 119/1, 127/12  
 proximate 42/18, 43/23  
 proximity 116/10  
 prudent 59/10  
 PSC 17/10  
 PUBLIC 1/1, 52/20, 52/21, 52/22, 53/1, 53/3, 53/5,  
 56/7, 56/11, 59/3, 59/5, 61/16, 62/7, 62/9, 62/12,  
 62/15, 65/8, 68/12, 69/6, 69/18, 76/4, 76/12, 84/24,  
 107/10, 108/17, 109/1, 109/4, 109/5, 109/9, 109/10,  
 109/12, 109/15, 116/23, 117/15, 119/18, 119/23,  
 120/25, 121/14, 121/19, 122/8, 122/20, 131/5, 135/22,  
 140/10, 140/15, 149/5  
 publics 65/8  
 published 55/19, 109/5  
 pull 79/11, 84/15  
 punch 98/5  
 purchase 57/11, 90/2, 95/5, 96/9  
 purchased 60/2, 90/18  
 purpose 77/16, 84/23, 143/4  
 purposes 113/16  
 pursued 44/22  
 pursuing 44/9, 45/8, 45/11, 49/13  
 pushed 64/20  
 put 7/11, 8/9, 30/15, 84/13, 84/14, 84/16, 100/16,  
 113/5, 147/16  
 putting 137/4

## Q

quantities 74/8  
 quality 11/2, 36/12, 65/22, 77/18, 77/23, 107/20,  
 111/7, 113/22  
 question 8/6, 8/8, 22/3, 49/4, 50/5, 55/23, 78/3, 79/1,  
 80/13, 80/16, 86/11, 87/14, 98/24, 107/15, 121/4,  
 141/8, 144/24  
 question/answer 3/13  
 questions 21/14, 28/21, 49/2, 118/19, 123/19, 123/21,  
 132/24, 133/2, 133/3, 139/21, 141/19  
 quick 88/13  
 quote 31/23, 48/5, 103/23, 107/9, 107/14, 109/8,  
 111/20, 113/5, 113/10, 118/23, 119/6  
 Qwest 13/13, 46/24

## R

radically 89/17, 111/24  
 Radio 56/12, 56/17, 58/21, 63/3  
 radios 61/12  
 radiotelephony 63/1  
 railroads 54/20, 54/23, 55/3, 55/18, 55/25  
 raise 37/15, 76/19, 118/19, 131/10, 144/6  
 raised 64/14, 81/22, 139/23, 143/8, 144/4, 144/14,  
 147/14  
 raising 49/20, 82/2, 82/11, 111/16, 131/15  
 RAMOS 2/9, 3/8, 66/11  
 range 12/13, 48/11  
 ranging 92/3  
 rapid 12/19, 30/12, 56/25, 65/24, 77/20  
 rare 113/2  
 rate 64/9, 64/10, 64/12, 67/10, 89/13, 90/21, 97/21,  
 98/15, 99/16, 102/8, 102/21, 103/3, 105/2, 139/13  
 ratepayers 66/6, 68/16  
 rates 39/1, 39/14, 55/3, 55/19, 55/23, 56/6, 59/16,  
 59/20, 64/14, 64/15, 64/16, 76/4, 98/3, 98/6, 113/12,  
 115/25, 143/20  
 rationale 52/9  
 RBOC 36/8, 70/13, 94/24, 119/20, 121/18, 135/21,  
 136/4, 136/5  
 RBOCs 6/1, 33/17, 69/16, 70/9, 70/15, 70/16, 70/23,  
 71/8, 71/15, 71/19, 71/24, 72/2, 72/17, 72/23, 73/7,  
 75/12, 85/4, 93/20, 94/22, 100/24, 101/1, 108/13,  
 117/25, 138/15, 141/22, 141/25, 142/5  
 RBOCs' 70/12, 75/9  
 reach 30/1, 32/1, 78/14, 93/12  
 reached 59/22  
 read 69/14  
 reading 89/2  
 reality 103/5  
 reallocating 63/2  
 realtime 89/12, 99/10  
 rearing 92/3  
 reason 11/5, 13/22, 14/25, 16/9, 30/5, 40/19, 44/7,  
 93/8, 96/13, 100/9, 133/18, 142/15  
 reasonable 9/23, 10/4, 38/22, 39/2, 39/15, 59/10,  
 59/19, 123/5, 126/1, 127/7  
 reasoned 62/13

reasons 5/24, 12/1, 72/21, 94/16, 109/19  
 recall 79/2, 80/17, 83/6, 90/25, 129/14  
 receive 78/5, 89/21, 94/7, 99/9  
 received 94/13, 142/20  
 receiving 40/21  
 recess 51/1  
 recognition 45/13  
 recombination 101/6  
 recommend 48/23  
 recommendation 145/12, 145/14, 145/16, 146/11  
 recommending 58/1, 90/4  
 reconcile 22/4  
 record 4/24, 29/4, 101/4, 112/13, 133/15  
 recording 87/12  
 records 56/19  
 recoup 13/15  
 reduce 36/14, 36/17, 65/13, 65/21, 68/11, 77/17,  
 91/7, 118/2, 123/1  
 reduced 36/13, 77/4, 77/13, 125/5, 125/13  
 reduces 118/14  
 reducing 32/15, 38/19, 98/6  
 reduction 98/7, 122/25, 127/4  
 reductions 119/17  
 reemphasized 54/9  
 reexamine 60/19  
 reference 46/18  
 reflect 67/4, 124/8  
 reflected 61/8  
 reflects 72/14  
 reform 10/14  
 refrain 60/3  
 refusal 57/1  
 refuse 38/6  
 region 26/23, 36/14, 37/5, 40/24, 41/11, 41/19, 42/10,  
 42/12, 42/16, 45/9, 46/7, 92/13, 111/17, 111/18, 115/9,  
 144/3, 144/14  
 regional 17/15, 17/21, 31/3, 70/6  
 regionally 143/17  
 regions 33/17, 36/11, 36/15, 36/16, 76/12  
 register 16/11  
 registered 63/10  
 regulate 35/16, 52/15, 54/2, 54/6, 55/2, 55/15  
 regulated 55/8, 56/8, 64/8, 64/20  
 regulating 53/17, 58/20, 59/11  
 regulation 23/6, 23/14, 32/15, 38/19, 39/11, 51/22,  
 52/9, 53/21, 53/25, 55/4, 56/3, 57/20, 64/18, 64/23,  
 65/21, 77/17, 80/9, 113/1, 127/5, 129/7  
 regulations 51/25, 52/4, 56/2, 58/14, 59/15, 60/15,  
 66/23, 113/7  
 regulators 39/4, 59/15, 66/3, 67/7, 67/14, 67/16,  
 67/18, 67/20, 67/23, 69/13, 72/8, 73/14, 80/8, 84/10,  
 84/15, 100/17, 101/5, 105/8, 107/20, 118/3, 128/3,  
 129/18, 130/14, 131/2, 132/10, 132/17  
 regulators' 118/14  
 regulatory 5/5, 16/16, 39/8, 39/20, 44/19, 48/8,  
 51/20, 53/9, 53/13, 58/11, 59/12, 67/10, 68/13, 81/18,  
 82/12, 83/1, 117/24, 118/12  
 reinforce 141/3  
 reinforcing 111/3  
 reinvoled 56/24  
 relate 82/2, 82/24  
 related 38/7  
 relationship 20/22, 20/23, 26/14, 26/16  
 relationships 13/18, 26/11, 26/20, 26/22, 133/20  
 relay 13/9, 93/16  
 reliable 94/8  
 reliant 52/23  
 relief 40/9, 40/13, 114/19  
 relieve 14/17  
 rely 39/19  
 relying 15/4  
 remain 92/10, 100/3, 112/14  
 remaining 70/22, 71/20, 72/23, 73/1, 117/25  
 remains 25/19, 31/1, 93/7, 94/14, 95/1, 107/22,  
 135/17, 140/25  
 remedy 39/16  
 remember 87/15, 102/7  
 remove 139/12, 139/18  
 reorganization 68/2  
 repair 92/3  
 repeat 14/16, 58/5  
 repeated 96/12  
 report 104/16, 112/5, 147/15, 147/20, 147/21  
 REPORTED 1/22, 116/8, 149/7  
 Reporter 1/23, 3/14, 29/3, 149/1, 149/3  
 reporter's 87/11  
 reporting 83/20  
 reports 109/5  
 repositioning 134/2  
 represent 11/2, 51/7, 70/3  
 representative 97/2  
 representatives 97/9  
 represented 124/23

represents 33/8, 37/10  
 reputation 26/17  
 request 101/8, 142/19  
 requested 64/1, 145/2  
 requesting 130/21  
 requests 73/10, 73/12, 73/13  
 require 12/20, 37/19, 48/7, 85/24, 97/4, 127/21  
 required 38/25, 55/18, 61/20, 87/19, 90/7, 94/6,  
 109/14, 130/23  
 requirement 59/4  
 requirements 40/11, 49/8, 114/19  
 requires 42/18, 99/12  
 requiring 7/14, 56/18, 134/25  
 requisite 40/12  
 resale 79/9, 79/12, 126/1, 126/10, 127/17, 134/18,  
 138/3, 140/24  
 reseller 15/4, 135/7, 137/7  
 Reselling 7/18, 14/6  
 reserved 56/14, 132/21  
 residence 112/9  
 residential 9/15, 10/5, 10/8, 10/10, 11/8, 27/2, 27/11,  
 27/21, 76/21, 76/24, 90/11, 93/9, 97/6, 98/7, 103/19,  
 103/24, 116/16, 116/20, 139/11, 139/15  
 resistance 108/1  
 resolve 69/6, 82/5  
 resort 28/12  
 resources 7/14, 8/9, 8/12, 42/9, 42/15, 43/3  
 respect 22/4, 23/13, 70/25, 80/1  
 respond 55/22, 83/4, 92/9, 133/14  
 response 57/4, 110/3, 123/22  
 responsibilities 83/1  
 responsibility 28/13, 58/14, 131/9, 131/14  
 responsible 58/19, 59/11  
 responsive 74/19  
 rest 16/1, 67/22, 85/3  
 restore 127/2  
 restrict 63/18, 117/1  
 restricting 120/10  
 restrictions 35/24  
 result 36/18, 50/18, 69/11, 72/15, 87/3, 127/7  
 results 61/6  
 resume 68/10  
 retail 111/13  
 retain 64/2  
 retention 90/21  
 retrieving 89/20  
 return 30/23, 64/10, 64/12, 64/16, 67/10  
 returned 58/4  
 revealed 72/9  
 revenues 104/22, 115/4, 120/17  
 revert 106/12, 123/24  
 review 47/7, 53/19, 55/24  
 reviewed 142/21  
 reviews 114/17  
 revised 61/21  
 revived 91/10  
 revolution 69/11, 101/18, 105/11  
 revolutionized 74/15  
 Rhoda 17/24  
 RHONDA 2/12  
 RICHARD 2/10, 3/9  
 rights 132/7  
 rights-of-way 56/7  
 ring 42/25  
 risk 39/20, 65/14  
 risking 14/11  
 rivals 120/17  
 rivals' 37/15, 111/17  
 Roads 56/2, 56/5  
 roaming 102/21, 103/4  
 role 131/2  
 roll 8/23, 11/10  
 Room 1/20, 4/22  
 Roosevelt 130/9, 132/2  
 rooted 12/2  
 round 71/22, 72/4, 72/15, 72/19, 73/6, 75/6, 100/25  
 rounding 102/10, 102/23  
 route 131/17, 143/22  
 RPR 1/22, 149/3  
 rule 48/1, 64/24  
 ruled 147/1  
 rules 53/12, 56/15, 119/2, 119/11, 131/3  
 run 52/3, 114/23, 126/21, 138/14  
 running 4/8, 7/9, 28/16, 50/25, 127/23  
 runs 4/7, 48/17  
 rural 12/16, 19/22, 21/22, 89/11, 93/20, 95/11, 95/18,  
 95/22, 95/23  
 RUTHE 1/22, 149/3

S-N-E-T 140/7  
 sacrifice 117/15  
 safe 58/8  
 sale 62/5, 134/7, 134/10, 141/15  
 sales 13/2  
 satellite 58/22, 60/4, 60/7, 60/9, 60/12  
 satisfy 40/10  
 save 90/10, 104/13, 131/22  
 savings 102/18  
 savvy 91/14  
 saw 86/16  
 SBC 20/8, 72/18, 72/21, 140/7, 140/19, 140/20  
 SBC/PacBell 100/21  
 SBC/PacBell/SNET 100/22  
 SBS/Ameritech 86/24  
 scale 7/15, 8/12, 11/3, 15/14, 31/9, 34/17, 36/16,  
 42/20, 65/1, 78/14, 79/23, 112/25  
 scenario 125/21, 140/18  
 schedule 28/17  
 scheduled 49/2, 49/24  
 schedules 97/5, 102/8  
 scheme 134/24  
 schools 19/6, 22/24, 22/25, 24/3, 24/9, 89/11, 93/16,  
 93/20, 93/25, 94/5  
 scope 11/3, 13/3, 112/24  
 scrutinize 39/15  
 sea 56/16  
 seamless 93/3  
 Second 6/4, 13/22, 32/10, 34/19, 72/15, 102/15,  
 109/23  
 secondary 36/6, 50/12  
 Section 14/18, 28/23, 32/20, 40/1, 40/5, 40/18, 40/22,  
 49/9, 54/2, 84/9, 100/8, 109/23, 114/17, 114/20  
 secure 65/22, 77/18, 119/6  
 security 58/2  
 seek 40/9, 71/9  
 seeking 73/1, 75/20, 121/20, 130/22  
 seeks 92/19  
 segment 104/19  
 Seidenberg 113/4  
 seize 100/17  
 sell 68/3, 130/3  
 selling 9/11, 26/19, 27/16  
 Senate 9/3  
 send 99/9, 99/17, 100/15  
 sending 147/15  
 senior 16/15, 75/23  
 sensitive 97/3, 102/9  
 sentiments 31/20  
 separate 12/11, 25/10, 25/17, 87/21, 88/16, 90/1,  
 93/2, 140/12  
 separated 59/24  
 separately 45/7  
 serious 109/16, 118/19, 119/9, 119/18, 121/18  
 serve 10/8, 22/15, 44/21, 70/22, 84/24, 91/12, 104/18,  
 109/1, 119/22, 141/12  
 served 17/22, 33/19, 76/12, 125/12, 125/20  
 serves 18/10, 141/13  
 SERVICE 1/1, 5/16, 7/12, 8/13, 8/20, 10/14, 10/22,  
 12/8, 14/6, 14/21, 14/25, 18/23, 20/24, 22/8, 26/16,  
 27/2, 27/10, 27/14, 27/24, 28/1, 28/7, 31/1, 31/18,  
 34/8, 36/17, 38/10, 41/15, 41/17, 41/24, 42/12, 44/10,  
 45/4, 46/7, 47/9, 47/14, 47/16, 48/6, 48/7, 50/8, 50/11,  
 50/12, 52/19, 56/11, 59/5, 61/3, 62/7, 62/9, 62/11,  
 62/15, 62/21, 65/23, 68/15, 69/7, 69/17, 69/20, 74/8,  
 79/7, 89/9, 89/10, 89/25, 90/1, 90/19, 91/9, 91/15,  
 91/17, 91/25, 92/4, 92/5, 92/18, 93/4, 93/11, 93/22,  
 94/18, 94/21, 95/16, 97/2, 97/8, 97/21, 104/3, 104/12,  
 104/15, 107/8, 107/19, 109/7, 111/13, 112/3, 112/21,  
 116/10, 117/14, 120/2, 120/8, 120/15, 120/16, 125/1,  
 131/24, 135/12, 149/5  
 serviced 125/9  
 Services 2/3, 6/7, 8/3, 8/15, 9/12, 11/15, 11/23, 12/3,  
 12/12, 12/13, 12/20, 13/4, 13/7, 13/8, 13/25, 26/19,  
 27/24, 30/1, 32/13, 32/19, 34/22, 37/17, 37/19, 37/25,  
 38/3, 38/7, 38/8, 38/11, 38/12, 38/17, 38/21, 38/24,  
 39/25, 40/5, 40/6, 43/9, 44/14, 44/20, 46/2, 46/20,  
 46/22, 47/9, 48/15, 52/16, 52/23, 53/1, 53/2, 62/12,  
 62/23, 65/12, 65/16, 74/22, 76/3, 76/6, 76/11, 77/3,  
 77/12, 77/18, 77/23, 77/25, 78/1, 78/10, 78/13, 78/20,  
 79/18, 87/20, 89/5, 89/7, 89/11, 89/18, 90/6, 90/25,  
 91/10, 91/16, 91/22, 91/24, 92/10, 93/1, 94/5, 94/11,  
 94/22, 94/24, 95/3, 95/7, 95/10, 95/11, 95/18, 95/21,  
 95/22, 96/1, 96/4, 96/6, 96/7, 96/10, 96/13, 96/15,  
 96/20, 96/24, 97/11, 97/13, 98/8, 98/14, 101/22, 104/7,  
 105/6, 108/20, 111/21, 118/6, 128/10, 128/14, 130/25,  
 131/25, 138/23, 140/15  
 serving 12/16, 13/15, 27/21, 116/8  
 set 37/24, 50/3, 56/15, 118/3, 122/5, 131/3, 141/24  
 setbacks 140/21  
 settlements 60/17



seven 17/17, 71/19  
 severe 7/11  
 shaky 115/15  
 share 29/12, 31/20, 36/13, 103/12, 117/7, 118/11, 125/25  
 shared 109/3, 131/21  
 shares 71/10  
 sharing 127/21  
 sharply 117/22  
 shed 131/21  
 Sherman 56/23, 63/23  
 shipper 55/23  
 ships 56/16  
 shopping 104/17, 125/6, 126/4  
 short 13/12, 43/16, 89/2, 89/19, 105/25, 126/6  
 shortcoming 117/11  
 show 103/15, 108/25, 121/6, 122/7, 122/8, 122/11, 122/18  
 shuffle 144/12  
 side 4/21, 119/25  
 signals 56/15  
 signed 120/20  
 simple 95/1, 105/6, 105/12, 107/16  
 sampler 102/17, 119/14  
 simplicity 101/23, 104/1  
 single 6/8, 52/24, 58/11, 97/10, 104/7, 107/15  
 situated 44/11  
 situation 55/16, 98/1, 110/22, 125/16, 126/12  
 six 5/24, 41/25, 79/4, 103/19  
 six-month 146/7  
 sixth 33/1  
 size 14/2, 31/14, 32/1, 44/12, 73/22, 73/24, 115/11, 115/22, 133/8  
 sized 84/22, 128/3  
 slide 71/17, 71/21, 72/14, 86/15  
 slowed 129/8  
 slowing 111/3  
 slowly 31/8, 87/11  
 small 9/15, 10/10, 17/22, 22/17, 43/21, 76/10, 76/21, 76/24, 84/22, 95/13, 95/24, 96/5, 96/18, 98/7, 103/20, 103/24, 115/10, 136/10, 141/6  
 smaller 14/3, 22/11, 22/12, 31/17, 43/2, 50/14  
 SMITH 2/10, 3/9, 101/14  
 smoothly 4/7  
 SNET 20/9, 140/6, 140/7, 140/11, 140/13, 140/19, 140/20  
 Snow 23/22  
 snowball 127/10  
 social 115/14  
 society 74/12, 74/17, 75/12, 75/15  
 SOHO 95/12  
 sold 141/6  
 sole 69/12  
 solutions 11/11, 81/17, 93/4, 144/16  
 son 88/23, 99/8  
 sophisticated 44/7, 45/16  
 sort 93/11, 99/9, 136/1, 143/4, 143/13  
 sought 44/18, 98/9  
 sound 95/24  
 source 62/10  
 Southern 2/13  
 Southwestern 71/23, 84/1  
 space 60/5  
 spawn 74/12  
 SPEAKER 27/25, 28/5, 51/13  
 spearhead 99/5  
 specialized 62/2, 62/3, 62/6, 62/11, 62/14, 62/20  
 specifications 62/19  
 spectrum 63/3, 64/22, 64/23, 65/5, 65/12, 111/21  
 speculative 114/2  
 speed 8/8, 44/19, 93/15, 94/12, 95/9, 95/15, 95/16, 112/20  
 spending 67/19  
 spent 7/15, 45/21  
 spillover 36/7, 50/13  
 spread 86/7, 99/13, 124/11, 124/15, 125/14, 128/1, 137/25  
 spreading 86/9  
 Sprint 2/7, 3/6, 14/4, 20/8, 29/6, 29/9, 29/15, 37/6, 37/23, 37/25, 38/12, 46/24, 47/4, 83/12, 84/3, 138/21  
 Sprint's 29/13, 37/22, 123/17, 142/19  
 sprang 142/18  
 spur 95/6  
 square 124/23  
 squarely 107/2  
 squeeze 112/17, 114/12  
 stability 127/2  
 Staff 4/5, 109/5, 109/11, 145/4, 145/13, 147/12  
 stage 67/5, 131/19  
 stake 6/18, 120/18  
 stall 75/7, 75/10  
 stand 35/21, 120/13  
 standard 38/1, 92/8, 102/23, 105/4, 107/10, 121/5,

121/8, 122/5, 122/13, 122/14, 122/21  
 standards 35/21, 48/18, 109/15, 118/7, 131/4  
 standing 47/20  
 standpoint 122/1, 143/5  
 stands 109/12  
 start 10/2, 20/9, 51/19, 54/17, 86/9, 120/1, 124/13, 142/3  
 start-up 43/21  
 started 99/1, 138/3  
 starts 9/12  
 state 13/21, 17/12, 22/11, 22/23, 23/19, 29/3, 29/10, 29/21, 30/5, 30/7, 32/4, 38/20, 39/9, 44/19, 52/9, 53/23, 54/12, 59/12, 68/24, 68/25, 69/5, 69/10, 75/21, 107/6, 109/3, 109/6, 128/3, 139/2, 140/9, 144/3, 147/3, 149/1  
 state's 147/7  
 statement 77/8  
 States 2/13, 9/18, 16/3, 16/6, 17/17, 17/23, 18/2, 18/21, 19/3, 22/12, 22/17, 23/1, 23/11, 24/1, 25/1, 33/19, 34/5, 42/1, 43/10, 43/14, 52/8, 54/4, 54/6, 54/12, 54/25, 56/4, 60/11, 68/4, 77/16, 79/7, 99/14, 104/24, 108/3, 108/20, 118/10, 130/9, 134/9, 135/6, 136/7, 141/12, 141/17, 142/6  
 statewide 33/22  
 station 61/13  
 stations 56/17  
 status 103/1, 109/10, 121/22  
 statute 48/3, 58/13  
 Statutes 46/14  
 statutory 39/5, 40/24, 48/18, 48/19  
 stay 64/17  
 stenographically 149/7  
 step 6/5, 6/11, 83/4  
 stiff 80/4, 80/15  
 stifled 75/4  
 stimulate 92/13, 128/9  
 stimulates 69/23  
 stimulating 124/18  
 stock 63/24  
 stop 80/4  
 story 64/5  
 strategic 108/8  
 strategists 104/9  
 strategy 7/8, 7/11, 22/2, 43/11, 44/21, 45/11, 45/16, 71/15, 77/25, 126/15, 130/25, 138/3  
 stream 70/6  
 Street 8/19, 18/11, 22/16, 47/15  
 strength 7/23, 10/25, 123/3  
 strengthen 30/11  
 strengths 20/1, 137/13  
 stretch 17/8  
 strict 52/17  
 strikes 30/22, 81/16, 81/25, 82/23, 121/25  
 striking 48/4  
 striving 29/22  
 strong 7/3, 8/22, 10/19, 114/15  
 stronger 5/16, 8/17  
 strongest 32/8  
 structure 107/11, 108/14, 121/13, 139/13  
 studied 65/5  
 studying 108/22  
 subcommittee 9/4  
 subject 52/8, 55/23, 60/14, 64/19, 65/7, 92/11, 100/13, 111/1, 114/16, 115/8  
 subjected 100/7  
 subjects 92/2  
 submitted 132/4  
 subscriber 89/12, 91/4, 91/5, 91/13, 96/7  
 subscribers 60/20, 89/13, 89/18, 89/19, 89/20, 89/22, 90/15, 91/3, 91/9, 92/8, 96/8, 96/21, 97/12, 97/14, 97/16, 99/2, 99/14  
 subsidiaries 93/2, 94/24  
 subsidiary 1/7, 25/18, 87/21, 88/13, 88/19, 94/23  
 subsidies 10/16, 139/12, 139/15, 139/19  
 substitute 53/2  
 subtle 111/5  
 suburban 12/16, 19/22  
 success 19/1, 135/8  
 successful 7/19, 42/7, 135/5, 135/19, 137/1, 137/14  
 successfully 56/23  
 sued 59/13  
 suffer 93/25  
 suffered 140/21  
 suffers 36/12  
 sufficient 9/23, 13/19, 45/10  
 sufficiently 12/19  
 suggestion 44/4  
 suit 57/7, 59/14, 60/18, 63/12, 63/24  
 sum 15/12  
 summer 129/16  
 sumo 32/2  
 super-RBOC 115/3  
 supercarriers 30/18

superior 90/17  
 supplied 60/22  
 suppliers 63/21  
 supplies 53/1  
 supply 52/15, 61/7, 62/10  
 support 8/12, 12/19, 51/17, 73/6, 85/19, 95/12, 115/15, 137/19  
 supported 44/22, 45/21, 89/8, 89/16  
 supporting 8/2, 16/12  
 Supra's 50/2, 69/25, 76/5, 76/6, 76/22, 77/3, 77/12, 94/7, 96/15, 103/20, 105/21, 106/13, 123/25, 130/20  
 supreme 54/11  
 surrender 64/3  
 surrounding 52/4  
 survey 96/5, 96/7, 104/5, 104/17  
 surveyed 96/14  
 surviving 57/2  
 SUSAN 1/13, 31/21, 118/10, 131/12  
 suspect 44/6, 108/21  
 switches 15/2, 15/9  
 switching 81/7, 81/9, 81/10  
 symbol 103/2  
 system 57/14, 58/7, 59/19, 60/2, 60/9, 60/11, 61/12, 61/16, 64/4, 64/9, 90/19, 93/11, 102/4, 136/5  
 Systems 2/11, 7/15, 34/11, 57/22, 58/3, 63/20, 90/12, 92/24

**T**

TA 66/8, 68/17, 69/14, 105/9, 131/6, 131/11, 131/14, 131/15  
 table 6/18  
 tactic 31/5, 75/6  
 tactics 113/16  
 TAF 104/5, 104/17  
 tailored 93/19  
 tailoring 93/23  
 takeover 57/21  
 talk 16/21, 19/9, 85/10, 85/13, 93/15, 94/10, 136/2  
 talked 102/14, 128/12, 131/8, 146/2  
 talking 9/11, 51/19, 78/17, 84/19, 140/16  
 Tallahassee 1/21, 102/11  
 Tampa 73/24, 114/13, 133/12  
 tandem 11/13  
 target 103/20, 116/14, 116/16  
 targeted 46/11  
 targets 45/16  
 tariff 64/13  
 tariffs 60/23, 61/21, 64/17  
 task 107/7  
 tasks 53/18  
 TCG 20/5  
 TCI 20/6, 138/21  
 team 18/21, 19/13  
 tears 131/20  
 tech 110/19  
 technical 45/25, 62/19, 94/11, 95/2, 110/20  
 Technologically 104/4  
 technologies 65/16, 65/24, 74/3, 77/21, 77/24, 118/6  
 technology 60/6, 96/23, 101/19  
 telco 64/13  
 telcos 52/6, 64/11, 64/16, 64/20, 66/4  
 telecom 5/12, 6/18, 7/6, 10/17, 20/8, 29/17, 31/6, 32/17, 35/12, 39/23, 40/5, 46/13, 51/4, 51/7, 51/13, 101/15, 103/18, 105/8, 107/4, 107/9, 121/13, 129/7, 138/21, 138/22, 138/23  
 telecom's 104/25  
 telecommunication 52/7, 65/23  
 Telecommunications 2/11, 6/7, 7/16, 8/15, 8/21, 9/12, 12/6, 14/18, 19/4, 24/10, 31/3, 33/7, 33/14, 45/22, 48/13, 48/14, 51/23, 52/16, 53/21, 56/1, 56/3, 63/20, 63/21, 65/4, 65/20, 70/5, 70/8, 70/24, 71/1, 71/5, 71/14, 71/18, 75/5, 76/2, 76/25, 77/4, 77/6, 77/13, 77/15, 77/19, 77/20, 77/24, 80/18, 91/23, 98/9, 101/19, 104/7, 104/11, 108/20, 109/24, 110/22, 112/5, 127/24, 128/9, 131/25  
 telecommuting 95/13  
 telegrams 56/6  
 telegraph 56/10, 56/24, 57/10, 57/22  
 telephone 17/5, 18/19, 30/13, 31/24, 31/25, 35/6, 52/3, 53/4, 56/19, 56/24, 57/1, 57/11, 57/13, 57/22, 58/3, 58/21, 59/16, 60/21, 60/22, 60/25, 61/6, 61/12, 61/15, 61/16, 61/17, 61/24, 64/2, 64/4, 64/8, 68/15, 92/8, 93/22, 96/20, 97/8, 107/8, 131/22, 131/23  
 telephony 6/3, 12/4, 35/17, 63/2, 76/16  
 tenants 21/2  
 tendency 55/13  
 tenets 76/2  
 Tennessee 42/2, 43/12  
 term 7/19  
 terminate 37/4, 37/7, 61/2, 114/8  
 terms 9/18, 26/6, 26/7, 26/19, 38/22, 39/1, 59/23, 85/7, 113/6, 113/21, 121/14, 122/20, 123/5, 124/15

<p>territorial 122/3  territories 12/17, 24/19, 33/18, 40/12, 50/12, 67/10, 70/11, 79/7, 112/3, 117/14, 125/19, 127/14, 141/10  territory 9/18, 21/6, 32/9, 33/5, 34/17, 50/8, 70/12, 100/6, 116/10, 120/2, 120/4, 120/8, 141/12  TERRY 1/13  test 122/22, 123/7, 123/9, 123/10  testimony 9/3  Texas 24/25, 25/2, 25/4, 43/12, 61/11, 68/4  Thailand 42/6  Thank 5/6, 16/18, 21/15, 24/12, 25/7, 26/25, 28/10, 29/11, 48/25, 50/21, 51/10, 51/11, 66/9, 66/14, 70/4, 75/25, 78/25, 89/1, 101/10, 105/13, 106/15, 106/23, 106/24, 121/3, 123/15, 123/23, 128/23, 132/20, 139/20, 147/11, 147/24  Theodore 130/9, 132/1  theory 110/7, 119/11  Thereupon 148/1  they've 68/19, 84/16, 105/18  Third 6/8, 32/14, 38/18, 87/3, 109/25  threaded 92/1  Three 7/22, 14/3, 15/18, 20/16, 25/1, 25/9, 27/7, 35/12, 71/4, 92/20, 92/22, 102/8, 102/14, 103/12, 125/17, 131/18, 138/22  threshold 32/1  throw 125/3  thrust 103/21  thwart 113/16  tied 55/16  tier 47/8, 47/11  TIME 1/17, 9/20, 21/23, 25/12, 49/3, 50/23, 60/16, 66/10, 66/18, 67/19, 72/9, 83/18, 83/24, 92/25, 94/7, 100/25, 102/23, 103/9, 105/15, 105/20, 106/2, 106/7, 106/14, 115/7, 117/9, 120/19, 124/1, 129/24, 129/25, 133/25, 134/25, 138/4, 141/17, 146/7, 149/5  time-of-day 97/3, 97/5, 102/8, 102/22  times 4/23, 29/17  tired 143/20  tirelessly 69/13  toll 15/2  tool 39/8  tooth 129/23  top 19/8, 47/3, 47/8, 47/11  topic 78/10, 92/1, 92/6, 92/9, 92/11  topics 92/2  tortuous 131/17  touch 4/16, 41/23  touchdown 13/13  touting 8/20  traced 54/7  track 21/2  traditional 12/4, 70/10  traffic 13/19, 15/1, 15/8, 34/3, 37/4, 37/13, 99/19, 114/9  tragic 30/22  training 96/11  Transaction 1/5, 16/3, 19/11, 41/2, 47/20, 121/21, 122/23, 132/12, 132/15, 132/16, 144/15  transactions 19/10  transfer 4/21, 95/14, 114/11, 130/4  transferred 55/24  transition 22/1, 48/5  transitional 40/9, 40/13, 114/19  transitionally 41/1  transmission 56/15, 62/6, 62/18, 95/15  transport 137/24  travel 51/15  traveled 131/18  treated 48/15  tripping 47/16  troubles 30/14  troubling 112/23  true 18/19, 30/4, 133/24, 136/14, 136/22  trust 66/6  turf 11/18  turn 15/9, 16/14, 75/9, 75/17, 111/13, 113/23, 128/21, 145/22  turned 7/13, 7/18  Two 12/11, 19/25, 23/17, 30/18, 71/24, 72/3, 72/17, 72/23, 86/12, 94/25, 96/6, 100/20, 108/19, 117/16, 122/12, 125/17, 137/4, 137/5, 137/11, 140/12, 141/12  two-way 61/11  twofold 22/3  type 8/3, 60/1, 78/16  types 11/23, 92/20, 92/23</p>	<p>unbiased 82/18  unbundled 35/22, 69/2, 80/22, 83/19, 113/11, 126/2, 126/9, 134/18, 134/22  uncooperative 100/11, 100/12  underlie 127/22  underlying 81/22, 82/10  undermine 114/24  UNDOCKETED 1/4, 149/4  unecoomical 139/17  unfulfilled 94/3  unheard 98/4  UNIDENTIFIED 27/25, 28/5  uninterrupted 52/19  union 54/16, 57/10, 129/16, 129/25, 132/8, 132/11, 132/14  unit 140/23, 140/24  United 52/8, 56/3, 60/11, 99/13, 104/24, 108/3, 108/20, 130/9  universal 10/13, 10/14, 27/14, 89/9, 92/18, 93/4, 93/5  unjust 38/23  unlawful 41/3  Unlike 19/10  unlimited 89/13, 97/15, 97/20, 98/15  unmatched 115/24  unparalleled 97/25  unreasonable 38/23  up-front 12/21, 42/17, 43/22  up-scale 103/1  urban 19/20, 89/11, 95/12, 95/18, 95/20  useful 66/15  user 90/17, 90/20  user-owned 90/2  users 45/15, 45/17, 66/8, 76/25, 91/25  Utilities 109/6, 140/10  utility 52/22, 109/4  utilized 106/2  utilizing 13/2, 104/8  UUNET 20/7, 129/20</p>	<p>wealth 31/14, 125/25  wealthier 68/6  web 97/10  wedge 29/22  Wednesday 145/23  week 68/23, 83/15  weekends 103/4  weigh 142/19, 143/1, 146/4  weight 45/10, 46/4, 115/15  weighted 37/7, 37/11, 123/11  welcome 15/24  welfare 53/1, 115/14, 130/12, 130/17  Wendell 66/18  West 17/18, 18/8, 18/13, 19/6, 41/22, 72/18, 72/21, 72/24, 108/16  Western 57/9, 59/17, 59/24, 63/17, 64/1  wherever 27/6  White 18/10, 103/22  wholesale 140/23  wholesalers 54/22  wholly-owned 1/7  wide 12/18, 78/14  wider 95/3  widest 48/11, 116/24  willing 134/8  winding 51/16  winners 67/7, 67/15, 67/17, 67/24  winning 14/10  wire 58/22  wireless 6/16, 14/3, 17/10, 18/15, 28/1, 28/2, 28/8, 47/4, 130/4, 130/5, 130/6  wires 94/19  wisdom 69/13, 132/3  wish 144/24  wishes 59/5  withdrew 33/21  withheld 40/20  witness 101/4  witnessed 101/18  wondered 73/18  words 48/3, 66/1  work 11/1, 18/23, 19/5, 20/17, 79/25, 88/25, 130/12, 136/19, 137/10  worked 69/13, 87/17  working 21/13, 23/10, 88/24, 118/10  WORKSHOP 1/11, 4/2, 4/4, 4/12, 4/13, 142/18, 142/22, 145/3, 147/25, 148/1, 149/5  world 18/17, 20/19, 57/24, 58/5, 130/10  WorldCom 14/4, 15/5, 15/19, 20/7, 46/24, 47/4, 47/7, 83/12, 84/3, 129/13, 129/15, 129/18, 129/19, 130/2, 130/3, 132/12, 138/21  WorldCom's 8/19  worldwide 18/16, 138/23  worry 97/24  worth 66/21, 130/10  worthwhile 145/5  wrap 105/24, 128/22, 128/25  wrestling 32/2  write 132/3  written 66/8  wrote 109/8</p>
V		
<p>valuable 5/11  value 20/22, 91/13, 111/16  varying 39/6  vast 34/7, 52/4, 92/2  VCRs 9/11  Venezuela 42/6  ventures 30/3, 42/7  Vermont 17/24, 22/18, 22/22, 23/5, 23/15, 68/22, 68/23, 69/9  vertically 114/5  veteran 5/12, 102/2  viable 38/9, 61/25, 115/1  vibrant 8/8  vice-president 5/4, 16/16, 29/10, 57/16, 75/23, 101/15, 106/20  video 95/15  view 10/1, 28/19, 44/6, 46/17, 47/10, 55/14, 105/15, 109/3, 118/11, 130/16  viewed 41/12, 53/7  views 29/13, 113/13  vigorous 115/8  Village 131/7  violate 18/1, 109/23  violation 57/6, 63/23  Virginia 17/18, 18/8, 18/13, 19/6, 19/7, 33/21, 141/13  virtue 34/11  vision 15/20, 105/9, 111/24  visions 135/4  vital 8/2, 130/12  voice 28/7, 62/23, 89/8, 89/9, 89/16, 89/18, 89/24, 90/8, 90/12, 90/14, 90/19, 91/2, 91/9, 91/24, 92/21, 92/24, 95/21, 96/1, 105/4, 133/4  voiced 147/4  voices 147/9  voicing 147/7  volume 15/8, 66/21, 103/22  volumes 9/13, 9/14, 13/20, 15/1  vote 144/17  voters 18/13  vulnerable 35/10</p>	<p>valuable 5/11  value 20/22, 91/13, 111/16  varying 39/6  vast 34/7, 52/4, 92/2  VCRs 9/11  Venezuela 42/6  ventures 30/3, 42/7  Vermont 17/24, 22/18, 22/22, 23/5, 23/15, 68/22, 68/23, 69/9  vertically 114/5  veteran 5/12, 102/2  viable 38/9, 61/25, 115/1  vibrant 8/8  vice-president 5/4, 16/16, 29/10, 57/16, 75/23, 101/15, 106/20  video 95/15  view 10/1, 28/19, 44/6, 46/17, 47/10, 55/14, 105/15, 109/3, 118/11, 130/16  viewed 41/12, 53/7  views 29/13, 113/13  vigorous 115/8  Village 131/7  violate 18/1, 109/23  violation 57/6, 63/23  Virginia 17/18, 18/8, 18/13, 19/6, 19/7, 33/21, 141/13  virtue 34/11  vision 15/20, 105/9, 111/24  visions 135/4  vital 8/2, 130/12  voice 28/7, 62/23, 89/8, 89/9, 89/16, 89/18, 89/24, 90/8, 90/12, 90/14, 90/19, 91/2, 91/9, 91/24, 92/21, 92/24, 95/21, 96/1, 105/4, 133/4  voiced 147/4  voices 147/9  voicing 147/7  volume 15/8, 66/21, 103/22  volumes 9/13, 9/14, 13/20, 15/1  vote 144/17  voters 18/13  vulnerable 35/10</p>	<p>work 11/1, 18/23, 19/5, 20/17, 79/25, 88/25, 130/12, 136/19, 137/10  worked 69/13, 87/17  working 21/13, 23/10, 88/24, 118/10  WORKSHOP 1/11, 4/2, 4/4, 4/12, 4/13, 142/18, 142/22, 145/3, 147/25, 148/1, 149/5  world 18/17, 20/19, 57/24, 58/5, 130/10  WorldCom 14/4, 15/5, 15/19, 20/7, 46/24, 47/4, 47/7, 83/12, 84/3, 129/13, 129/15, 129/18, 129/19, 130/2, 130/3, 132/12, 138/21  WorldCom's 8/19  worldwide 18/16, 138/23  worry 97/24  worth 66/21, 130/10  worthwhile 145/5  wrap 105/24, 128/22, 128/25  wrestling 32/2  write 132/3  written 66/8  wrote 109/8</p>
X		
		<p>X 3/1  X-ray 95/14</p>
Y		
		<p>Yankee 103/22, 104/4, 104/9, 104/16  year 23/7, 44/15, 47/7, 56/18, 63/5, 64/6, 68/2, 80/18, 81/3, 84/2, 90/8, 90/10, 129/14, 129/17, 130/6, 132/9, 140/7  years 35/12, 51/23, 53/8, 58/22, 59/21, 60/23, 65/19, 70/8, 71/4, 75/3, 102/3, 102/5, 103/12, 131/3, 131/18  yield 115/13  yielded 103/12  York 17/22, 34/3, 99/8, 114/13, 117/7  Young 113/10</p>
Z		
		<p>Zealand 42/5</p>
W		
		<p>waged 108/1, 120/15  waived 40/25  Walk 26/5, 47/15, 85/6  Wall 8/19, 18/11, 22/16  war 57/24, 58/5, 58/7, 120/11  warrant 45/11  Washington 18/11, 20/20, 43/13, 106/21  weakens 36/9</p>
U		
<p>U.S. 41/22, 53/19, 56/2, 56/13, 57/17, 57/21, 59/13, 63/16, 72/18, 72/21, 110/9, 120/24, 132/9, 132/10, 132/17  unambiguously 16/8  unavailable 93/7</p>		