

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

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UNITED STATES OF AMERICA,	)	
	)	
Plaintiff,	)	
	)	
v.	)	Civil Action No. 82-0912 (HHG)
	)	
WESTERN ELECTRIC COMPANY,	)	
INC., ET AL., AND	)	
	)	
AMERICAN TELEPHONE &	)	
TELEGRAPH COMPANY,	)	
	)	
Defendants.	)	

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**STIPULATION OF CONSENT TO PROPOSED ORDER**

The United States has filed a motion, under section VII of the decree, for entry of the attached proposed order to permit a trial, supervised by the Department of Justice and the Court, in which Ameritech could provide interexchange service for a limited geographic area, with appropriate safeguards, when competitive local exchange services become available.

Pursuant to Section VII of the Decree, the United States, Ameritech Corporation and AT&T Corp. hereby stipulate that the attached proposed order is in the public interest and they consent to its entry by the Court on that basis, in the form attached hereto, at any time after the filing of the United States' Memorandum and the responses and replies of other parties and interested persons.

FOR THE UNITED STATES:

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ANNE K. BINGAMAN  
Assistant Attorney General  
Antitrust Division  
United States Department of Justice

FOR AMERITECH CORPORATION:

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THOMAS P. HESTER  
Executive Vice President and General Counsel  
Ameritech Corporation

FOR AT&T CORPORATION:

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MARK C. ROSENBLUM  
Vice-President - Law  
AT&T Corporation

DATED: April 3, 1995

UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF COLUMBIA

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UNITED STATES OF AMERICA,

Plaintiff,

v.

WESTERN ELECTRIC COMPANY, INC., and  
AMERICAN TELEPHONE AND TELEGRAPH COMPANY,

Defendants

---

Civil Action  
No. 82-0192  
(H.H.G.)

O R D E R

Upon consideration of the motion of the United States, pursuant to Section VII of the Modification of Final Judgment, to permit a trial, supervised by the Department of Justice and the Court, in which Ameritech could provide interexchange service for customers within a limited geographic area, with appropriate safeguards, when competitive local exchange services become available, and upon consideration of the responses of other interested parties; and the Court being otherwise fully advised in the premises;

IT IS, this \_\_\_\_\_ day of \_\_\_\_\_, 199\_\_, ORDERED as follows:

## Definitions

1. As used in this Order, all terms defined in the Modification of Final Judgment entered August 24, 1982 (hereinafter "decree" or "MFJ") shall have the same meanings as interpreted by the courts unless otherwise redefined herein. Provided, however, for purposes of this Order, the following terms shall be defined as indicated:

(a) "Ameritech interexchange subsidiary" means the separate subsidiary of Ameritech that is authorized to offer interexchange telecommunications and other services pursuant to this Order.

(b) "Ameritech local exchange operations" means the parts or units of Ameritech's business that are regulated as a local exchange carrier ("LEC") by the Federal Communications Commission ("FCC") and the applicable state regulatory authorities in their provision of local exchange telecommunications and exchange access service except that for the purposes of this Order, the term "Ameritech local exchange operations" excludes the Ameritech interexchange subsidiary and other portions of Ameritech to the extent that they are operating as an Exchange Carrier or are providing telecommunications other than local exchange telecommunications and exchange access services. The term "local exchange carrier" ("LEC") is as defined by the FCC and the applicable state regulatory authority(s) in the Trial Territory.

(c) "Dialing parity" with respect to interexchange or intraLATA toll telecommunications means that subscribers may

select any available interexchange or intraLATA toll carrier, including Ameritech, to receive interexchange and/or intraLATA toll telecommunications traffic that is direct dialed (without an access or other code) from their local exchange telecommunications service. "Dialing parity" with respect to local exchange telecommunications means the ability of subscribers of other Exchange Carriers or exchange access service providers to reach subscribers of Ameritech's local exchange operations or Ameritech's interexchange subsidiary by dialing the same number of digits (without an access or other code) as an Ameritech subscriber at that location would have to dial to reach the same called party.

(d) "Exchange access" shall have the same meaning as set forth in the Decree, except that in addition, for purposes of this Order, the term includes comparable exchange access provided to the Ameritech interexchange subsidiary, or provided to other intraLATA toll carriers, for the purposes of originating and terminating intraLATA toll telecommunications.

(e) "Exchange Carrier" means a carrier, including a cable or video dialtone system, that provides, and is authorized by the appropriate state regulatory authority to offer, local exchange telecommunications as an alternative to those offered by a LEC.

(f) "Interexchange carrier" means a carrier that provides interexchange telecommunications. For purposes of this Order, an interexchange carrier may also provide other telecommunications.

(g) "Interexchange telecommunications" and "InterLATA telecommunications" means interexchange telecommunications as defined in the MFJ. Such interexchange telecommunications shall not include exchange access.

(h) "IntraLATA toll telecommunications" means telecommunications between points located within the same LATA, but for purposes of this Order excludes local exchange telecommunications and exchange access service.

(i) "Interim number portability" means one or more mechanisms whereby a local exchange telecommunications subscriber at a particular location may change its local exchange telecommunications service at that same location from one carrier to another without a change in the local exchange subscriber's telephone number.

(j) "LATA" means "exchange area" as defined in the MFJ.

(k) "Local calling" is as defined in the statutes, regulations, rules, orders, and tariffs in each state and through custom and usage in that state, but generally includes intraLATA telecommunications within the subscriber's local calling area, or other zone(s) that surround the end office serving the subscriber, and excludes intraLATA toll telecommunications.

(l) "Local exchange telecommunications" means basic telecommunications subject to the regulation of the states, as specified by the Communications Act of 1934 as "telephone exchange services," and as defined in the statutes, rules, orders, and tariffs in each state and through custom and usage in

that state. For purposes of this Order, the term shall include Centrex services offered within a LATA.

(m) "Loop" is the transmission facility between the network interface on a subscriber's premises and the main distribution frame in the serving central office. This definition is without prejudice to the power of a state to require further unbundling of that facility or of the Department to consider the competitive effects of such unbundling.

(n) "Port" for purposes of this Order comprises the entirety of local exchange telecommunications with the exception of the loop and, by way of example, includes dial tone, a telephone number, local switching, local calling (if applicable) directory assistance, a white pages listing, operator services, and access to interexchange and intraLATA toll carriers. This definition is without prejudice to the power of the state to require further unbundling of those functions or facilities, or to use a different definition of a port for its own regulatory purposes not connected with this Order.

(o) "Trial Territory" means the exchanges within the limited geographic area described in Exhibit A that are either (i) Ameritech exchanges or (ii) other Local Exchange Carriers' exchanges in which, because dialing parity for intraLATA toll service has been implemented or for other reasons, Ameritech does not automatically receive interexchange or intraLATA toll traffic for which no access code has been dialed.

(p) "Transport" means facilities that carry telecommunications traffic from one point to another point on a carrier's network and includes the functions offered as transport in the duly published FCC exchange access service tariffs of the Ameritech local exchange operations.

(q) "True number portability" means the capability for local exchange telecommunications subscribers at a particular location to change their local exchange telecommunications service from one provider to another at that same location without a change in the subscribers' telephone number, while preserving the full range of functionality that the subscribers could have obtained had they not changed their providers, and allowing carriers that so choose to deliver traffic directly to that provider without first having to route traffic to Ameritech or otherwise use Ameritech's transmission or switching facilities to complete the call. The facilities for providing such capability may be owned and/or operated by Ameritech for purposes of this trial, but Ameritech shall continue to explore other alternatives, including having those functions performed by a neutral third party.

(r) "Unbundling" means the offering of a specified telecommunications service, facility, or component on a stand-alone basis, without requiring the user to subscribe to other telecommunications services.



### Grant of Waiver Authority

2. ORDERED FURTHER, that Ameritech may commence to provide interexchange telecommunications, subject to the provisions and limitations of this Order.

3. ORDERED FURTHER, that nothing in this Order shall preempt the jurisdiction of the FCC and the applicable state regulatory authorities or their successors in the Trial Territory and that Ameritech's authority to provide interexchange telecommunications pursuant to this Order, and to provide intraLATA toll, exchange access, and local exchange telecommunications, are subject to the applicable regulations of the FCC and the applicable state telecommunications regulatory authorities or their successors in the Trial Territory.

4. For the purposes of this Order, terms such as "may commence to provide interexchange telecommunications" and "authority to provide interexchange telecommunications" shall be understood to mean only the temporary and limited waiver of the line of business restriction of Section II(D)(1) of the Decree and only to the extent specified in this Order.

### Scope of Waiver Authority

5. ORDERED FURTHER, that neither the authority granted nor the restrictions imposed in this Order shall be construed to be permanent except upon further order of the Court.

6. ORDERED FURTHER, that the trial authority to provide interexchange telecommunications granted in this Order shall relate only to the geographic area defined as the Trial Territory.

7. ORDERED FURTHER, that the trial authority to provide interexchange telecommunications granted in this Order shall include, and be limited to:

(a) providing interexchange telecommunications originating in the Trial Territory and terminating anywhere in the United States or the world, including within the Trial Territory (other than interexchange telecommunications terminating outside the Trial Territory that are of a type that is ordinarily carried by the interexchange carrier selected at the terminating location);

(b) providing collect, inbound 800, 900, 700, and other services billed to the called party to subscribers' locations in the Trial Territory;

(c) providing 500, third-number, calling card, and debit card services marketed in the Trial Territory to subscribers in the Trial Territory, including the provision, in connection with those services, of resold switched interexchange services procured pursuant to tariff or contract from unaffiliated interexchange carriers;

(d) private line and other dedicated services with one end of the communication in the Trial Territory; and

(e) subject to the notification, objection, and withdrawal provisions of this subparagraph, providing other interexchange telecommunications of a type that is provided, or would reasonably be provided, by interexchange carriers to their subscribers in the Trial Territory. Ameritech shall fully describe, to the Department, the appropriate state regulatory authorities, and all other interested persons, all such other interexchange telecommunications in a nonproprietary writing that shall be used by the Department to solicit comments, at least 30 days prior to their provision. Ameritech may also provide confidential information concerning the scope and nature of the proposed services to the Department, and the appropriate state regulatory authorities, but not to other persons, at the same time. In the event the Department does not object to Ameritech's provision of any such other telecommunications during said 30-day notification period, Ameritech may offer such other telecommunications, subject to any other applicable state or federal law and to the later withdrawal of authority under Paragraphs 15 and 16.

8. ORDERED FURTHER, that the authority granted pursuant to this Order is limited to the provision of landline or wireline interexchange telecommunications other than any interexchange telecommunications service that originate on systems that provide commercial mobile radio services. Nothing contained within this Order exempts or otherwise relieves Ameritech or any of its

affiliates from any applicable restrictions relating to the provision of wireless telecommunications.

Preconditions to Waiver Authority

9. ORDERED FURTHER, that Ameritech shall not offer interexchange telecommunications pursuant to this Order until the Department has approved the offering of such telecommunications pursuant to the standards set forth in Paragraph 11. Ameritech shall have the burden of initiating the process of seeking such approval by reporting to the Department in writing, and providing copies of the report to the appropriate state regulatory authorities, and all other interested persons that within the Trial Territory:

(a) the Ameritech local exchange operations have implemented the unbundling of loops and ports for business and residential customers on terms approved by the appropriate state regulatory authority;

(b) the Ameritech local exchange operations have made the necessary technical, operational, administrative and other changes to implement dialing parity for intraLATA toll telecommunications no later than 21 days prior to the effective date of Ameritech's authority pursuant to Paragraph 13 of this Order, on terms approved by the appropriate state regulatory authority;

(c) the Ameritech local exchange operations have filed, and the appropriate state regulatory authority has approved, such tariff changes as are necessary to allow non-facilities-based competition (either through resale of the bundled local exchange telecommunications, or resale of unbundled loops and ports, or both, so long as the means chosen allow such competition) for all classes of service, including residential service;

(d) the Ameritech local exchange operations have made and implemented reasonable and nondiscriminatory arrangements for sharing of pole attachments and conduit space, and reasonable and nondiscriminatory arrangements for Exchange Carriers to secure access to entrance facilities, risers, and telephone closets, to the extent such arrangements are under the control of Ameritech;

(e) the Ameritech local exchange operations have implemented and publicly filed arrangements for interconnection with Exchange Carriers on terms acceptable to such Exchange Carriers or approved by the appropriate state regulatory authority and made generally available to all Exchange Carriers with respect to the same type of traffic, including arrangements for reciprocal compensation (if any) for terminating telecommunications traffic, provision of local exchange telecommunications support functions, dialing parity for local exchange telecommunications, and access to necessary services

(including unbundled signalling and 611, 911, E911, call completion, and TRS relay services;

(f) the Ameritech local exchange operations have implemented arrangements to offer all data necessary to provide 411 service under reasonable, nondiscriminatory terms;

(g) the Ameritech local exchange operations have implemented appropriate arrangements, including obtaining necessary regulatory approvals, if any, for true number portability in the Trial Territory, with arrangements for allocating the costs thereof that do not place an unreasonable burden upon Exchange Carriers, except that if Ameritech is unable to fulfill this condition as of the date 120 days before the anticipated implementation of intraLATA dialing parity, this condition may be waived by the Department for purposes of the initial inception of interexchange authority under paragraphs 9-14 if (i) Ameritech explains in writing and with particularity why it is unable to meet this condition and sets forth a plan acceptable to the Department for achieving true number portability and (ii) the Ameritech local exchange operations have implemented arrangements, acceptable to such Exchange Carriers or approved by the appropriate state regulatory authority, for interim number portability from its central offices, with as little loss of functionality as reasonably possible, and with arrangements for allocating the costs

thereof that do not place an unreasonable burden upon Exchange Carriers; and

(h) to the extent that Ameritech serves as the central office code administrator, the Ameritech local exchange operations have made reasonable efforts to transfer their duties as the central office code administrator to a neutral third party, and to the extent such efforts are not yet successful, have explained in writing why they are not yet successful, outlined the further steps they plan to take, and implemented a nondiscriminatory procedure for assigning central office codes.

10. ORDERED FURTHER, that the Department shall not authorize Ameritech to offer interexchange telecommunications pursuant to this Order until Ameritech shall also have filed, and served on the appropriate state regulatory authorities and on all other interested persons, a compliance plan for the implementation of this Order. The compliance plan shall include:

(a) a plan for implementing equal access to interexchange telecommunications sufficient to ensure that Ameritech provides access on a nondiscriminatory basis even where Ameritech is also a competing interexchange carrier;

(b) procedures for identifying to new Ameritech local exchange telecommunications subscribers their choices for interexchange and intraLATA toll telecommunications;

(c) procedures, in compliance with paragraph 23, for disseminating to interexchange carriers, intraLATA toll

carriers and Exchange Carriers any plans for changes in its telecommunications facilities or for the implementation of new telecommunications, including signalling and support functions, that may affect such carriers' interconnection with the Ameritech local exchange operations;

(d) a plan for separating the Ameritech interexchange subsidiary from Ameritech's other operations, as provided in Paragraph 20 and other paragraphs of this Order;

(e) a plan setting out the conditions under and extent to which the Ameritech interexchange subsidiary shall be allowed to offer pricing for local exchange and interexchange telecommunications whose availability is contingent upon the subscriber's selection of Ameritech for both such services, when other carriers are offering similar pricing arrangements;

(f) a plan setting out the terms whereby the Ameritech interexchange subsidiary may offer pricing for intraLATA toll and interexchange telecommunications whose availability is contingent upon the subscriber's selection of Ameritech for both such services, consistent with practices common in the industry;

(g) to the extent that contingent pricing as described in subparagraphs (e) and (f) is not permitted, a plan for notifying customers of the availability of such services on an unbundled basis;



(h) a plan setting out the conditions under which the Ameritech interexchange subsidiary will be allowed to own, lease, or control any of the facilities it uses to provide local exchange telecommunications and exchange access services, including steps to ensure that any local exchange telecommunications or facilities obtained from the Ameritech local exchange operations are available to unaffiliated carriers on a nondiscriminatory basis;

(i) a plan for detecting and reporting violations of this Order or of this compliance plan; and

(j) a plan for orderly withdrawal from the provision of interexchange telecommunications in the event Ameritech's authority to offer interexchange telecommunications is discontinued pursuant to Paragraph 16 of this Order.

11. ORDERED FURTHER, that:

(a) within 30 days following the filing of both the report pursuant to Paragraph 9 and the compliance plan pursuant to Paragraph 10 of this Order, the Department shall issue to Ameritech its request for additional information, if the Department elects to issue such a request. Within 60 days after Ameritech has substantially complied with the Department's request for additional information or 120 days after the filing of both the report pursuant to Paragraph 9 and the compliance plan pursuant to Paragraph 10 of this Order, whichever date occurs later, the Department shall issue its decision whether Ameritech may begin to offer

interexchange telecommunications pursuant to this Order, which decision it shall file with the Court. Prior to rendering said decision, the Department shall solicit comments from the appropriate state regulatory authorities and interested persons, investigate the accuracy and sufficiency of the report and compliance plan, and take all other action reasonably necessary to the rendering of its decision. In obtaining comments from state or federal regulatory authorities, the Department may share any information received from Ameritech or other interested persons, subject to appropriate assurances against further disclosure by those authorities of confidential business information.

(b) To render an affirmative decision on Ameritech's application, the Department must find that

(i) actual competition (including facilities-based competition) in local exchange telecommunications exists in the Trial Territory,

(ii) the conditions specified in paragraph 9 have been substantially satisfied, and that regulatory developments (including but not limited to those developments set forth in Paragraph 9 and the terms and conditions thereof) and market conditions offer substantial opportunities for additional local exchange competition, as evidenced by, among other things, the

increasing availability of local exchange telecommunications alternatives for such customers,

(iii) the conditions described in (i) and (ii) above, together with regulatory protections, the Department's right to terminate Ameritech's interexchange telecommunications authority under Paragraph 16, the transport facilities restrictions of Paragraph 19, the compliance plan, the limited geographic scope described in Exhibit A, and the other provisions of this Order, are sufficient to ensure that there is no substantial possibility that Ameritech could use its position in local exchange telecommunications to impede competition for the provision of interexchange telecommunications to business or residential customers in the Trial Territory.

(c) In making its decision, the Department may also take into account:

(i) the extent of regulatory, statutory, and other legal certification, licensing, franchising, and similar requirements and the effect of such requirements on the development of local exchange telecommunications competition in the Trial Territory, and

(ii) the extent to which the Ameritech local exchange operations make available to unaffiliated

interexchange and intraLATA toll carriers and Exchange Carriers in the Trial Territory electronic access to ordering, provisioning, and repair systems equivalent to the electronic access provided to its own local exchange operations' ordering, provisioning, and repair activities.

(d) Prior to rendering an affirmative decision on Ameritech's application, the Department shall ensure that Ameritech has installed and tested the capability of providing dialing parity for intraLATA toll telecommunications throughout the Trial Territory, and that Ameritech has taken all steps necessary to carry out the terms and conditions of its compliance plan.

(e) An affirmative decision on Ameritech's application may be conditioned on any other terms that may be appropriate to further the purposes of this Order.

12. ORDERED FURTHER, that the Department may engage the services of independent experts, selected by the Department in its sole discretion, to assist in its investigation, and Ameritech shall pay the reasonable expense incurred by the Department resulting from said engagement.

13. ORDERED FURTHER, that Ameritech shall not commence to provide interexchange telecommunications under this Order until the effective date of its authority to do so. Said effective date shall be at least 30 days subsequent to the date on which

the Department issues its decision granting Ameritech authority under this Order.

14. ORDERED FURTHER, that Ameritech shall not publicly advertise its ability to provide the interexchange telecommunications authorized by this Order at any time prior to 10 days after issuance of the Department's decision granting Ameritech authority under this Order. Ameritech, however, may issue press releases, circulate intracorporate communications, make presentations to security analysts, and undertake similar activity regarding the subject matter of this Order at any time.

#### Department Supervision

15. ORDERED FURTHER, that Ameritech shall report to the Department any violations of this Order or of its Compliance Plan, including corrective action taken, if any. If the Department, whether in response to such report or otherwise, determines (a) that Ameritech is violating any of the terms of this Order, its compliance plan, or terms imposed on Ameritech in connection with paragraph 11, or (b) that other conduct by Ameritech may impede competition for interexchange telecommunications in the Trial Territory, the Department, by written notice delivered to Ameritech and signed by the Assistant Attorney General in charge of the Antitrust Division, may require Ameritech to discontinue such violations or other conduct forthwith, specifying with particularity the violations or other conduct to be discontinued.

If Ameritech seeks review of the Department's decision by the Court, it shall have the burden of establishing that it is not in violation of this Order, or, in the case of other conduct, that there is no substantial possibility that such conduct will impede competition in interexchange telecommunications in the Trial Territory; provided further, that the Department may authorize the resumption of any conduct discontinued under this paragraph upon receipt of assurances from Ameritech satisfactory to the Department that the objectionable aspects thereof will be removed. If Ameritech violates any of the terms of this Order, its compliance plan, terms imposed on Ameritech in connection with paragraph 11, or requirements imposed pursuant to paragraph 15, the Department may seek civil fines.

16. ORDERED FURTHER, that if the Department, irrespective of whether it has previously taken action under paragraph 15, determines that Ameritech has violated a provision of this Order or that the Department no longer believes that there is no substantial possibility that continuation of Ameritech's provision of interexchange telecommunications pursuant to this Order would impede competition for interexchange or intraLATA toll telecommunications, exchange access services or local exchange telecommunications in the Trial Territory, the Department, by written notice delivered to Ameritech and signed by the Assistant Attorney General in charge of the Antitrust Division, stating the reasons for its determination, may require Ameritech to discontinue interexchange telecommunications authorized by this Order on or before the effective date stated

in such notice, which effective date shall be not less than sixty days after the date such notice is delivered. Financial hardship to Ameritech resulting from such discontinuance shall not be a ground for opposing such discontinuance. If Ameritech seeks review of this determination by the Court, it shall have the burden of establishing that it did not violate this Order and that there is no substantial possibility that continuation of the provision of interexchange telecommunications pursuant to this Order would impede competition in interexchange, intraLATA toll, or local exchange telecommunications or exchange access services. The Department, having given such notice, may revoke or rescind it at any time before its effective date or may supplement its statement of reasons.

17. ORDERED FURTHER, that Ameritech may petition the Department for (a) the modification or elimination of any of the provisions of paragraphs 7(e) and 19-47 of this Order upon a showing that developing conditions warrant such a change, or (b) a geographic modification of the Trial Territory within the states listed in Exhibit A under the standard set forth in paragraph 11(b), giving notice to interested persons, the appropriate state regulatory authorities, and the Court. The Department may, prior to rendering its decision, solicit comments from the applicable state regulatory authorities and other interested persons or take any other investigatory action, including the sharing of information with state and federal regulatory authorities as set forth in paragraph 11. The

effective date of any decision allowing such modification or elimination shall be not less than 30 days after the date such decision is rendered.

18. ORDERED FURTHER, that the Department shall conduct a comprehensive review of all aspects of the temporary waiver described in this Order and shall file a written report of this review with the Court on or before the third anniversary of the effective date of the authority provided under this Order.

#### Interexchange Facilities

19. ORDERED FURTHER, that Ameritech shall not own any of the transport facilities used to provide interexchange telecommunications authorized by this Order, but shall lease or otherwise procure the use of such facilities under tariffs or contracts from any provider not affiliated with Ameritech. None of the leases or other contracts for the use of interexchange transport facilities shall have a term in excess of five years.

#### Separate Subsidiary

20. ORDERED FURTHER, that all Ameritech interexchange telecommunications authorized by this Order shall be provided by the Ameritech interexchange subsidiary. As provided by Paragraph 10 of this Order, the compliance plan required to be filed by Ameritech shall describe in detail the separation of Ameritech's



local exchange operations from the Ameritech interexchange subsidiary. The compliance plan shall reflect and effectuate the following principles:

(a) The Ameritech interexchange subsidiary shall be maintained as a separate corporate entity or partnership with separate officers and personnel;

(b) The Ameritech interexchange subsidiary shall maintain separate financial, accounting, operating, and other records;

(c) Ameritech shall not pledge or otherwise encumber the assets of the Ameritech local exchange operations as security for the debts or other obligations of the Ameritech interexchange subsidiary;

(d) All Ameritech interexchange switching facilities employed to provide the interexchange telecommunications authorized by this Order shall be owned and controlled by the Ameritech interexchange subsidiary, or leased from an entity other than Ameritech's local exchange operations, and all transport facilities employed to provide interexchange telecommunications shall be leased or otherwise procured by the Ameritech interexchange subsidiary;

(e) Except as otherwise provided in this Order, the Ameritech local exchange operations shall retain complete responsibility for all aspects of its local exchange telecommunications and exchange access services and may not delegate responsibility for the marketing of its local

exchange telecommunications and exchange access services to the Ameritech interexchange subsidiary;

(f) The Ameritech local exchange operations shall prominently display in its White Pages telephone directories the telephone number for prospective subscribers of Ameritech's local exchange operations to call to request new local service, such calls to be handled in accordance with the equal access requirements of paragraph 36; and

(g) Nothing within this paragraph shall prohibit the Ameritech interexchange subsidiary from sharing with any of its affiliates, including the Ameritech local exchange operations, the following:

(i) general corporate oversight inherent in the parent/subsidiary relationship,

(ii) accounting, auditing, legal, human resources, finance, tax, insurance, pension, public affairs, and labor relations services and corporate security policy and advice,

(iii) computer facilities not used to provide local exchange telecommunications, exchange access, or interexchange telecommunications,

(iv) non-service-specific advertising and promotion,

(v) bulk purchasing of supplies and equipment,  
and

(vi) building space subject to the provisions of paragraph 24.

The foregoing terms shall have the same meaning as used and interpreted by the FCC in its Computer Inquiry II proceedings and rules. Any such sharing between the Ameritech interexchange subsidiary and other Ameritech affiliates, shall be subject to non-structural cost accounting procedures, based upon normal cost accounting and regulatory principles, and in compliance with Part 64 of the FCC's Rules, designed to assure that an appropriate pro rata share of costs are allocated to the Ameritech interexchange subsidiary. The provisions of this paragraph are in addition to any imputation requirements imposed under applicable federal or state regulatory statutes or rules.

Equal Access/Non-Discrimination

21. ORDERED FURTHER, that the Ameritech local exchange operations shall offer to the Ameritech interexchange subsidiary and to unaffiliated interexchange and intraLATA toll carriers and Exchange Carriers interconnection, exchange access services, and local exchange telecommunications in the Trial Territory on an unbundled basis that is equal as to each category of service provider in type, quality and pricing.

22. ORDERED FURTHER, that the Ameritech local exchange operations shall not discriminate between the Ameritech

interexchange subsidiary and unaffiliated interexchange and intraLATA toll carriers and Exchange Carriers concerning local exchange telecommunications and exchange access services in the:

(a) establishment and dissemination of technical information and interconnection standards in the Trial Territory;

(b) interconnection, including rates and compensation in the Trial Territory; or

(c) provision of new telecommunications or modification of facilities relating to the interoperability, interconnection, local exchange telecommunications and exchange access services in the Trial Territory.

23. ORDERED FURTHER, that the Ameritech local exchange operations shall notify unaffiliated interexchange and intraLATA toll carriers and Exchange Carriers of changes to existing exchange access services and local exchange telecommunications or the addition of new such services that affect such unaffiliated carriers' interconnection with the switching, transport, and signalling facilities of, or ordering, provisioning, and repair systems interfaces to, the Ameritech local exchange operations in the Trial Territory at least 60 days prior to implementation, or as soon as the Ameritech local exchange operations gives any information to the Ameritech interexchange subsidiary regarding such actual or contemplated changes, whichever is sooner.

24. ORDERED FURTHER, that switching and transport facilities of the Ameritech interexchange subsidiary shall be

interconnected to the local exchange and exchange access switching and transport facilities of Ameritech's local exchange operations on nondiscriminatory terms and rates compared to those available to unaffiliated interexchange and intraLATA toll carriers and Exchange Carriers. The Ameritech interexchange subsidiary may collocate its interexchange telecommunications switching and transport facilities with the local exchange and exchange access switching and transport facilities of the Ameritech local exchange operations only on the same terms and rates available to such unaffiliated carriers, including, but not limited to, leasing space in the same building for the placement of such facilities and the sharing of power.

25. ORDERED FURTHER, that the Ameritech interexchange subsidiary may purchase, subject to any applicable state regulatory requirements, exchange access services and local exchange telecommunications, at nondiscriminatory terms and rates, from the Ameritech local exchange operations to the extent that those services are available to unaffiliated interexchange and intraLATA toll carriers and Exchange Carriers.

26. ORDERED FURTHER, that the Ameritech local exchange operations may make its local exchange telecommunications and exchange access service order, maintenance, and other telecommunications support systems available to the Ameritech interexchange subsidiary, as long as the Ameritech local exchange operations offer access, on nondiscriminatory terms and rates, to equivalent order, maintenance, and other telecommunications

support systems for local exchange telecommunications and exchange access services it provides to unaffiliated interexchange and intraLATA toll carriers and Exchange Carriers in the Trial Territory. Ameritech will make parity reports available, on a confidential basis, to the Department, the appropriate state regulatory authorities and unaffiliated carriers whose services are the subject of the report, subject to appropriate assurances against further disclosure, that compare the installation and provisioning intervals, and repair incidence and intervals, for services provided by the Ameritech local exchange operations to Ameritech's own operations and to such unaffiliated interexchange and intraLATA toll carriers and Exchange Carriers. Such parity reports shall, to the extent feasible, utilize the format of parity reports that Ameritech is then filing with the FCC.

27. ORDERED FURTHER, that if the Ameritech local exchange operations provides billing services to the Ameritech interexchange subsidiary, the Ameritech local exchange operations shall offer equivalent billing services to unaffiliated interexchange and intraLATA toll carriers and Exchange Carriers on nondiscriminatory terms and rates.

28. ORDERED FURTHER, that to the extent the Ameritech local exchange operations offer its customers the ability to retain the same telephone number at a different location within a geographic area, and to the extent it is technically and practicably feasible, Ameritech's local exchange operations will make such

capability available to other Exchange Carriers on nondiscriminatory terms and conditions.

29. ORDERED FURTHER, that the Ameritech local exchange operations shall undertake the following actions regarding the publication and distribution of the Ameritech local exchange operations' White Pages telephone directories in the Trial Territory:

(a) offer to list all local exchange telecommunications subscribers in the Trial Territory in such White Pages directories under reasonable, nondiscriminatory terms, regardless of whether such subscribers purchase their local exchange telecommunications from an Ameritech affiliate;

(b) make available to the Ameritech interexchange subsidiary and unaffiliated carriers operating within the Trial Territory, upon request and on nondiscriminatory terms and rates, listings of the names, addresses, and telephone numbers of Ameritech local exchange telecommunications subscribers that are published in such White Pages directories;

(c) to the same extent and on the same terms as offered to Ameritech's local exchange operations, offer to the Ameritech interexchange subsidiary and unaffiliated carriers that have listings in such White Pages directories, the opportunity to place information in such directories

advising subscribers how to obtain customer service, repair, or similar information from such carrier; and

(d) distribute within the local distribution area of each White Pages directory copies of such White Pages directory to all local exchange telecommunications subscribers of the Ameritech interexchange subsidiary and unaffiliated Exchange Carriers on reasonable, nondiscriminatory terms and rates.

To the extent that the satisfaction of any of the obligations imposed upon Ameritech pursuant to this paragraph requires the provision by unaffiliated carriers of certain data and other information or the reasonable performance of other activities, Ameritech's compliance with said obligations is contingent upon the carriers having satisfied Ameritech's reasonable requirements regarding the formatting and delivery of said data and information or the performance of such other activities.

30. ORDERED FURTHER, that for so long as this Order remains in effect, the Ameritech local exchange operations shall continue to make customer name and address lists relating to their local exchange telecommunications subscribers that are listed in its White Pages Directories commercially available on reasonable and nondiscriminatory terms and rates.

31. ORDERED FURTHER, that the Ameritech interexchange subsidiary may not receive from the Ameritech local exchange operations any proprietary information of an unaffiliated carrier



or Exchange Carrier, including, without limitation, such carrier's network interconnection arrangements, exchange access service usage data, customer preferred carrier selections, or such carrier's use of exchange access services or billing services of the Ameritech local exchange operations in the Trial Territory. The Ameritech interexchange subsidiary shall not be permitted access to proprietary information regarding unaffiliated interexchange or intraLATA toll carriers' or Exchange Carriers' subscribers that has come into possession of the Ameritech local exchange operations by virtue of its provision of billing services or other operations to these unaffiliated carriers.

32. ORDERED FURTHER, that the Ameritech interexchange subsidiary may not have access to customer proprietary network information ("CPNI") as defined by the FCC, except in the same manner that CPNI is available to unaffiliated carriers, providers or vendors providing comparable services, products or equipment. Each interexchange or intraLATA toll carrier or Exchange Carrier, including Ameritech's interexchange subsidiary, may otherwise receive from the Ameritech local exchange operations information relating to its own customer's usage of such telecommunications or general information on local exchange telecommunications and exchange access services that is made available to all interexchange and intraLATA toll carriers and Exchange Carriers on nondiscriminatory terms.

Marketing-General Provisions

33. ORDERED FURTHER, that telecommunications of the Ameritech local exchange operations and those of the Ameritech interexchange subsidiary shall be sold under separate names that may contain the word "Ameritech."

34. ORDERED FURTHER, that the Ameritech local exchange operations shall not treat the Ameritech interexchange subsidiary as the default carrier for a new local exchange telecommunications subscriber that fails to make a selection of a presubscribed interexchange carrier for interexchange telecommunications. Subscribers who fail to select an interexchange carrier must dial an access code to make an interexchange telecommunications call and will not receive presubscribed interexchange telecommunications service in the Trial Territory.

35. ORDERED FURTHER, that to the extent any authority of Ameritech, including the Ameritech interexchange subsidiary, is contingent upon an unaffiliated carrier offering any combination of local exchange, intraLATA toll, and interexchange telecommunications, said contingency will be satisfied if a joint venture or other combination or joint activity of two or more carriers unaffiliated with Ameritech offers such services.

36. ORDERED FURTHER, that except as otherwise expressly provided in this Order, the Ameritech local exchange operations' service representatives who receive inquiries from prospective

local exchange telecommunications subscribers in the Trial Territory shall not recommend, sell, or otherwise market the interexchange, intraLATA toll, or local exchange telecommunications of any other carrier, including the Ameritech interexchange subsidiary, and shall administer such intraLATA toll and interexchange telecommunications carrier selection on a carrier-neutral and nondiscriminatory basis, pursuant to the requirements of this Order, the compliance plan, and other applicable laws.

37. ORDERED FURTHER, that the Ameritech local exchange operations' service representatives may continue to market, sell and provide intraLATA toll and local exchange telecommunications subject to applicable statutes, rules, orders, and tariffs without any additional obligations relating to carrier selection not specified in this Order.

38. ORDERED FURTHER, that after commencement of Ameritech's interexchange telecommunications pursuant to paragraphs 9-14, when existing subscribers of the Ameritech local exchange operations raise a question concerning the availability of interexchange telecommunications from Ameritech, the Ameritech local exchange operations may, in accordance with written instructions and/or a script to be approved by the Department in advance, advise the subscribers that a different subsidiary of Ameritech is among the companies offering interexchange telecommunications. The Ameritech local exchange operations may then offer the subscriber the option of being transferred on-line

to the subscriber's choice of interexchange carriers that have made arrangements for such on-line transfer, including the Ameritech interexchange subsidiary, and effect said transfer upon the subscriber's request. If the subscriber requests to be transferred to an interexchange carrier that has not made such arrangements, the Ameritech local exchange operations shall provide to the subscriber the telephone number for that carrier, if such telephone number has been provided to the Ameritech local exchange operations.

39. ORDERED FURTHER, that the waiver granted February 4, 1994, authorizing Ameritech to provide on-line transfer service to interexchange carriers, is hereby amended (to the extent such amendment may be necessary) to provide that, after commencement of Ameritech's interexchange telecommunications pursuant to paragraphs 9-14, the Ameritech local exchange operations' sales force may transfer callers to the Ameritech interexchange subsidiary's sales force, subject to all conditions specified in said February 4, 1994 Order and this Order.

40. ORDERED FURTHER, that the Ameritech interexchange subsidiary's aggregate rates for its interexchange services shall be designed to recover, at a minimum, the costs to it of providing those services, including all goods, services and facilities obtained from the Ameritech local exchange operations.

Marketing - Business Subscribers

41. ORDERED FURTHER, that after commencement of Ameritech's interexchange telecommunications pursuant to paragraphs 9-14, the Ameritech interexchange subsidiary may market, sell and provide interexchange and intraLATA toll telecommunications to business subscribers within the Trial Territory, pursuant to the requirements set forth in this Order, the compliance plan, and other applicable laws.

42. ORDERED FURTHER, that after commencement of Ameritech's interexchange telecommunications pursuant to paragraphs 9-14, the Ameritech interexchange subsidiary may commence marketing, selling, and providing local exchange telecommunications and exchange access services in the Trial Territory and providing ongoing customer servicing activities, and may have access to the underlying databases related thereto to the extent equivalent access to the information contained therein is made available to unaffiliated carriers, provided that (1) local exchange telecommunications and exchange access services of the Ameritech local exchange operations purchased by the Ameritech interexchange subsidiary are tariffed or otherwise the subject of publicly available prices, terms, and rate plans established by Ameritech's local exchange operations prior to the time at which the Ameritech interexchange subsidiary begins to market services under such prices, terms, and rate plans, and (2) at least one unaffiliated carrier has begun to offer, other than solely through the resale of Centrex services of the Ameritech local exchange operations, both local exchange and interexchange

telecommunications, to business subscribers in a comparable portion of the Trial Territory.

43. ORDERED FURTHER, that with respect to business subscribers in the Trial Territory, the Ameritech interexchange subsidiary may begin to market, sell and provide Centrex service to these subscribers in conjunction with the provision of interexchange and intraLATA toll telecommunications immediately upon the effective date of Ameritech's authority to offer interexchange telecommunications services under this Order, provided that Ameritech's local exchange operations continue to provide to end users such Centrex services. Such Centrex services may be provided through the resale of the Ameritech local exchange operations' Centrex services, provided that the resale of such Centrex services is offered under the same terms and conditions to unaffiliated carriers.

44. ORDERED FURTHER, that Ameritech personnel outside of the Ameritech interexchange subsidiary may appear with representatives of the Ameritech interexchange subsidiary at joint presentations to existing or prospective business subscribers, or provide information for use in preparing such presentations or preparing responses to Requests for Proposals or similar materials, provided that equivalent, nondiscriminatory arrangements are already afforded to interexchange and intraLATA toll carriers and Exchange Carriers not affiliated with Ameritech. Such arrangements will be more fully set forth in the

compliance plan to be filed pursuant to Paragraph 10 of this Order.

Marketing - Residential Subscribers

45. ORDERED FURTHER, that after commencement of Ameritech's interexchange telecommunications pursuant to paragraphs 9-14, the Ameritech interexchange subsidiary may market, sell and provide interexchange and intraLATA toll telecommunications to residential subscribers within the Trial Territory, pursuant to the requirements set forth in this Order, the compliance plan, and other applicable laws.

46. ORDERED FURTHER, that after commencement of Ameritech's interexchange telecommunications pursuant to paragraphs 9-14, the Ameritech interexchange subsidiary may commence marketing, selling, and providing local exchange telecommunications and exchange access services of the Ameritech local exchange operations in the Trial Territory, and providing ongoing customer servicing activities, and may have access to the underlying databases related thereto to the extent equivalent access to the information contained therein is made available to unaffiliated carriers, provided that (1) local exchange telecommunications and exchange access services of the Ameritech local exchange operations purchased by the Ameritech interexchange subsidiary are tariffed or otherwise the subject of publicly available prices, terms, and rate plans established by

Ameritech's local exchange operations prior to the time at which the interexchange subsidiary begins to market services under such prices, terms, and rate plans, and (2) at least one unaffiliated carrier has begun to offer in the Trial Territory, other than through the resale of Centrex service of the Ameritech local exchange operations, both local exchange and interexchange telecommunications to residential subscribers in a comparable portion of the Trial Territory.

47. ORDERED FURTHER, that with respect to residential subscribers in the Trial Territory, the Ameritech interexchange subsidiary may begin to market, sell, and provide Centrex service to these subscribers in conjunction with the provision of its interexchange and intraLATA toll telecommunications when at least one unaffiliated carrier has begun to offer in the Trial Territory both local exchange telecommunications (whether through resale of Centrex service or otherwise) and interexchange telecommunications to residential subscribers in a comparable portion of the Trial Territory. Such Centrex services may be provided through the resale of the Ameritech local exchange operations' Centrex service, provided that the resale of such Centrex service is offered under the same terms and conditions to unaffiliated carriers.

#### Miscellaneous

48. ORDERED FURTHER, that in the event this Order is vacated or revoked, in whole or in part, or the furnishing of



interexchange telecommunications is terminated pursuant to Paragraph 16 hereof, and no Order granting Ameritech a permanent waiver of the interexchange telecommunications restriction throughout its territory has by that time been granted, Ameritech shall be allowed 180 days to dispose of the assets deployed to provide the interexchange telecommunications authorized by this Order, or such lesser part of such assets as shall have become unlawful, by sale of such assets or by other means of separation of ownership, and no such sale or disposition shall be deemed to violate either the prohibition against providing telecommunications products contained in Section II(D)(2) of the Decree, provided, that the Court may extend the 180-day period provided for above for good cause shown.

49. ORDERED FURTHER, that the monitoring and visitorial provisions of Section VI of the Decree shall apply to all Ameritech activities authorized by this Order and to all investigative, decisional, and reporting activities that the Department is to undertake pursuant to this Order. The Department is further authorized to conduct, pursuant to the Federal Rules of Civil Procedure, all third-party discovery necessary to carry out such investigative, decisional, and reporting activities and to enter into appropriate stipulations to ensure the confidentiality of trade secrets or other confidential research, development, or commercial information. The Department may share with state and federal regulatory authorities any information received from Ameritech or other

interested persons, subject to appropriate assurances against further disclosure by those authorities of confidential business information.

50. ORDERED FURTHER, that except as specifically provided herein, nothing within this Order limits or otherwise affects any authority to provide telecommunications granted to Ameritech under applicable state and federal statutes, rules, tariffs, orders, or other governing laws, including other orders of this Court.

51. ORDERED FURTHER, that nothing in this Order shall affect the Court's authority to issue necessary orders and interpretations of the Decree or this Order with respect to Ameritech and other persons affected by this Order, including but not limited to review, in the Court's discretion, of the Department's determinations under this Order, provided, however, that Ameritech shall not have the right to seek review of the Department's decisions under paragraphs 7(e), 11, and 17(a). This restriction on Ameritech's ability to seek review is without prejudice to its ability to seek Court action under sections VII or VIII(c) of the Decree.

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UNITED STATES DISTRICT JUDGE

Exhibit A

The Trial Territory consists of the following local access transport areas (LATAs) and portions of LATAs in the states of Illinois and Michigan:

1. The portion of the Chicago LATA in the state of Illinois;
2. The Grand Rapids LATA, in the state of Michigan.