

Gerald Asch
Director
Federal Regulatory

RECEIPT



RECEIVED - FCC

AUG 30 2001

Federal Communication Commission
Bureau/Office

1300 I Street N.W., Floor 400W
Washington, DC 20005

Phone 202 515-2532
Fax 202 336-7866
gerald.asch@verizon.com

August 30, 2001

Ms. Carol Matthey
Federal Communications Commission
Deputy Chief Common Carrier Bureau
445 12th Street, S.W. Room 5C-451
Washington, D.C. 20554

Dear Ms. Matthey,

Re: CC Docket No. 98-184 – BA/GTE Merger Order – Protective Agreement

On June 18, 2001 PricewaterhouseCoopers, LLP per Appendix D of the BA/GTE Merger Order submitted their post merger audit report for the Advance Services Affiliate Audit per paragraph 57 and the April 27, 2001 letter from Carol Matthey.

Appendix D at paragraph 57 and paragraph 56(g) for the Advance Services Affiliate Audit state that, "Prior to obtaining access to the working papers and supporting materials, state commissions shall enter into a protective agreement with the Chief of the Common carrier Bureau and the Bell Atlantic/GTE under which the state commission's review, including any notes, shall be kept confidential."

Verizon and the Pennsylvania Public utility Commission have entered into a Protective Agreement. Attached is the original signed agreement. The Pennsylvania Public Utility Commission will view the working papers and supporting materials at the Washington offices of PricewaterhouseCoopers, LLP.

Verizon requests that the Chief of the Common Carrier Bureau adopt this Protective Agreement.

Please contact me at 202 515-2532 if you have any questions or require additional information.

Sincerely,

A handwritten signature in cursive script that reads "Gerald Asch".

cc: Mr. C. Hisiro
Mr. A. Dale
Mr. J. Hays
Mr. M. Stephens
Mr. M. Stone



COMMONWEALTH OF PENNSYLVANIA
PENNSYLVANIA PUBLIC UTILITY COMMISSION
P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE
REFER TO OUR FILE

August 29, 2001

VIA OVERNIGHT MAIL

Gerald Asch, Esq.
1300 I Street, N.W.
Suite 400 West
Washington, DC 20005

Re: Advanced Services Affiliate Audit Working Papers Protective Agreement

Dear Mr. Asch:

Enclosed is a fully executed Protective Agreement by the Pennsylvania Public Utility Commission to allow staff to view the working papers of PriceWaterhouseCoopers, the independent auditor in the agreed-upon procedures engagement of Verizon Communications' compliance with the separate advanced services affiliate requirements set forth in the Federal Communications Commission's (FCC) merger order approving Verizon's acquisition of GTE Corp. I understand you will submit this agreement to the FCC's Common Carrier Bureau for approval.

If you need anything else in this regard, please let me know.

Very truly yours,

A handwritten signature in cursive script that reads "Carl S. Hisiro".

Carl S. Hisiro
Assistant Counsel

Enclosure

cc: Frank Wilmarth, Deputy Chief Counsel
Terry Buda, Assistant Counsel

PROTECTIVE AGREEMENT

This Protective Agreement ("Agreement") is entered into by and between Verizon Communications, Inc. ("Verizon") and the Pennsylvania Public Utility Commission (PA PUC). The PA PUC seeks access to the working papers and supporting materials of the independent auditor in the audits of Verizon's compliance with the Federal Communications Commission's ("Commission" or "FCC") advance services affiliate rules under Appendix D Condition I and under 47 U.S.C. § 272(b), (c), (e), and (g), as interpreted by the FCC as of January 27, 2000, except to the extent these provisions are inconsistent with the provisions of Appendix D Condition I paragraph 3 of the Telecommunications Act of 1934 Amended codified in the Code of Federal Regulations of *Application of GTE Corp. and Bell Atlantic Corp. for Consent to Transfer Control of Domestic and International Sections 214 and 310 Authorizations and Application to Transfer Control of a Submarine Cable Landing License*, 15 FCC Rcd 14032 (2000) ("Merger Conditions"). The Merger Conditions provide that the Commission's review of the working papers and supporting materials shall be kept confidential pursuant to the Commission's rules and procedures. The Merger Conditions also require that, prior to obtaining access to the working papers and supporting materials of the audits for review, a state commission shall enter into a protective agreement with the Chief of the Common Carrier Bureau and Verizon under which the state commission's review, including any notes, shall be kept confidential. This Agreement is entered into to facilitate review by the PA PUC under the terms of the Merger Conditions.

Verizon has voluntarily provided information to the independent auditor in connection with the audits. The auditor has retained this information in its working papers and supporting materials (the "Information"), which it has made available to the Commission in its offices in Washington, DC as required by the Merger Conditions. The Information has been kept confidential and has not been disclosed in the publicly issued audit reports. PA PUC will be provided access to the Information subject to the following terms and conditions:

1. The Information, the PA PUC's review of the Information, and any notes made by the PA PUC shall be considered confidential and shall be subject to the terms of this Agreement.

2. Except with prior written consent from Verizon, or as specifically provided under this Agreement, any signatory of this Agreement or of the Certification attached hereto as Attachment A shall not disclose any Information to any other person or entity. Signatories of this Agreement may disclose the Information to their state commission staff superiors, other commission staff personnel, or commission consultants retained to assist them in their review, provided that such superiors, staff personnel or consultants have agreed to be bound by the terms of this Agreement by executing a copy of the Certification attached hereto as Attachment A prior to such disclosure. Said superiors, staff personnel or consultants will be similarly obligated not to disclose the Information. The Information may also be disclosed to commissioners; commissioners do not have to execute the Certification in connection with such disclosure, but must protect the Information disclosed to them from public disclosure. Nothing contained herein shall prohibit any of the affected state commissions or the FCC from requesting the Information in any existing or future state or regulatory docket, or Verizon from raising any objection to such request, provided, however, that such Information provided pursuant to this Agreement shall not be used for any purpose including any existing or future state dockets absent such a request, and overruling of any Verizon objection, if made, in such docket.

3. The independent auditor will provide the PA PUC access to the Information at its office in Washington, DC. Upon reasonable notification, the independent auditor will provide access to such information during normal business hours (8:00 a.m. to 5:00 p.m.) Monday through Friday. The PA PUC will not copy, circulate, distribute, or in any way remove the Information from the independent auditor's premises. The PA PUC may take notes regarding the Information only for reference purposes and only under the terms as described herein. Such notes shall not constitute a verbatim or substantive transcript of the Information and shall be kept confidential in accordance with the Merger Conditions and this Agreement.

4. The PA PUC recognizes and agrees that its responsibility to keep the Information confidential is governed by this Agreement and any applicable state and federal statutes and/or rules.

5. The PA PUC also agrees that if any report is prepared regarding the audits containing Information, the report will be treated as confidential pursuant to the terms of this Agreement. If the PA PUC desires to disclose or publish the report, the PA PUC shall notify Verizon prior to such disclosure or publication. Said notice shall contain a description of the Information in the

report. Verizon and the PA PUC agree that they will work together in good faith to permit publication or disclosure without compromising the Information, as for example, by masking or otherwise expurgating the Information, or by rewriting the report to eliminate the Information.

6. No public report or other public release concerning the audits shall contain or in any way reveal any Information.

7. Nothing contained in this Agreement shall constitute a waiver by Verizon of any rights to protect any Information produced during the audits in any existing or future state or federal regulatory docket. In addition, nothing contained in this Agreement shall constitute a waiver of the PA PUC's right to challenge or decide as applicable, in this or any existing or future state or federal regulatory docket, Verizon's contention that any information in that proceeding is Information. This Agreement is not a waiver by any party of its rights to appeal or to seek other court relief from any decision of the FCC or other regulatory body or other entity deciding a challenge to Verizon's designation of certain information produced in the audits as proprietary.

8. Verizon reserves the right to question, challenge and object to the admissibility, submission, review or use of any and all data, information, studies and other matters furnished under the terms of this Agreement in any proceeding.

9. The persons provided access to Information under this Agreement will be under no continuing nondisclosure obligation with respect to any Information subsequently made public by Verizon or by others not under a nondisclosure obligation to Verizon with respect to such information.

10. This Agreement shall be binding on the parties to this Agreement from the date of its execution and shall remain in effect indefinitely. Each executed copy of this Agreement, which may be signed in counterparts, shall be deemed an original.

Verizon and the PA PUC cause this Agreement to be signed by them or their duly authorized representatives.

Pennsylvania Public Utility Commission:

By: *Fred...*

Title: *Deputy Chief Counsel*

By: _____

Title: _____

By: _____

Title: _____

Verizon Communications, Inc.

By: *Harold Axel*

Title: *Director - Federal Regulatory*

Dated: August *29th*, 2001

Attachment A

CERTIFICATION

The undersigned hereby certifies that he/she has read the Protective Agreement dated August ~~2001~~ 2001 between Verizon and the Pennsylvania Public Utility Commission and agrees to be bound by the terms and conditions of such Agreement.

Carl S. Hisiro
Name CARL S. HISIRO

Pennsylvania Public Utility Commission
Employer

Assistant Counsel
Title

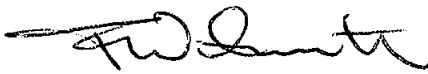
P.O. Box 3265, Harrisburg PA 17105-3265
Address

8/29/01
Date

Attachment A

CERTIFICATION

The undersigned hereby certifies that he/she has read the Protective Agreement dated August 29, 2001 between Verizon and the Pennsylvania Public Utility Commission and agrees to be bound by the terms and conditions of such Agreement.


Name

PA PUBLIC UTIL COMM.
Employer

DEPUTY CHIEF COUNSEL
Title

PO. BOX 3265, HBG., PA 17105-3265
Address

8-29-01
Date

Attachment A

CERTIFICATION

The undersigned hereby certifies that he/she has read the Protective Agreement dated August 29th, 2001 between Verizon and the Pennsylvania Public Utility Commission and agrees to be bound by the terms and conditions of such Agreement.

Thomas J. Bush
Name

PA PUC
Employer

Assistant Counsel
Title

P.O. Box 3265 HB6, PA 17105
Address

August 29, 2001
Date