

ORIGINAL

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October 30, 2000

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
The Portals
445 12th Street, SW, 8th floor
Washington, DC 20554

EX PARTE OR LATE FILED

RE: CC Docket No. 00-170; and DA 00-2155

Dear Ms. Salas:

Today, Messrs. B. Wallace, R. Kolb, J. Stavig, and S. Kelly, representing OnePoint Communications and Ms. K. Zacharia, Ms. N. Victory and Mr. D. Evans, representing Verizon Communications met with Ms. C. Pabo and Mr. J. Adams of the Common Carrier Bureau regarding the above captioned proceeding. The discussion focused on the Verizon/OnePoint transfer applications currently pending before the Commission. The attached document was used to facilitate the discussion and reflects the arguments made by the OnePoint and Verizon representatives.

Please include a copy of this correspondence in the public record of the above-captioned proceedings. Any questions on this filing should be directed to me at either the address above or by calling me at 202-336-7823.

Sincerely,



Attachment

cc: Ms. C. Pabo
Mr. J. Adams

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OVERVIEW

- Who is OnePoint?
- Need for Merger
- Description of the Proposed Merger
- Benefits of Merger
- Customer Impact
- Need For Expedited Approval

Who is OnePoint?

- OnePoint Communications Corp. currently operates exclusively in RBOC territory as a reseller in ten jurisdictions nationwide: AZ, CO, DC, DE, GA, IL, MD, NC, PA, and VA (75% outside BellAtlantic territory)
- OnePoint provides bundled local, long distance data and video services to about 46,000 residents of multiple dwelling units (MDUs) with the convenience of a single bill and a single point of customer contact
- OnePoint gains access to properties by way of marketing contracts with owners (approximately 300,000 passings under contract)
- OnePoint Services provides pre-paid card services in IL, AZ, CA, CO, LA, and TX

Why the merger?

- OnePoint, like other start up companies, requires significant capital to launch, develop, continue and expand operations
- OnePoint has reached a point in its evolution where the availability of capital has become a constraining force on the growth and deployment of facilities and advanced services
- Absent an infusion of capital, OnePoint is faced with the reality that it must scale back its support systems, limit advanced services deployment, and/or begin asset sales or service curtailment
- A significant infusion of capital is necessary if OnePoint is to avoid the fate of Optel, Cable Plus, GE Rescom, ICS and MTS

Terms of Proposed Merger/Synergies

- OnePoint acquired by Verizon
- OnePoint will remain structurally separate as a wholly owned Verizon subsidiary
- OnePoint will continue to operate under its own authorization and continue to provide services to customers under existing service arrangements
- Proposed merger provides OnePoint with a source of funding to facilitate preservation and expansion of core business
- Proposed merger enables Verizon to compete more effectively in the MDU business and establishes a nationwide competitive presence

Benefits of the Merger

- The infusion of capital will enable OnePoint to maintain and expand its core business with a continued focus on the residential market
- OnePoint will be able to accelerate its deployment of advanced services to the residential market, including high speed Internet and our video streaming service currently being trialed in Virginia
- Proposed merger will enhance Verizon's ability to offer an open competitive alternative to cable providers closed networks, as well as the offerings of RCN and others
- Proposed merger permits OnePoint to expand its provisioning and customer care workforce

Customer Impact

- The proposed transfer of control will be seamless; nothing about the merger will impair or jeopardize OnePoint's provisioning of telecommunications services or commission authority over prices or service quality
- OnePoint will continue to provide services to customers under existing tariff rates, terms and conditions
- OnePoint's post closing fully funded business plan provides for aggressive DSL rollout to residential customers
- Additional funds will enhance OnePoint's ability to provision and service customer accounts
- OnePoint will divest itself of in-region long distance subscribers

In-Region Long Distance Divestiture-Status

- Scope
 - 8,100 customers in PA, DE, VA, MD and DC
- Filings
 - Petition for waiver; Section 63.71 application; Section 63.19 notice
- Notice/Interactions/Commitments
 - notice letters with FCC language (9/15, 10/2, 10/16)
 - 2 months of bill page messages
 - ACD announcements during October
 - letter from default carrier after transfer
 - changes via business cards, web, toll-free calls
 - default to Talk.com (d/b/a The Phone Company) at same rates (expect 6,000 to default)
 - on-going commitment to work with FCC and Talk.com to resolve and/all issues/disputes
- Governmental Notice
 - all state governors/commissions; DC mayor/commission; Secretary of Defense

• • • Merger Approval Status

- DOJ granted early H-S-R termination on September 15th
- 11 of 16 jurisdictions complete; remaining jurisdictions expected to complete by Thanksgiving

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Need for Expedited Approval

- Expedited approval is essential to OnePoint's business plan

