



Network Services Group

600 Hidden Ridge – HQE02M51
P.O. Box 152092
Irving, Texas 75038

April 4, 2002

Dear Wholesale Customer,

In accordance with the FCC order approving the merger of Bell Atlantic and GTE (the "Merger Order"), Verizon implemented limited-duration promotional discounts on July 30, 2000 for qualifying resold residential service and residential UNE loops. Under the terms and conditions applicable to the promotional discounts, the promotional resale discount for services resold to residential customers is 32% from the retail rate until any one of various conditions occurs, including the completion of 50% of Verizon's out-of-territory competitive market entry requirements. Thereafter, for the remaining duration of any Promotional Period, the promotional resale discount will be 1.1 times the standard wholesale discount rate established by the relevant state commission, or in the absence of such a rate, the contracted discount rate. The 1.1 times the wholesale discount rate shall apply automatically to all services eligible for the promotional resale discount, including those services initially provided at the 32% promotional discount.

As Verizon has now satisfied this criterion, Verizon will be lowering the resale discount as specified in the Merger Conditions, as referenced above, for both new and existing qualifying resold lines no sooner than April 7, 2002 in the Verizon-West (former GTE) states of AL, CA, FL, HI, ID, IL, IN, KY, MI, MO, NC, NV, OR, PA, SC, TX, WA, WI. Changes in the discount level in the former GTE region of VA will occur at a later date concurrently with the Verizon-East states.

In the state of OH, Verizon will lower the resale discount as specified above to the OH PUC ordered rate of 20%.

Similarly, Verizon may end the Offering Window period for the Promotional Discount for unbundled loops used in the provision of local service to residential end user customers when Verizon completes 50% of its out-of-territory competitive market entry requirements. As such, Verizon will close the Offering Window for the unbundled loop promotional discount effective no sooner than April 7, 2002 in the Verizon-West (former GTE) states of AL, CA, FL, HI, ID, IL, IN, KY, MI, MO, NC, NV, OR, PA, SC, TX, WA, WI. The closing of the Offering Window in the former GTE region of VA will occur at a later date concurrently with the Verizon-East states.

In the state of OH, the discount for unbundled loops used in the provision of local service to residential and business end user customers will remain at 30%. The Offering Window in OH will close on the earlier of 36 months or the date on which the maximum of 20,000 promotional discount loop threshold is met.

Verizon continues to appreciate your business. If you have any questions, please feel free to contact your Account Manager.

Sincerely,

Carl R. Huster
Director – Local Services Product Management