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October 21, 2004

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street S.W.
Room TWB – 204
Washington, D.C. 20554

RE: Ex Parte: In re Applications of GTE Corp., Transferor, and Bell Atlantic Corporation, Transferee 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 CC Docket No. 98-184

Dear Ms. Dortch:

The enclosed materials are being filed pursuant to Verizon Communications, Inc's ("Verizon") obligations under Appendix D, Section XXI, paragraph 55 (c) of the above referenced docket that requires an annual compliance report be filed with the Common Carrier Bureau's Audit Staff and for the public record no later than March 15, or the first business day thereafter, of the calendar year following the year covered by the report. This report summarizes Verizon's compliance efforts from January 1, 2004 through October 21, 2004 for Merger Condition V and the related portion of Condition XXII. This report is being filed at this time to enable Ernst & Young to complete their review of Merger Condition V, which sunset on July 26, 2004. An additional Merger Compliance Report covering the remaining Merger Conditions that were operative in 2004 will be filed by March 15, 2005.

This letter provides notice that a copy of the report was filed with the Enforcement Bureau's Audit Staff.

Please include the enclosed document in the record of the above referenced proceeding.

Sincerely,

Jeffrey W. Ward
Senior Vice President – Regulatory Compliance

Enclosure

Jeffrey Wm Ward
Senior Vice President
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October 21, 2004

Mr. Hugh Boyle
Chief Auditor
Enforcement Bureau, Investigations and Hearings Division
Federal Communications Commission
445 12th Street, S.W.
Room 6 – C217
Washington, D.C. 20554

Dear Mr. Boyle:

As the Verizon senior corporate regulatory compliance officer, I am submitting Verizon's 2004 Annual Compliance Report for Merger Condition V and the related portion of Condition XXII. I have responsibility for all regulatory compliance activities, including compliance with merger – related conditions described in Appendix D, Section XXI, paragraph 55 (c) of Docket No. 98-184.

Sincerely,

Jeffery W. Ward
Senior Vice President – Regulatory Compliance

Verizon Communications Inc.

Bell Atlantic/GTE Merger Conditions Annual Compliance Report For Condition V and the related portion of Condition XXII

Jeffrey W. Ward
Senior Vice President
Regulatory Compliance
Verizon Communications Inc.

October 21, 2004

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Introduction
Verizon Merger Compliance Report for Condition V and XXII
October 21, 2004

The Bell Atlantic/GTE Merger Conditions ("Merger Conditions") require Verizon to submit a report annually by March 15 addressing the Company's[1] compliance with the Merger Conditions for the preceding calendar year. This report summarizes Verizon's compliance efforts from January 1, 2004 through October 21, 2004 for Merger Condition V and the related portion of Condition XXII. This report is being filed at this time to enable Ernst & Young to complete their review of Merger Condition V, which sunset on July 26, 2004. An additional Merger Compliance Report covering the remaining Merger Conditions that were operative in 2004 will be filed by March 15, 2005.

Verizon is committed to complying with all remaining Merger Conditions and has done so in all material respects, as specified in this Merger Compliance Report for Merger Condition V and the related portion of Merger Condition XXII. Sufficient resources have been dedicated and adequate processes have been created to comply with these Merger Conditions. Under the direction of the senior corporate regulatory compliance officer, Verizon maintained an internal control and program management approach to provide reasonable assurance of its compliance with the Merger Conditions. The essential components of this approach, as described in Verizon's first three Annual Merger Compliance Reports, remained materially the same in 2004.

There were no additional merger efficiencies gained in 2004.

[1] The word "Company" or "Companies" used throughout this report refers to the Verizon telephone companies operating as incumbent local exchange carriers ("ILECs"), in which Merger Condition V was operative during the evaluation period, collectively as follows: Contel of the South, Inc. d/b/a Verizon Mid-States, GTE Midwest Incorporated d/b/a Verizon Midwest, GTE Southwest Incorporated d/b/a Verizon Southwest, Verizon California Inc., Verizon Florida Inc., Verizon Hawaii Inc., Verizon North Inc., Verizon Northwest Inc., Verizon South Inc., and Verizon West Coast, Inc.. In 2004, the former Bell Atlantic companies were not subject to Merger Condition V, because they received FCC authorization to provide in-region interLATA service prior to that time. See paragraph 17 of the Merger Conditions.

V. Carrier-to-Carrier Performance Plan (Including Performance Measurements)

Section 1: Compliance Summary

The Company complied with the requirements of this condition in the following manner and as described in Section 3: Additional Action Taken. In particular, the Company carried out the following activities:

a. Made available on an Internet web-site the required monthly performance reports by the 25th of each month or the first business day thereafter, for each of the required states in the 17 measurement categories identified in Attachments A-1a and A-1b of the Merger Conditions, for the prior month. The Competitive Local Exchange Carriers aggregate results were also provided to the FCC on February 25, 2004, March 25, 2004, April 26, 2004, May 25, 2004, and June 25, 2004 in an excel-like format demonstrating monthly performance by state compared to retail performance or a benchmark. Such performance measurement data contained in these performance reports are complete and accurate based on the information available at the time and as described in Section 3: Additional Action Taken.

b. Made voluntary performance payments for 2004 results in accordance with Attachments A, A-3, A-4, A-5a, A-5b, A-6, A-7a and A-7b of the Merger Conditions on March 25 2004, April 26, 2004, May 25, 2004, June 25, 2004, and July 26, 2004.

   Notices were provided to the FCC within five business days after such payments were made.

c. On August 16, 2002, Verizon and the FCC Enforcement Bureau entered into a Consent Decree terminating an informal investigation into Verizon's compliance with the Merger Conditions. Verizon established and has continued a formal metrics compliance program, including a Vice Presidential steering committee, an error tracking and prevention process, refresher training of data providers, and communication of data retention requirements. In addition, Verizon established a data warehouse, which stores and retains data used in the calculation of Merger Condition V reports.

d. As of the filing of the August 20, 2003 report, Verizon had completed the migration of data into the data warehouse for all metric domains.

e. The Company has established and maintained adequate internal controls concerning metric accuracy.

This condition, Condition V, sunset on July 26, 2004, upon providing notice of the final voluntary performance payment.

Section 2: Responsible Executive

Name	Title
Virginia Ruesterholz	President – Wholesale Markets

Section 3: Additional Action Taken

During 2004, the Company continued the utilization of the data warehouse, and quality assurance processes. As a result of its internal controls and quality assurance processes, Verizon detected errors in the carrier-to-carrier performance reports. As errors were identified, corrections were made using a change control process. Approved change control requests were scheduled for implementation and managed throughout the implementation process. Verizon notified the FCC Enforcement Bureau monthly as issues were detected.

On February 20, 2004, Verizon notified the FCC that Verizon was not able to implement its August 11, 2003 recommendation to exclude from the PO-1, OR-1 and OR-2 performance measurements any transaction where a batch transmission from a CLEC included more than 200 items in a single transaction. The exclusion was to be implemented with the January 2004 data month, but due to the complexity it was not implemented prior to the expiration of this merger condition.

During 2004, Verizon continued its formal metrics compliance program, including a Vice Presidential steering committee, an error tracking and prevention process, refresher training of data providers, and compliance with its data retention requirements.

XXII. Independent Auditor as related to Condition V

Section 1: Compliance Summary

Verizon complied with the requirements of this condition as described herein. In particular, for Merger Condition V (except for consent decree requirements regarding data retention testing) Verizon engaged independent auditors Ernst & Young LLP, which were deemed acceptable to the FCC for the 2004 Merger audit.

These auditors have not been instrumental during the past 24 months in designing all or substantially all of the systems and processes under examination in the attestation engagement.

The 2003 Merger Conditions audit report for Condition V was filed on April 23, 2004. Work papers were made available at a Washington, D.C. location.

On May 20, 2004, Verizon, the FCC Audit Staff, and Ernst &Young LLP met to confer regarding changes to the detailed audit program. The Company kept the FCC informed of matters required under the Merger Conditions. Verizon granted the independent auditors access to all books, records, operations, and personnel relevant to the conditions addressed in this report.

Section 2: Responsible Executive

Name	Title
Jeffrey W. Ward	Senior Vice President – Regulatory Compliance

Section 3: Additional Action Taken

None.