under *C&P Tel. Co.* v. *U.S.* and *U S West* v. *U.S.*, and seek comment on this conclusion.

16. In the *Third Further Notice of Proposed Rulemaking*, the Commission recognized that some markets may be incapable of supporting two video delivery systems. The Commission was concerned that, in such markets, the prohibition could preclude establishment of video dialtone service, thereby denying consumers the benefits of competition and diversity of programming sources that our video dialtone regulatory framework is designed to promote. As a result, the Commission requested parties to suggest criteria that would permit us to identify those markets in which two wire-based multi-channel video delivery systems would not be viable. We seek comment on how, if at all, the decisions in *C&P Tel. Co.* v. *U.S.* and *U S West* v. *U.S.* should affect our consideration of criteria for allowing exceptions to our two-wire policy. We also seek comment on whether we should ban telephone company acquisition of cable facilities, with or without exceptions, if (a) Title VI applies to telephone companies providing programming on their own video dialtone platforms; or (b) telephone companies are permitted to become traditional cable operators in their own service areas instead of constructing video dialtone platforms.

d. Joint Marketing and Customer Proprietary Network Information

17. In the Video Dialtone Reconsideration Order, the Commission also affirmed its decision to permit LECs to engage in joint marketing of basic and enhanced video services, and of basic video and non-video services. We found that significant public interest benefits can accrue from the efficiencies and innovations that may be obtained by permitting LECs to engage in joint marketing of basic and enhanced video services, and of basic video and non-video services. We also found that the record on reconsideration did not support a finding that joint marketing of common carrier video and telephony services would have an anticompetitive impact on the provision of video programming to end users. We now seek comment on whether LEC provision of video programming directly to end users requires that we revisit our analysis of joint marketing issues.

18. In the Bell Atlantic Market Trial Order, released on January 20, 1995, the Commission authorized Bell Atlantic to conduct a six-month video dialtone market trial that will include provision of video programming directly to subscribers by a Bell Atlantic affiliate as well as by independent video programmers.

Pending resolution of the instant rulemaking proceeding, we conditioned Bell Atlantic's authorization on its compliance with existing safeguards for the provision of nonregulated services, including enhanced services, and with several additional, interim safeguards against discrimination. We seek comment on whether any or all of these interim safeguards should be adopted as permanent requirements for LECs that provide video programming over their own video dialtone platforms.

19. Under the Commission's customer proprietary network information (CPNI) requirements, the Commission limits the Bell Operating Companies' (BOCs') and GTE Service Corporation's (GTE's) use of CPNI; requires them to make CPNI available to competitive enhanced service providers (ESPs) designated by a customer; and requires that they make available to ESPs non-proprietary aggregated CPNI on the same terms and conditions on which they make such CPNI available to their own enhanced service personnel. In the Video Dialtone Reconsideration Order, the Commission determined that there was insufficient evidence to conclude that our existing CPNI rules do not properly balance our CPNI goals relating to privacy, efficiency, and competitive equity in the context of video dialtone. The Commission also required the BOCs and GTE to provide additional information regarding the kinds of CPNI to which they will have access as a result of providing video dialtone service and indicated its intent to seek further comment on such information. We now seek additional comment and information on whether LEC provision of video programming impacts the balancing of our goals for CPNI.

20. In addition to concerns over possible anticompetitive use of CPNI, parties should discuss whether LEC provision of video programming raises new concerns regarding consumer privacy. Parties that perceive a greater threat to consumer privacy should describe with specificity their concerns, and suggest specific safeguards for protecting consumer privacy, and explain how these suggestions benefit the public interest.

21. We also seek comments on safeguards to ensure nondiscriminatory access to network technical information. In the Bell Atlantic Market Trial Order, the Commission required Bell Atlantic to provide all video programmers with nondiscriminatory access to technical information concerning the basic video dialtone platform and related equipment. The Commission also noted that, in the circumstances of the market trial, Bell Atlantic would also be subject to the more specific Computer III network disclosure rules. We seek comment on whether the Bell Atlantic condition should be adopted as a permanent safeguard. We also seek parties to address whether the Computer III network disclosure rules should be modified in any way for application in the video dialtone context.

4. Safeguards Against Cross-Subsidization of Video Programming Activities

22. In the Video Dialtone Reconsideration Order, the Commission determined that price cap regulation and accounting safeguards would be effective to prevent cross-subsidization of video dialtone-related nonregulated activities. We tentatively conclude that these safeguards against cross-subsidization apply to LEC provision of video programming just as they would to any other activity not regulated as Title II common carrier service, and that the existing rules are adequate to forestall cross-subsidy of the video programming activity. We seek comment on these tentative conclusions.

23. Assuming we do not require structural separation, LECs will have the flexibility to conduct video programming activities both within the telephone operating company and through affiliates. For those video programming activities conducted in the operating company, the LEC will be required to record costs and revenues in accordance with Part 32 of the Commission's Rules, the Uniform System of Accounts (USOA), and to separate the costs of video programming activity from the costs of regulated telephone service in accordance with the part 64 joint cost rules. We tentatively conclude that these rules are adequate to prevent cross-subsidization of video programming activities. We also tentatively conclude that we will apply to video programming activities the rule adopted in the Video Dialtone Reconsideration Order requiring LECs to amend their cost allocation manuals to reflect video dialtone-related nonregulated activities within 30 days of receiving video dialtone facilities authorization. We seek comment on these tentative conclusions.

24. H a LEC chooses for business reasons to provide video programming through an affiliate, the accounting treatment of operating company transactions with that affiliate will be governed by the affiliate transactions rules. We seek comment on whether amendments to those rules are needed