



# NEWS

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**Washington, D. C. 20554**

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This is an unofficial announcement of Commission action. Release of the full text of a Commission order constitutes official action. See *MCI v. FCC*, 515 F.2d 385 (D.C. Circ 1974).

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## COMMON CARRIER ACTION

### **FEDERAL COMMUNICATIONS COMMISSION AUTHORIZES BELL ATLANTIC TO PROVIDE LONG DISTANCE SERVICE IN NEW YORK**

#### *Approval of Bell Atlantic Entry into Long Distance Market Realizes Vision of Telecommunications Act of 1996 and Represents Culmination of Federal and State Efforts to Open Local Phone Markets to Competition*

Washington, D.C. – Today the Federal Communications Commission (FCC) for the first time approved, 5-0, a Regional Bell Operating Company's (BOC) application to provide long distance telephone service. The decision to authorize Bell Atlantic's operation in New York State fulfills one of the key pro-competitive goals of the 1996 Telecommunications Act, and promises substantial benefits for consumers in the form of new service providers, lower prices, tailored and bundled service packages, and better customer service. The Commission's approval of Bell Atlantic's application follows and expands upon the roadmap set forth in past section 271 decisions. Moreover, it builds on the crucial efforts of the New York Public Service Commission, which has worked with Bell Atlantic and competitive local exchange companies (LECs) to ensure that local markets in New York are open to competition.

In the 1996 Act, Congress envisioned fundamental pro-competitive changes in the telecommunications environment by making a BOC's entry into long distance contingent on the BOC first opening its local service monopoly to competition. A BOC satisfies this contingency by demonstrating compliance with section 271 of the Act (*see attached chronology of key dates*).

In granting Bell Atlantic's application to enter the long distance market in New York State, the Commission found that Bell Atlantic has taken the statutorily required steps to open its local telecommunications markets to competition, including compliance with the 14-point checklist. Congress specified that unless the Commission finds the checklist has been satisfied by the BOC that the Commission "shall not approve" the requested authorization (*see attached summary of competitive checklist*). Since the passage of the 1996 Act, the FCC has denied five section 271 applications finding that each contained serious deficiencies.

The Commission reviewed a wide variety of factors and determined that, for each checklist item, the totality of the circumstances indicates that Bell Atlantic is providing the item in "substantially the same time and manner" or is giving competing carriers a "meaningful opportunity to compete."

The section 271 process in New York exemplifies the way in which rigorous state proceedings can contribute to the success of a section 271 application (*see attached key facts regarding New York*). There are a number of elements that were particularly important to the success of this process in opening local markets to competition consistent with the terms of the 1996 Act. These include:

- (1) full and open participation by all interested parties;
- (2) extensive independent third party testing of Bell Atlantic's operations support systems (OSS) offering;
- (3) development of clearly defined performance measures and standards; and,
- (4) adoption of performance assurance measures with substantial penalties that create a strong financial incentive for post-entry compliance with the section 271 checklist by Bell Atlantic.

The Commission emphasizes that grant of this application may close this chapter of the proceeding, but it is not the end of the story. Bell Atlantic must continue to comply with the checklist requirements, and the Commission has a number of enforcement tools at its disposal, including imposing penalties or suspension of approval.

Action by the Commission December 22, 1999 by Memorandum Opinion and Order. Chairman Kennard, Commissioners Ness, Powell and Tristani approving; Commissioner Furchtgott-Roth concurring.

Report No. CC 99-60  
CC Docket No. 99-295

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A copy of the Order and related press materials can be found on the Commission's web site [www.fcc.gov](http://www.fcc.gov).