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Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

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. Cir. 1974).

FOR IMMEDIATE RELEASE
October 19, 2000

NEWS MEDIA CONTACT:
John Winston (202) 418-7450

FCC Concludes 1-800-AMERITECH Service Violates Communications Act

Washington, D.C. - Today the Federal Communications Commission ("Commission") released an order concluding that Ameritech, through its 1-800-AMERITECH Service ("Service"), violated the Communications Act by providing long distance service within its local service region prior to demonstrating that its local telephone markets are open to competition. The Commission's decision resolves a complaint filed by MCI.

The 1-800-AMERITECH Service permits Ameritech's local subscribers to place local and long distance calls originating both inside and outside of the Ameritech service area. Ameritech contracted with an unaffiliated long distance carrier to transmit long distance calls originating within Ameritech's local service region.

Section 271 of the Communications Act prohibits a Bell Operating Company ("BOC"), such as Ameritech, from providing long distance service in any state within its local service area until the BOC demonstrates to the Commission that it has opened the local service market within that state to competition. Ameritech, which merged into SBC Communications after MCI filed its complaint, has not received Commission approval to provide long distance service in any state in its local service region.

The Commission concluded that based upon Ameritech's extensive involvement offering long distance service to its customers, the 1-800-AMERITECH Service violated section 271. In its finding, the Commission examined all of Ameritech's actions in providing the Service. The evidence demonstrated that Ameritech (1) designed and developed a combined service offering for its local service customers that includes a long distance component; (2) relied on its brand name in marketing the combined offering; (3) promoted the combined offering through bill inserts to Ameritech's local calling subscriber base; (4) served as the exclusive point of contact for the customer for all service inquiries for the combined offering; (5) maintained the exclusive right to market the Service; (6) selected the long distance carrier; (7) precluded the long distance carrier from contacting 1-800-AMERITECH customers without Ameritech's prior consent; (8) reserved the right to substitute its own services in place of the contracting provider; and (9) established the prices, terms, and conditions under which the long distance component would be offered.

(over)

Action by the Commission October 16, 2000, by Memorandum Opinion and Order (FCC 00-371). Chairman Kennard, Commissioners , Ness, Furchtgott-Roth, Powell, and Tristiani.

File No. E-97-19A

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Enforcement Bureau Contacts: John Winston at (202) 418-7450 or Tonya Rutherford at (202) 418-7450.