



NEWS

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FCC AUTHORIZES SBC COMMUNICATIONS TO PROVIDE LONG DISTANCE SERVICE IN KANSAS AND OKLAHOMA

Successful Application is First for a Rural State

Washington, D.C. – The Federal Communications Commission (FCC) approved SBC Communications, Inc.'s joint application to provide long distance service in Kansas and Oklahoma. The Commission's decision represents the first time that it has approved a long distance application for a more rural state. Additionally, following on the heels of the Commission's approval of SBC's application for the state of Texas, this is the first time the Commission has approved an application for additional states within a single Regional Bell Operating Company (BOC) region. Approval of SBC's long distance application promises substantial benefits for consumers in the form of new service providers, lower prices, tailored and bundled service packages, and better customer service.

In the Telecommunications Act of 1996, Congress envisioned fundamental pro-competitive changes in the telecommunications environment by making a BOC's entry into the long distance market 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. After a BOC files a long distance application with the Commission, the Commission has 90 days to determine whether a BOC has taken the statutorily required steps to open its local telecommunications markets to competition, including compliance with the Act's section 271 14-point "competitive checklist." Since the passage of the 1996 Act, the FCC has denied five section 271 applications, and now has approved long distance entry into four states.

Summary of Competitive Activity

- Competitors serve between 9-12% of local telephone lines in Kansas.
- Competitors serve more than 85,000 business lines and more than 46,000 residential lines in Kansas.
- Competitors serve between 5-9% of local telephone lines in Oklahoma.
- Competitors serve more than 66,000 business lines and more than 49,000 residential lines in Oklahoma.

The Commission emphasizes that the grant of this section 271 application may close a chapter of this proceeding, but it is not the end of the story. SBC 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.

Because the Commission relies on pricing amendments that were filed while SBC's application was pending, the Commission's authorization of SBC's application will become effective 43 days after release of the Order to ensure that SBC does not receive the benefits of late-filed changes to its application.

Action by the Commission January 19, 2001, by Memorandum Opinion and Order (FCC 01-29). Chairman Kennard approving and issuing a statement; Commissioner Ness concurring and issuing a statement; Commissioner Furchtgott-Roth concurring in part, dissenting in part, and issuing a statement; Commissioner Powell approving in part, dissenting in part, and issuing a statement; and Commission Tristani approving.

-FCC-

Docket No.: CC 00-217

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