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Press Statement of Commissioner Gloria Tristani on Verizon's Massachusetts 271 Application

I dissent, because Verizon has not demonstrated compliance with the market opening requirements of section 271. In particular, Verizon has not established that its switching rates are based on the forward-looking, total element long run incremental cost (TELRIC) of providing that network element. The availability of unbundled network elements at cost-based rates is an essential ingredient of a primary strategy for entering the residential market in Massachusetts.

Prior to filing its second 271 application for Massachusetts, Verizon elected not to rely on the unbundled switching rates set by the Massachusetts Department of Telecommunications and Energy. Instead Verizon chose to rely on voluntarily-adopted rates equivalent to those currently in effect in New York, without providing any further evidence that those rates are TELRIC compliant for Massachusetts.

By allowing Verizon simply to mirror rate levels set four years ago in another state and subject to imminent revision, the Commission has undermined the rigor of its 271 process. Indeed the majority has sent a signal that it will allow reliance on previously approved rates, irrespective of the amount of time passed or pricing information gathered since those rates were last before us. In a declining cost industry characterized by rapid technological innovation, such an approach is inconsistent with our statutory mandate. Nor can the majority's threats of future enforcement action substitute for a requirement that Verizon demonstrate full checklist compliance before winning long distance authority.

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