



# NEWS

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**Federal Communications Commission**  
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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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## **FCC INITIATES PROCEEDING TO REVIEW SEPARATE AFFILIATE RULES FOR INCUMBENT INDEPENDENT LOCAL PHONE CARRIERS**

Washington, D.C. – Today, the Federal Communications Commission (FCC) adopted a proposal to reexamine rules pertaining to the provisioning of in-region, interexchange services by incumbent independent local exchange carriers (LECs). Incumbent independent LECs are non-Bell Operating Company LECs and are typically small and often rural carriers with less than 2% of the nation's access lines.

Incumbent independent LECs are permitted under the Communications Act to provide in-region, long distance service without demonstrating compliance with the competitive checklist of section 271. These carriers currently provide such long distance services subject to certain safeguards intended to prevent them from engaging in anti-competitive behavior. For example, incumbent independent LECs providing *facilities-based*, in-region, long distance service must do so through a separate corporate affiliate. Incumbent independent LECs providing in-region, long distance service exclusively through *resale*, however, must do so through a separate corporate division, rather than a separate affiliate.

Today's action seeks comment on several issues related to the provisioning of in-region, interexchange services by incumbent independent LECs, including the following:

- A series of threshold questions to develop a more complete record, including, the number of incumbent independent LECs providing in-region, long distance service and how many of these are facilities-based versus resale.
- Whether or not the benefits of the separate affiliate requirement outweigh the regulatory and economic costs involved.
- Possible alternative safeguards, including proposals for applying the separate affiliate requirement to a more limited category of incumbent independent LECs.

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CC Docket No. 00-175

Action by the Commission September 13, 2001, by Notice of Proposed of Rulemaking (FCC 01-261). Chairman Powell and Commissioners Abernathy, Copps, and Martin.

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