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FCC Initiates Proceedings to Consider Request by Qwest Communications International for 271 Long Distance Authority in Montana, Utah, Washington, and Wyoming

Washington, D.C., July 15, 2002 -- The FCC today released a Public Notice announcing that on July 12, 2002, it had initiated a proceeding to consider a multi-state application by Qwest Communications International, Inc. (“Qwest”) to provide in-region, interLATA service in Montana, Utah, Washington and Wyoming. See Wireline Competition (“WC”) Docket No. 02-189. This is the second such application by Qwest in less than one month for 271 authority from the FCC. Last month, as outlined in the table below, Qwest filed an application for 271 authority in Colorado, Idaho, Iowa, Nebraska, and North Dakota.

Comments on Qwest’s latest 271 application may be filed by interested third parties in support of or in opposition to Qwest’s application on or before August 1, 2002, and any participant in the proceeding may file a reply to any comments filed by any other participant on or before August 26, 2002.

The full calendar set in this proceeding thus far is as follows:

<i>Ex Parte</i> Meetings related to Comments:	July 26, 2002 and July 30, 2002
Comments Due:	August 1, 2002
State Commission Board Comments Due:	August 1, 2002
U.S. Department of Justice Evaluation Due:	August 21, 2002
<i>Ex Parte</i> Meetings related to Reply Comments:	August 21, and August 22, 2002
Reply Comments Due:	August 26, 2002
Statutory Deadline:	October 10, 2002

Background on Applications for Authority to Provide Long-Distance Under Section 271

Section 271 of the Telecommunications Act of 1996 (“Telecom Act”), amending the Communications Act of 1934, Congress established a regime under which the Regional Bell Operating Companies (“RBOCs”) could obtain authority to provide in-region, interLATA long distance service where they demonstrated that competition had been achieved in their local exchange markets and that

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they complied with certain market-opening requirements—the so called “competitive checklist”—found in Section 271 of the Act. The concept behind of these requirements is the proverbial carrot and stick—i.e., tie entry by the RBOCs into long distance markets subject to the opening of local service markets to real and measurable competition.

The 271 “competitive checklist” is a list of services, facilities, network elements, and pricing terms that an RBOC must establish are freely available to competitive local exchange carriers on a non-discriminatory basis and in compliance with the requirements of the Telecom Act. In theory, the availability of these checklist items raises the presumption that local competition has been successfully implemented. Under the 14-Point “competitive checklist,” RBOCs are required to show that competitive local exchange carriers have non-discriminatory access to: (1) interconnection; (2) unbundled network elements (“UNEs”) – including, access to operations support systems (“OSS”), UNE combinations, and pricing of network elements); (3) poles, ducts, conduits and rights-of-way; (4) unbundled local loops; (5) unbundled local transport; (6) unbundled local switching; (7) 911/E911 access and directory assistance/operator services; (8) White Pages directory listings; (9) numbering administration; (10) databases and associated signaling; (11) number portability; (12) local dialing parity; (13) reciprocal compensation; and (14) resale.

Under Section 271, the Bell Operating Companies are required to file applications with the FCC on a state-by-state basis; though many applications filed by the RBOCs are consolidated multi-state filings. The FCC has 90 days to determine whether a BOC has taken the statutorily required steps to open its local telecommunications markets to competition, including those contained in the “competitive checklist.” The FCC is charged with the review of RBOC applications in consultation with the affected state and the Attorney General.

Once an RBOC obtains Section 271 authority, it must comply with the Telecom Act’s “separate affiliate” requirements. That is, RBOCs must provide the long distance services through a corporate entity that is separate from the entity providing local exchange services for an initial period of at least three years. In addition to the requirement of corporate separation, the entity providing long distance services may not jointly own transmission and switching equipment with the BOC. The Telecom Act also prohibits discrimination by each BOC in favor of its affiliate, requiring among other things that the BOC provide unaffiliated carriers the same goods, services, facilities, and information at the same rates, terms, and conditions as it provides to its affiliated long distance company. The long-distance affiliate must post a record of all transactions with the BOC on the Internet.

Historic Overview of FCC 271 Proceedings

Since the passage of the Telecom Act, the FCC has denied five long distance applications, and has approved applications in 14 states. Additionally, applications for seven states have been withdrawn. Currently, there are applications for six states--Verizon’s New Jersey and Qwest’s Colorado, Idaho, Iowa, Nebraska and North Dakota—pending before the Commission. A summary of all Section 271 applications filed with the FCC to date is summarized in the table below:

State(s)	Filed by	Status	Date Filed	Date Resolved
MT, UT, WA, WY	Qwest	Pending	06/12/02	Due by 10/10/02
NH, DE	Verizon	Pending	06/27/02	Due by 09/25/02
AL, KY, MS, NC, SC	BellSouth	Pending	06/20/02	Due by 09/18/02
CO, ID, IA, NE, ND	Qwest	Pending	06/13/02	Due by 09/11/02
New Jersey	Verizon	Approved	03/26/02	06/24/02
Maine	Verizon	Approved	03/21/02	06/19/02
Georgia/Louisiana	BellSouth	Approved	02/14/02	05/15/02
Vermont	Verizon	Approved	01/17/02	04/17/02
New Jersey	Verizon	Withdrawn	12/20/01	03/20/02
Rhode Island	Verizon	Approved	11/26/01	02/24/02
Georgia/Louisiana	Bellsouth	Withdrawn	10/02/01	12/20/01
Arkansas/Missouri	SBC	Approved	08/20/01	11/16/01
Pennsylvania	Verizon	Approved	06/21/01	09/19/01
Connecticut	Verizon	Approved	04/23/01	07/20/01
Missouri	SBC	Withdrawn	04/04/01	06/07/01
Massachusetts	Verizon	Approved	01/16/01	04/16/01
Kansas/Oklahoma	SBC	Approved	10/26/00	01/22/01
Massachusetts	Verizon	Withdrawn	09/22/11	12/18/00
Texas	SBC	Approved	04/05/00	06/30/00
Texas	SBC	Withdrawn	01/10/00	04/05/00
New York	Verizon	Approved	09/29/99	12/22/99
Louisiana	BellSouth	Denied	07/09/98	10/13/98
Louisiana	BellSouth	Denied	11/06/97	02/04/98
South Carolina	BellSouth	Denied	09/30/97	12/24/97
Michigan	Ameritech	Denied	05/21/97	08/19/97
Oklahoma	SBC	Denied	04/11/97	06/26/97
Michigan	Ameritech	Withdrawn	01/02/97	02/11/97

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If you would like additional information on this or other 271 proceedings, or if you are interested in obtaining copies of comments filed or submitting your own comments, please feel free to contact us.

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