



NEWS

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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. Cir. 1974).

FOR IMMEDIATE RELEASE
July 27, 2004

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FCC AND VERIZON ENTER INTO \$300,000 CONSENT DECREE CONCERNING ACCOUNTING AND OTHER LOCAL COMPETITION SAFEGUARDS

Washington, D.C.: – The Federal Communications Commission today entered into a Consent Decree with the Verizon Telephone Companies to resolve two Commission investigations into whether Verizon violated certain accounting safeguards and non-discrimination requirements under Section 272 of the Communications Act.

In the Consent Decree, Verizon has agreed to make a voluntary payment of \$300,000 to the United States Treasury and to take additional specific measures to ensure future compliance with the requirements of Section 272, including measures concerning its (1) valuation of services provided to its separate long-distance affiliates that are not required to be made available to third parties; (2) automated voice response announcements notifying local customers of their ability to choose long-distance carriers other than the Verizon long-distance affiliate; (3) procedures for contract bidding in the provision of pre-paid calling card services; (4) procedures ensuring timely and accurate posting of affiliate contract terms on its Web site; and (5) employee training.

Section 272 requires a Bell Operating Company (“BOC”) that has received authority to provide in-region interLATA telecommunications service pursuant to Section 271 of the Act to provide that service through a separate affiliate and establishes certain structural, transactional, and nondiscrimination safeguards that govern the relationship between a BOC and its 272 affiliate. On September 8, 2003, the Commission released a Notice of Apparent Liability proposing a forfeiture of \$283,800 against Verizon for apparent violations of Section 272. This Consent Decree resolves the investigation that led to that Notice as well as a subsequent, similar investigation.

Action by the Commission: July 27, 2004, by Order (FCC 04-180).

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