NEWS

Federal Communications Commission
445 12th Street, S.W.
Washington, D. C. 20554

News Media Information 202 / 418-0500
Internet: http://www.fcc.gov
TTY: 1-888-835-5322

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NEWS MEDIA CONTACT:
John Winston (202) 418-7450
jwinston@fcc.gov

VERIZON ADMITS VIOLATIONS OF LONG DISTANCE MARKETING BAN – COMPANY TO MAKE $5.7 MILLION PAYMENT TO UNITED STATES TREASURY

Washington, D.C. --- Today, the Federal Communications Commission ("FCC") entered into a Consent Decree with the Verizon Telephone Companies ("Verizon") in which Verizon admitted that it violated a federal ban on marketing long distance services in its local service region prior to receiving FCC authorization. As a result, Verizon has agreed to make a $5.7 million payment to the United States Treasury.

Today's action resolves an FCC investigation into Verizon's possible violation of sections 271(a) and (b) and section 272(g) (2) of the Communications Act of 1934, as amended by the Telecommunications Act of 1996, which prohibit the Bell Operating Companies ("BOCs") from providing, marketing, or selling long distance services originating in their local service regions prior to receiving FCC approval. Prior to the 1996 Act, the BOCs generally were barred from providing long distance services that cross local access and transport ("LATA") boundaries within their regions. The 1996 Act allowed the BOCs to enter these long distance markets only after satisfying a number of market-opening conditions and receiving approval from the Commission.

Under the terms of the Consent Decree, Verizon admits that it marketed long distance services originating in its local service region on five separate occasions from January through July 2002, in violation of section 272(g)(2) of the Act. These marketing incidents occurred in nine states within the Verizon region and through various media, including cable television advertising, bill inserts and direct mail solicitations.

Action by the Commission, February 28, 2003, Order (FCC 03-41). Chairman Powell, Commissioners, Abernathy, Copps, Martin and Adelstein.

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Enforcement Bureau contacts: John R. Winston at (202) 418-7450, Raelynn Tibayan Remy at (202) 418-2936 or Trent Harkrader at (202) 418-2955.