



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. Circ 1974).

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FCC AND BELL SOUTH ENTER INTO A \$1.4 MILLION CONSENT DECREE CONCERNING LONG DISTANCE AND NON-DISCRIMINATION REQUIREMENTS

Washington, D.C. – Today, the Federal Communications Commission entered into a Consent Decree with BellSouth Corporation to resolve two investigations into whether BellSouth had violated certain provisions of the Communications Act governing the provision, marketing and sale of long distance services, and related non-discrimination and separate affiliate requirements. BellSouth has agreed to make a voluntary payment of \$1.4 million to the United States Treasury, and to take additional specific steps to ensure future compliance with rules at issue in the investigations.

The first investigation resolved by today's action involved possible violations of sections 271(a) and (b) and section 272(g)(2) of the Communications Act, which prohibit Bell Operating Companies ("BOCs") from providing, marketing, or selling long distance services originating in their local service regions prior to receiving FCC approval. The investigation focused on allegations that BellSouth marketed, sold, or provisioned long distance services on six separate occasions in six states from May through December 2002. The second investigation involved possible violation of section 271(c) and sections 272(b), (c), and (e) of the Act, which impose certain non-discrimination and separate affiliate requirements on a BOC. The investigation focused on allegations that Bell South Long Distance ("BSLD") refused to provide long distance service to competitive local exchange carrier ("CLEC") end-users because BSLD did not have operational agreements with those CLECs.

In addition to the \$1.4 million voluntary payment, as part of the settlement, BellSouth has agreed to comply with the FCC's separate affiliate requirements, including the obligation to obtain a biennial audit by an independent auditor, in all nine states in its region until every state in its region is relieved of these obligations. These obligations would otherwise have expired in each state three years after long distance authority was granted. In addition, BellSouth will revise certain training and compliance programs that focus on satisfaction of the separate affiliate requirements. Finally, BellSouth has agreed to increase its efforts to provide CLECs with the opportunity to enter into operational agreements with BSLD so that CLEC end-users may more easily receive long distance service from BSLD if they so choose.

Action by the Commission, July 15, 2003, by Order (FCC 03-174), Chairman Powell, Commissioners Abernathy, Copps, Martin, and Adelstein.

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