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Federal Communications Commission
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FEDERAL COMMUNICATIONS COMMISSION AUTHORIZES QWEST TO PROVIDE LONG DISTANCE SERVICE IN ARIZONA

Bell Operating Companies Long Distance Application Process Concludes Entire Country Authorized for "All Distance" Service

Washington, D.C. – Today, the Federal Communications Commission (FCC) voted to approve Qwest's application to provide in-region, interLATA service originating in Arizona, marking the final approval of a Bell Operating Company's (BOC) entry into the long distance market.

Approval of Qwest's long distance application promises benefits to consumers in Arizona by making increased competition in all markets for telecommunications services possible. Qwest stated in its application that competing carriers served approximately 20% of all lines in Arizona, as of May 31, 2003.

The FCC emphasizes that Qwest – and all BOCs with authorization to provide long distance service – must continue to comply with the section 271 checklist requirements, and the FCC has a number of enforcement tools at its disposal to ensure compliance, including imposing penalties or suspension of approval.

Long Distance Application Process Completed

The long distance application process began when Ameritech filed an application for the state of Michigan on January 2, 1997, which was withdrawn one month later. The first application to be approved by the FCC was Bell Atlantic's New York application on December 22, 1999. Since these milestones the telecommunications marketplace has undergone significant changes, including:

1. More Options for Consumers

- Long Distance Carriers in 1997 = 569
- Long Distance Carriers in 2002 = 1,090
- Local Carriers in 1997 = 1,666
- Local Carriers in 2002 = 2,037

- Number of In-Region Residential Long Distance Customers of BOCs in 1997 = 0
- Number of In-Region Residential Long Distance Customers of BOCs in 2002 = 16 million (approximately)

2. Lower Phone Rates for Consumers

- Average Per Minute Rate for Long Distance in 1997 = \$0.11
- Average Per Minute Rate for Long Distance in 2002 = \$0.07
- From December 1997 to October 2003, Residential Long Distance Rates fell by 26%.

3. Section 271 Applications

- Number of States Approved for Long Distance Service = 48 (plus the District of Columbia)
- Number of Section 271 State Applications Denied = 5
- Number of 271 Section State Applications Withdrawn and Re-filed = 17

With the Telecommunications Act of 1996 (1996 Act), Congress envisioned fundamental, pro-competitive changes in the telecommunications markets by making a BOC's entry into the long distance market subject to the BOC first opening its local service monopoly to competition. A BOC satisfies this contingency by demonstrating compliance with section 271 of the 1996 Act. After a BOC files a section 271 long distance application with the FCC, the FCC has 90 days to determine whether a BOC has taken the statutorily required steps to open its local telecommunications markets to competition. A summary of all section 271 applications can be accessed at the following FCC web page:

www.fcc.gov/Bureaus/Common_Carrier/in-region_applications/

-FCC-

Docket No.: WC 03-194

Action by the Commission December 03, 2003, by Report and Order (FCC 03-309).

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News about the Federal Communications Commission can also be found on the Commission's web site www.fcc.gov.