

**TELECOMMUNICATIONS ACT OF 1996
SECTION 271 LONG DISTANCE APPLICATION
SUMMARY OF 14-POINT COMPETITIVE CHECKLIST**

In the Telecommunications Act of 1996, Congress envisioned fundamental pro-competitive changes in the telecommunications environment. Congress took the momentous step of requiring that the Bell Operating Companies (BOCs) – the traditional providers of basic local telephone service for most Americans – open the traditionally non-competitive local telephone market to competition. Once the BOCs open their local markets to competition, the 1996 Act permits them to enter the market for long distance services in their regions, thereby increasing competition in the long distance market.

The embodiment of this quid pro quo established by Congress is section 271(c)(2)(B) of the 1996 Act, which describes a 14-point competitive checklist that each BOC must satisfy before it can provide long distance services. To enter the long distance market, the BOC must demonstrate that it has fully implemented the competitive checklist. To meet the requirements of a particular checklist item, the BOC must show that it is providing nondiscriminatory access to that checklist item. In particular, a BOC must demonstrate that it is currently furnishing, or is ready to furnish, the checklist item in quantities that competitors may reasonably demand and at an acceptable level of quality.

The Texas Public Utility Commission concluded that Southwestern Bell met every checklist item. The U.S. Department of Justice concluded that Southwestern Bell met every checklist item, provided that the FCC make two final determinations regarding checklist item 4 (Unbundled Local Loops). The FCC concludes that Southwestern Bell has demonstrated compliance with all 14 checklist items.

CHECKLIST ITEM	ITEM REQUIREMENT DESCRIPTION	PRO-COMPETITIVE ASPECT	SOUTHWESTERN BELL SHOWING
1. Interconnection	Requires the BOC to allow requesting carriers to physically link their communications networks to its network for the mutual exchange of traffic. To do so, the BOC must permit carriers to use any available method of interconnection at any available point in the BOC's network. Interconnection between networks must be equal in quality whether the interconnection is between the BOC and an affiliate, or the BOC and competing local carrier.	Interconnection is necessary so customers of one company are able to call customers served by another company. Historically, lack of interconnection has led to the monopolization of telecommunications markets.	Southwestern Bell demonstrated that it provides equal-in-quality interconnection on terms and conditions that are just, reasonable, and nondiscriminatory. Southwestern Bell has met its burden of proof that it designs its interconnection facilities to meet "the same technical criteria and service standards" that are used for the interoffice trunks within its own network. SWBT demonstrated that it makes interconnection available at any technically feasible point and that it is providing collocation in Texas in accordance with the Commission's rules.

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1. Interconnection (continued)			<p>Pricing: Southwestern Bell demonstrated that it provides interconnection at rates and terms that are just, reasonable, and nondiscriminatory. The Order finds that interim rates currently in place for physical and virtual collocation qualify for the exception that the Commission created for interim rates in the <i>Bell Atlantic New York Order</i>.</p>
2. Access to Unbundled Network Elements	<p>The telephone network is comprised of individual network elements (loops, circuit switches, interface devices, etc.). The BOC must provide a connection to network elements at any technically feasible point under rates, terms, and conditions that are just, reasonable and nondiscriminatory. The BOC uses a variety of systems, databases, and personnel (collectively referred to as OSS) to provide service to their customers at a certain level of quality, accuracy and timeliness. Nondiscriminatory access to OSS is required to facilitate non-discriminatory access to network elements.</p>	<p>Competitors must have access to the functions performed by the incumbent's OSS in order to formulate and place orders for network elements or resale services, to install service to their customers, to maintain and repair network facilities, and to bill customers.</p>	<p>Southwestern Bell demonstrated that it provides competitors nondiscriminatory access to its OSS and unbundled network element combinations. (All other unbundled network elements are listed as other checklist items.) Specifically, Southwestern Bell demonstrated that it provides nondiscriminatory access to pre-ordering, ordering, provisioning, maintenance & repair, and billing functions. Southwestern Bell also demonstrated that it provides technical assistance necessary for new entrants to connect with its systems, as well as a change management process that provides information necessary for competitors to track Southwestern Bell system changes.</p> <p>Pricing: Southwestern Bell demonstrated that it provides unbundled network elements at rates and terms that are just, reasonable, and nondiscriminatory. The Order finds that the reduction of certain nonrecurring charges to zero while the Texas PUC reviews these charges, subject to true-up, is a reasonable interim measure and fits the interim rate exception of the <i>Bell Atlantic New York Order</i>.</p>

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3. Access to Poles, Ducts, Conduits, and Rights-of-Way	Telephone company wires and cables must be attached to, or pass through, poles, ducts, conduits, and rights-of-way. The BOC must show that competitors can obtain access to poles, ducts, conduits, and rights-of-way within reasonable time frames and on reasonable terms and conditions, with a minimum of administrative costs, and consistent with fair and efficient practices.	Nondiscriminatory access to poles, ducts, conduits, and rights-of-way ensures that competitors have an opportunity to deploy their own facilities to compete with the BOC.	Southwestern Bell demonstrated that it provides nondiscriminatory access to poles, ducts, conduits and rights-of-way. Pricing: Southwestern Bell demonstrated that it provides poles, conduits, and rights-of-way at rates that are just, reasonable, and nondiscriminatory.
4. Unbundled Local Loops	Local loops are the wires and transmission links that connect the telephone company end office to the customer's home or business. BOC must demonstrate that it has a concrete and specific legal obligation to furnish loops on an unbundled basis and that it is currently doing so in the quantities that competitors reasonably demand and at an acceptable level of quality.	Nondiscriminatory access to unbundled local loops ensures that competitors have non-discriminatory access to the customer's home or business when they have to rely on the BOC for this essential connection.	Southwestern Bell demonstrated that it provides voice grade unbundled local loops through "hot cut" conversions in a manner that offers an efficient competitor a meaningful opportunity to compete. Southwestern Bell also provides competing carriers with new stand-alone voice grade unbundled loops in substantially the same time and manner as it does for its own retail service. Southwestern Bell provides xDSL-capable loops and high-capacity loops to competing carriers in a nondiscriminatory manner. Department of Justice: With respect to the two questions left open by the Department of Justice at the time of its final evaluation, the Commission concluded that recent hot cut performance data accurately reflect Southwestern Bell's performance and that competitors may freely choose between the two different "hot cut" methods that Southwestern Bell makes available.

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5. Unbundled Local Transport	Transport facilities are the trunks that connect different switches within the BOC's network or that connect those switches with long distance carriers' facilities. This checklist item requires the BOC to provide competitors with the transmission links on an unbundled basis that are dedicated to the use of that competitor as well as links that are shared with other carriers, including the BOC.	Nondiscriminatory access to transport ensures that the BOC will provide these high capacity facilities fairly when competitors do not self-provision.	Southwestern Bell demonstrated that it provides both shared and dedicated transport.
6. Unbundled Local Switching	A switch connects loops to other loops, and connects loops to trunks for transporting a call to another central office or to a long-distance carrier. Switches can also provide end users with "vertical features" such as call waiting, call forwarding, and caller ID, and can direct a call to a specific trunk, such as the competing carrier's operator services.	Nondiscriminatory access to unbundled local switching is necessary so that competitors can offer, and bill for, exchange access and the termination of local traffic.	Southwestern Bell demonstrated that it provides nondiscriminatory access to unbundled switching.
7. 911 and E911, Directory Assistance, and Operator Services	911 and E911 services transmit calls from end users to emergency personnel. Directory assistance provides customers with telephone numbers. Operators perform various call completion services. The BOC must provide competing carriers with accurate and nondiscriminatory access to these services so that these competitors' customers are able to reach emergency assistance, directory assistance and operator services.	Nondiscriminatory access to 911 and E911, directory assistance, and operator services ensures that consumers have access to these services from a competing carrier.	Southwestern Bell demonstrated that it is providing nondiscriminatory access to 911/E911, directory assistance and operator services. Pricing: Southwestern Bell demonstrated that it provides 911 and E911, directory assistance, and operator services at rates that are just, reasonable, and nondiscriminatory.
8. White Pages Directory Listings	White pages are the directory listings of telephone numbers of residences and businesses in a particular area.	This checklist item ensures that white pages listings for customers of different carriers are comparable, in terms of accuracy and reliability, notwithstanding the identity of the customer's telephone service provider.	Southwestern Bell demonstrated that it is providing white pages directory listings for competitive LECs that are nondiscriminatory in appearance and integration, and have the same accuracy and reliability that Southwestern Bell provides for its own customers.

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9. Numbering Administration	Telephone numbers are currently assigned to telecommunications carriers based on the first three digits of the local number known as “NXX” codes. The BOC must provide other carriers with the same access to new NXX codes within an area code that the BOC enjoys.	This checklist item ensures that other carriers have the same access to new telephone numbers as the BOC.	Southwestern Bell demonstrated that it complies with the Commission's number assignment rules and Industry Numbering Committee Central Office Code Guidelines, and that it accurately reports data to the Central Office Code Administrator.
10. Databases and Associated Signaling	Databases and associated signaling refer to call-related databases and signaling systems that are used for billing and collection, or the transmission, routing or other provision of a telecommunications service. The BOC must demonstrate that it provides competitors with the same access to the call-related databases and associated signaling that it provides itself.	This checklist item ensures that other carriers have the same ability to transmit, route, complete and bill for telephone calls as the BOC.	Southwestern Bell demonstrated that it provides nondiscriminatory access to databases and associated signaling necessary for call routing and completion.
11. Number Portability	Number portability enables consumers to take their phone number with them when they change local telephone companies. The BOC must demonstrate that it provides number portability to competing carriers in a reasonable time frame.	Failure to provide timely number portability prevents a customer from receiving incoming calls after switching from the BOC to a competing carrier.	Southwestern Bell demonstrated that it complies with the number portability regulations the Commission has adopted pursuant to section 251 of the Act.
12. Local Dialing Parity	Local dialing parity permits customers to make local calls in the same manner regardless of the identity of the carrier. The BOC must establish that customers of another carrier are able to dial the same number of digits to make a local telephone call. In addition, the dialing delay experienced by the customers of another carrier should not be greater than that experienced by customers of the BOC.	This checklist item ensures that consumers are not inconvenienced in how they make calls simply because they subscribe to a carrier other than the BOC for local telephone service.	Southwestern Bell demonstrated that it provides local dialing parity in accordance with the requirements of section 251(b)(3).

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13. Reciprocal Compensation	The BOC must compensate other local carriers for the cost of transporting and terminating a local call from the BOC. Alternatively, the BOC and competing carrier may enter into an arrangement whereby neither of the two carriers charges the other for terminating local traffic that originates on the other carrier's network.	This checklist item ensures that all carriers that originate calls bear the cost of terminating such calls.	Southwestern Bell demonstrated that its access and interconnection include reciprocal compensation arrangements in accordance with the requirements of section 252(d)(2) of the Act.
14. Resale	This checklist item requires the BOC to offer other carriers all of its retail services at wholesale rates without unreasonable or discriminatory condition or limitations such that other carriers may resell those services to an end user.	This ensures a mode of entry into the local market for carriers that have not deployed their own facilities.	Southwestern Bell demonstrated that it offers for resale at wholesale rates and on a reasonable and nondiscriminatory basis any telecommunications service that it provides at retail to end-user customers in accordance with the requirements of sections 251(c)(4) and 252(d)(3) of the Act.