Federal Communications Commission 445 12th Street, S.W.

Washington, D. C. 20554

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NEWS MEDIA CONTACT: Michael Balmoris 202-418-0253 Email: mbalmori@fcc.gov

News media Information 202 / 418-0500

Fax-On-Demand 202 / 418-2830 Internet: http://www.fcc.gov

TTY 202 / 418-2555

ftp.fcc.gov

FEDERAL COMMUNICATIONS COMMISSION AUTHORIZES SBC TO PROVIDE LONG DISTANCE SERVICE IN ARKANSAS AND MISSOURI

SBC now Approved to Provide Long Distance Service in its Original Five-State Region

Washington, D.C. – The Federal Communications Commission (FCC) today voted to approve SBC Communications Inc.'s (SBC) joint application to provide inregion, interLATA service originating in Arkansas and Missouri. Approval of SBC's joint application promises substantial benefits for the states' consumers in the form of enhanced competition in both the local and long distance markets.

Today's approval grants authorization for SBC to provide long distance service in the final two states of its original five-state Southwestern Bell territory. The FCC notes that SBC uses region-wide operational support systems (OSS) that the FCC had previously reviewed in SBC's prior applications. In addition, the FCC's use of an "anchor state" approach allows smaller state Commissions to build upon the work of other states in SBC's region that have been granted section 271 approval. Specifically, Arkansas and Missouri state Commissions worked collaboratively with the Texas Commission to conduct a comprehensive and consistent section 271 review.

With the Telecommunications Act of 1996, Congress envisioned fundamental, pro-competitive changes in the telecommunications markets by making a Bell Operating Company's (BOC) 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 Commission has 90 days to determine whether a BOC has taken the statutorily required steps to open its local telecommunications markets to competition, including compliance with the 1996 Act's section 271 14-point "competitive checklist."

Since the passage of the 1996 Act, the FCC has denied five long distance applications, and now has approved applications to provide in-region, long distance service in nine states. Additionally, four applications have been withdrawn. 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/

Competing carriers serve approximately 98,500 lines in Arkansas, 40 percent of which are residential lines. For Missouri, competing carriers serve approximately 295,000 lines, 20 percent of which are residential lines.

The Commission emphasizes that SBC must continue to comply with the section 271 checklist requirements, and the Commission has a number of enforcement tools at its disposal, including imposing penalties or suspension of approval.

Action by the Commission November 16, 2001, by Memorandum Opinion and Order (FCC 01-338). Chairman Powell, Commissioners Abernathy and Martin issuing separate statements; Commissioner Copps concurring and issuing a statement.

-FCC-

Docket No.: CC 01-194

Common Carrier Bureau Staff Contact: Scott Bergmann at 202-418-1500.

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