



Department of Justice

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**JUSTICE DEPARTMENT RECOMMENDS APPROVAL OF BELL SOUTH'S
APPLICATION TO PROVIDE LONG DISTANCE SERVICES IN
GEORGIA AND LOUISIANA**

Department Anticipates Further Improvement in BellSouth's OSS and Data

WASHINGTON, D.C.-- The Department of Justice today recommended that the Federal Communications Commission (FCC) approve BellSouth's supplemental joint application to provide long distance services in Georgia and Louisiana. The evaluation focuses on changes in BellSouth's operations support systems (OSS) and the reliability of its commercial performance data.

"The available evidence suggests that generally, BellSouth has succeeded in opening local telecommunications markets in Georgia and Louisiana to competition," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division. "In particular, competitors have made progress in offering service by means of the UNE-platform in both states."

BellSouth's current application for Section 271 authority in Georgia and Louisiana follows its initial joint application for long distance entry in these states, which was filed in October 2001. In an evaluation filed in November 2001, the Department advised the FCC that it was unable to fully support BellSouth's initial joint application on the basis of the record at that time, having found that serious questions remained regarding the extent to which BellSouth's OSS were adequate to support entry by competitors leasing unbundled network elements from

BellSouth. The Department's initial evaluation also raised concerns about the reliability of commercial performance data on which BellSouth's application was based. BellSouth subsequently withdrew its initial joint application for long distance authority in Georgia and Louisiana in December 2001.

In the evaluation filed today, which reviews BellSouth's supplemental joint application filed in February 2002, the Department recommends that the FCC approve the application, subject to its review of remaining concerns pertaining to BellSouth's OSS and data reliability. The Department's evaluation notes that additional improvements in BellSouth's OSS have been identified and will be implemented under the direction of the Georgia and Louisiana state commissions, and that final completion of the audit of commercial performance measures under the auspices of the Georgia commission should further improve the accuracy and reliability of BellSouth's Performance reports.

The Department provided its competitive analysis in an evaluation of BellSouth's application to provide long distance services in Georgia and Louisiana under Section 271 of the Telecommunications Act of 1996.

Since the break-up of the integrated Bell system as part of the AT&T divestiture, the independent Bell Operating Companies, or BOCs, have been barred from providing long distance services in their respective regions, first as part of the divestiture decree, and now under the terms of the Telecommunications Act. Under Section 271 of the Act, a BOC, such as BellSouth, may not provide in-region long distance services until it demonstrates to the FCC that it has met a variety of legal requirements designed to open the local telecommunications markets in a particular state to competition.

In considering whether to approve a BOC's application for long distance authority in a particular state, the FCC must consult with the Department of Justice and give "substantial weight" to its assessment of competitive conditions and whether the BOC should be allowed to provide in-region long distance services.

BellSouth filed its application with the FCC on February 14, 2002. Under the terms of the Act, the FCC must approve or deny the application within 90 days. A copy of the Department's evaluation will be available at: <http://www.usdoj.gov/atr/public/comments/sec271/sec271.htm>.

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