



Department of Justice

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**JUSTICE DEPARTMENT RECOMMENDS APPROVAL OF VERIZON'S
APPLICATION TO PROVIDE LONG DISTANCE SERVICES IN
VIRGINIA**

Department Urges FCC to Review Directory Listings Issues Carefully

WASHINGTON, D.C.-- The Department of Justice today recommended that the Federal Communications Commission (FCC) approve Verizon's application to provide long distance services in Virginia. At the same time, the Department urged the FCC to review issues raised by several competitive local exchange carriers regarding Verizon's provisioning of white pages directory listings.

"The available evidence suggests that generally, Verizon has succeeded in opening its local telecommunications markets in Virginia to competition," said Charles A. James, Assistant Attorney General in charge of the Department's Antitrust Division. "Competitors have made progress in penetrating the business and residential markets in Virginia." However, questions remain about Verizon's directory listings processes that merit close review by the FCC.

On the day of Verizon's filing of this application for long distance authority at the FCC, Verizon made improvements to a tool used in the process of editing directory listings. In its evaluation, the Department noted that, because of phone book publishing cycles, insufficient time had passed to determine the effectiveness of the improvements. The Department recognized that the FCC likely will have further information as its review of Verizon's application continues and will therefore be in a position to assess more completely Verizon's ability to provide white pages directory listings.

The Department provided its competitive analysis in an evaluation of Verizon's application to provide long distance services in Virginia 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 Verizon, 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.

Verizon filed its application with the FCC on August 1, 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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