



Department of Justice

FOR IMMEDIATE RELEASE
THURSDAY, OCTOBER 9, 2003
WWW.USDOJ.GOV

AT
(202) 514-2007
TDD (202) 514-1888

**JUSTICE DEPARTMENT RECOMMENDS APPROVAL OF QWEST'S
APPLICATION TO PROVIDE LONG DISTANCE SERVICES
IN ARIZONA**

Qwest Generally Succeeds in Opening Local Markets to Competition

WASHINGTON, D.C.-- The Department of Justice today recommended that the Federal Communications Commission (FCC) approve Qwest's application to provide long distance services in Arizona. The Department concluded in its evaluation that Qwest has generally succeeded in opening its local markets to competition for all modes of entry.

"Conditions in Arizona local telecommunications markets appear favorable to fostering competition," said R. Hewitt Pate, Assistant Attorney General in charge of the Department's Antitrust Division. "Facilities-based competitors have made progress in penetrating both the business and residential markets, and the Department believes there are no longer any material obstacles to competition in Arizona created by Qwest."

The Department provided its competitive analysis in an evaluation of Qwest's application to provide long distance services in Arizona under Section 271 of the Telecommunications Act of 1996. The first Section 271 application was filed in January 1997. Qwest's application pertaining to Arizona will be the last if the FCC approves it as well as SBC's pending application for long distance authority in Illinois, Indiana, Ohio, and Wisconsin.

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 Qwest, 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.

Qwest filed its application with the FCC on September 4, 2003. 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>.

###