

FEDERAL COMMUNICATIONS COMMISSION

[CC Docket No. 01–324; FCC 02–63]

Application by Verizon New England Inc., Bell Atlantic Communications, Inc. (d/b/a Verizon Long Distance), NYNEX Long Distance Company (d/b/a Verizon Enterprise Solutions), Verizon Global Networks Inc., and Verizon Select Services Inc., Pursuant to Section 271 of the Telecommunications Act of 1996, for Authorization To Provide In-Region, InterLATA Service in the State of Rhode Island and Providence Plantations**AGENCY:** Federal Communications Commission.**ACTION:** Notice.

SUMMARY: In this document, the Commission grants the section 271 application of Verizon New England Inc., *et al.* (Verizon) for authority to enter the interLATA telecommunications market in the state of Rhode Island and Providence Plantations (Rhode Island). The Commission grants Verizon's application based on its conclusion that Verizon has satisfied all of the statutory requirements for entry, and opened its local exchange markets to full competition.

DATES: Effective March 4, 2002.

FOR FURTHER INFORMATION CONTACT: Julie Veach, Attorney Advisor, Common Carrier Bureau, at (202) 418–1580 or via the Internet at jveach@fcc.gov. The complete text of this MO&O is available for inspection and copying during normal business hours in the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY–A257, Washington, DC 20554. Further information may also be obtained by calling the Common Carrier Bureau's TTY number: (202) 418–0484.

SUPPLEMENTARY INFORMATION: This is a summary of the Commission's Memorandum Opinion and Order (MO&O) in CC Docket No. 01–324, FCC 02–63, adopted February 22, 2002, and released February 22, 2002. This full text may be purchased from the Commission's duplicating contractor, Qualex International, Portals II, 445 12th Street, SW, Room CY–B402, Washington, DC 20554, telephone 202–863–2893, facsimile 202–863–2898, or via e-mail qualexint@aol.com. It is also available on the Commission's Web site at http://www.fcc.gov/Bureaus/Common_Carrier/in-region_applications/verizon_ri/welcome.html.

Synopsis of the Order

1. *History of the Application.* On November 26, 2001, Verizon filed an application (Rhode Island Application), pursuant to section 271 of the Telecommunications Act of 1996, with the Commission to provide in-region, interLATA service in Rhode Island.

2. *The Rhode Island Commission's Evaluation.* The Rhode Island Public Utilities Commission (Rhode Island Commission) advised the Commission, following a nearly four month review process, that Verizon met the checklist requirements of section 271(c) and has taken the statutorily required steps to open its local markets to competition. Consequently, the Rhode Island Commission recommended that the Commission approve Verizon's in-region, interLATA entry in its December 14, 2001 evaluation of the Rhode Island Application.

3. *The Department of Justice's Evaluation.* The Department of Justice filed its evaluation of Verizon's Rhode Island Application on January 4, 2002. It recommended approval of the Rhode Island Application subject to the Commission satisfying itself as to pricing issues raised by commenters.

Primary Issues in Dispute

4. *Checklist Item 2—Unbundled Network Elements.* Based on the record, the Commission finds that Verizon provides “[n]ondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 251(d)(1)” of the Act in compliance with checklist item 2.

5. The Commission finds that Verizon's charges for unbundled network elements (UNEs) are just, reasonable, and nondiscriminatory in compliance with checklist item 2. Verizon relied in its Rhode Island Application not only on a Rhode Island Commission proceeding adopting Verizon's switching rates, but also on a benchmark comparison to New York switching rates and Massachusetts rates based on the New York rates. During the pendency of this proceeding, however, on January 28, 2002, the New York Public Service Commission adopted new switching rates, which are more than 50 percent lower than Verizon's previous New York switching rates. In response to this change in circumstances, Verizon filed with this Commission reduced Rhode Island switching rates upon which it then relied as evidence to demonstrate compliance with checklist item two. Under these unique circumstances, the Commission waives its “complete-as-filed” rule to take into consideration

this late-filed evidence. The Rhode Island Commission adopted these discounted switching rates on February 21, 2002. The Commission finds Verizon's voluntarily reduced switching rates are within a reasonable TELRIC (total element long-run incremental costs) range. In addition, the Commission finds the Rhode Island loop rates to be within the range that the reasonable application of TELRIC principles would produce.

6. The Commission also concludes that Verizon meets its obligation to provide access to its operations support systems (OSS)—the systems, databases, and personnel necessary to support the network elements or services. Nondiscriminatory access to OSS ensures that new entrants have the ability to order service for their customers and communicate effectively with Verizon regarding basic activities such as placing orders and providing maintenance and repair services for customers. The Commission finds that, for each of the primary OSS functions (pre-ordering, ordering, provisioning, maintenance and repair, and billing, as well as change management and technical assistance), Verizon provides access that enables competing carriers to perform the functions in substantially the same time and manner as Verizon or, if there is not an appropriate retail analogue in Verizon's systems, in a manner that permits an efficient competitor a meaningful opportunity to compete.

7. Pursuant to this checklist item, Verizon must also provide nondiscriminatory access to network elements in a manner that allows other carriers to combine such elements. Based on the evidence in the record, and upon Verizon's legal obligations under interconnection agreements, Verizon demonstrates that it provides to competitors combinations of already-combined network element as well as nondiscriminatory access to unbundled network elements in a manner that allows competing carriers to combine those elements themselves.

Other Checklist Items

8. *Checklist Item 4—Unbundled Local Loops.* Verizon has adequately demonstrated that it provides unbundled local loops as required by section 271. More specifically, Verizon establishes that it provides access to loop make-up information in compliance with the Commission's rules and nondiscriminatory access to stand alone xDSL-capable loops and high-capacity loops. Also, Verizon provides voice grade loops, both as new loops and through hot-cut conversions,

in a nondiscriminatory manner. Finally, Verizon has demonstrated that it has a line-sharing and line-splitting provisioning process that affords competitors nondiscriminatory access to these facilities.

9. In the Commission's overview of Verizon's performance data, it relies primarily on Rhode Island performance data (supplemented with Massachusetts data) collected and submitted by Verizon under the state-adopted carrier-to-carrier standards. Verizon provides evidence and performance data establishing that it can efficiently furnish unbundled loops, for the provision of both traditional voice services and various advanced services, to other carriers in a nondiscriminatory manner.

10. *Checklist Item 1—Interconnection.* Based on the evidence in the record, the Commission concludes that Verizon demonstrates that it provides interconnection in accordance with the requirements of section 251(c)(2) and as specified in section 271 and applied in the Commission's prior orders. Pursuant to this checklist item, Verizon must allow other carriers to interconnect their networks to its network for the mutual exchange of traffic, using any available method of interconnection at any available point in Verizon's network.

11. Verizon also demonstrates that its collocation offerings in Rhode Island satisfy the requirements of sections 251 and 271 of the Act and are in compliance with the Commission's recent *Collocation Remand Order*. Verizon demonstrates that it offers interconnection in Rhode Island to other telecommunications carriers at just, reasonable, and nondiscriminatory rates, in compliance with checklist item 1.

12. *Checklist Item 5—Unbundled Local Transport.* Section 271(c)(2)(B)(v) of the competitive checklist requires a BOC to provide "local transport from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services." The Commission concludes, based upon the evidence in the record, that Verizon demonstrates that it provides both shared and dedicated transport, including dark fiber, in compliance with the requirements of checklist item 5.

13. *Checklist Item 14—Resale.* Based on the evidence in the record, the Commission concludes that Verizon demonstrates that it makes telecommunications services, including its DSL-based telecommunications service, available in Rhode Island for resale, in accordance with sections 251(c)(4) and 252(d)(3), and thus

satisfies the requirements for checklist item 14.

14. *Checklist Items 3, 6–13.* An applicant under section 271 must demonstrate that it complies with checklist item 3 (poles, ducts, conduits, and rights of way), item 6 (unbundled local switching), item 7 (911/E911 access and directory assistance/operator services), item 8 (white page directory listings), item 9 (numbering administration), item 10 (databases and associated signaling), item 11 (number portability), item 12 (local dialing parity), and item 13 (reciprocal compensation). Based on the evidence in the record, and in accordance with Commission rules and orders concerning compliance with section 271 of the Act, the Commission concludes that Verizon demonstrates that it is in compliance with these checklist items in Rhode Island. The Rhode Island Commission also concluded that Verizon complies with the requirements of each of these checklist items.

Other Statutory Requirements

15. *Compliance with Section 271(c)(1)(A).* The Commission concludes that Verizon demonstrates that it satisfies the requirements of section 271(c)(1)(A) based on the interconnection agreements it has implemented with competing carriers in Rhode Island. The record demonstrates that competitive LECs serve some business and residential customers using predominantly their own facilities.

16. *Section 272 Compliance.* Verizon has demonstrated that it complies with the requirements of section 272. Significantly, Verizon provides evidence that it maintains the same structural separation and nondiscrimination safeguards in Rhode Island as it does in Pennsylvania, New York, Connecticut, and Massachusetts—states in which Verizon has already received section 271 authority.

17. *Public Interest Analysis.* The Commission concludes that approval of this application is consistent with the public interest. It views the public interest requirement as an opportunity to review the circumstances presented by the applications to ensure that no other relevant factors exist that would frustrate the congressional intent that markets be open, as required by the competitive checklist, and that entry will therefore serve the public interest as Congress expected. While no one factor is dispositive in this analysis, the Commission's overriding goal is to ensure that nothing undermines its conclusion that markets are open to competition.

18. The Commission finds that, consistent with its extensive review of the competitive checklist, barriers to competitive entry in the local market have been removed and the local exchange market today is open to competition. The Commission also finds that the record confirms its view that a BOC's entry into the long distance market will benefit consumers and competition if the relevant local exchange market is open to competition consistent with the competitive checklist.

19. The Commission also finds that the performance monitoring and enforcement mechanisms developed in Rhode Island, in combination with other factors, provide meaningful assurance that Verizon will continue to satisfy the requirements of section 271 after entering the long distance market. Commenters urge the Commission to perform a price squeeze analysis. The Commission has reviewed their evidence, however, and determined that even if it accepts their assertions that a price squeeze analysis is mandated by the section 271's public interest requirement, there is no price squeeze in Rhode Island.

20. *Section 271(d)(6) Enforcement Authority.* Working with the Rhode Island Commission, the Commission intends to monitor closely post-entry compliance and to enforce the provisions of section 271 using the various enforcement tools Congress provided in the Communications Act.

Federal Communications Commission.

William F. Caton,

Acting Secretary.

[FR Doc. 02–4977 Filed 2–28–02; 8:45 am]

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FEDERAL HOUSING FINANCE BOARD

Sunshine Act Meeting Notice; Announcing an Open Meeting of the Board

TIME AND DATE: 8 a.m., Wednesday, March 6, 2002.

PLACE: Board Room, Second Floor, Federal Housing Finance Board, 1777 F Street, N.W., Washington, DC 20006.

STATUS: The entire meeting will be open to the public.

MATTER TO BE CONSIDERED DURING PORTIONS OPEN TO THE PUBLIC: