

**THE TELECOMMUNICATIONS ACT OF 1996, PART III  
SPECIAL PROVISIONS CONCERNING BELL OPERATING COMPANIES**

**Section 271. [47 U.S.C. 271] -  
BELL OPERATING COMPANY ENTRY INTO INTERLATA SERVICES**

**(a) GENERAL LIMITATION** - Section 271 deals primarily with requirements Bell operating companies (BOCs) must meet prior to providing InterLATA services.

**(b) INTERLATA SERVICES TO WHICH THIS SECTION APPLIES** - The InterLATA Service to which this section applies involves four areas: In-Region Services, Out-of-Region Services, Incidental InterLATA Services and Termination. Each section is detailed below.

**(1) In-Region Services:** A BOC or BOC affiliate may provide interLATA services originating in any of its in-region States if the FCC approves the application of such company for such State under subsection (d) (3). That subsection requires the FCC to find that the BOC has met the 14 point checklist, demonstrated that authorization will be carried out in accordance with Section 272 requirements for separate affiliate safeguards, and a determination that the requested authorization is consistent with the public interest, convenience and necessity.

**(2) Out-of-Region Services:** A BOC or BOC affiliate may provide interLATA services originated outside its in-region States subject to subsection (j), which relates to 800 services, private line service or their equivalents.

**(3) Incidental Interlata Services:** A BOC or BOC affiliate may provide incidental interLATA services (as defined in subsection (g)) originating in any State. That subsection relates to provision of audio programming, video programming, alarm monitoring, information storage, Internet services to schools over dedicated lines, commercial mobile services, and network control signaling information.

**(4) Termination:** This section does not prohibit a BOC or BOC affiliate from providing termination for InterLATA services, subject to subsection (j) (provision of 800 service).

**(c) THE REQUIREMENTS OF PROVIDING CERTAIN IN-REGION INTERLATA SERVICES**

**(1) AGREEMENT OR STATEMENT** - A BOC meets the requirements if

it meets the stipulation of either

**(A) PRESENCE OF A FACILITIES-BASED COMPETITOR.** - A BOC meets this requirement if it has entered into one or more binding agreements approved under Section 252 specifying the terms and conditions under which the BOC is providing access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service but (excluding exchange access) to residential and business subscribers. Such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange phone exchange service facilities in combination with the resale of the telecommunications services of another carrier. For the purpose of this subparagraph, cellular services are not considered to be telephone exchange services.

**(B) FAILURE TO REQUEST ACCESS.** - A BOC meets this requirement if, after 10 months after the date of enactment of the Telecommunication Act of 1996 (the Act), no such provider has requested the access and interconnection described in subparagraph (A) before the date which is 3 months before the date the company makes its application under subsection (d)(1), and a statement of the terms and conditions that the BOC generally offers to provide such access and interconnection has been approved or permitted to take effect by the State commission under Section 252(f). A BOC shall be considered not to have received any request for access and interconnection if the applicable state commission certifies that the only provider(s) making such a request have either failed to negotiate in good faith as required by Section 252, or violated the terms of an agreement approved under Section 252 by the provider's failure to comply, within a reasonable period of time, with the implementation schedule contained in such agreement.

**(2) SPECIFIC INTERCONNECTION REQUIREMENTS.**

**(A) AGREEMENT REQUIRED.** A BOC meets the requirements of this paragraph if, within the state for which the authorization is sought-

(i) (I) the BOC is providing access and interconnection pursuant to one or more agreements described in paragraph (1) (A), or

(II) the BOC is generally offering access and interconnection pursuant to a statement described in paragraph (1) (B), and

(ii) such access and interconnection meets the requirements of subparagraph (B) of this paragraph.

**(B) COMPETITIVE CHECKLIST.** Access or interconnection provided or generally offered by a BOC to other telecommunications carriers

meets the requirements of this subparagraph if such access and interconnection includes each of the following:

**(i) Interconnection** in accordance with the requirements of Section 251(c) (2) and 252(d) (1).

**(ii) Nondiscriminatory access to network elements** in accordance with the requirements of Section 251(c) (3) and 252(d) (1).

**(iii) Nondiscriminatory access to poles, ducts, conduits, and rights-of-way** owned or controlled by the BOC at just and reasonable rates in accordance with the requirements of Section 224.

**(iv) Local loop transmission** from the central office to the customer's premises, **unbundled** from local switching or other services.

**(v) Local transport** from the trunk side of a wireline local exchange carrier switch unbundled from switching or other services.

**(vi) Local switching** unbundled from transport, local loop transmission, or other services.

**(vii) Nondiscriminatory access to-**

(I) **911** and **E911** service;

(II) **directory assistance** service to all the other carrier's customers to obtain telephone numbers; and

(III) **operator** call completion services.

**(viii) White pages directory listings** for customers of the other carrier's telephone exchange service.

**(ix) Until the date by which telecommunications are numbering administration guidelines, plan, or rules are established, nondiscriminatory access to telephone numbers** for assignment to the other carrier's telephone exchange service customers. After that date, compliance with such guidelines, plan, or rules.

**(x) Nondiscriminatory access to databases and associated signaling** necessary for call routing and completion.

**(xi) Until the date by which the Commission issues regulations pursuant to Section 251 to require number portability, interim telecommunications number portability** through remote call forwarding, direct inward dialing trunks, or other comparable arrangements, with as little impairment of functioning, quality, reliability, and convenience as possible. After that date, full

compliance with such regulations.

**(xii) Nondiscriminatory access** to such services or information as are necessary to allow the requesting carrier to implement **local dialing parity** in accordance with the requirements of Section 251(b) (2).

**(xiii) Reciprocal compensation** arrangements in accordance with the requirements of Section 252(d) (2).

**(xiv)** Telecommunications services are available for **resale** in accordance with the requirements of Section 251(c) (4) and 252(d) (3).

**(d) ADMINISTRATIVE PROVISIONS. -**

**(1) APPLICATION TO COMMISSION.-** Key administrative provisions governing Section 271 applications include the consultative roles of the Attorney General and state commissions, plus limitations on the FCC and enforcement provisions.

**(2) CONSULTATION.-**

**(A) CONSULTATION WITH THE ATTORNEY GENERAL.-** The FCC must notify the Attorney General of any application promptly. If the Attorney General submits written comments, such comments are to be included in the record of the FCC's decision. The Attorney General shall provide an evaluation of the application using any standard it considers appropriate. The FCC is to give the evaluation substantial weight, but the evaluation shall not have any preclusive effect on the Commission's decision.

**(B) CONSULTATION WITH STATE COMMISSIONS. -** Before making its determination, the FCC must consult with the applicable state commission in order to "verify compliance" of the BOC's compliance.

**(3) DETERMINATION. -** The FCC has 90 days to issue a written approval or denial and shall not approve a Section 271 application unless it finds that -

(A) the BOC has met the requirements of subsection (c) (1) and has (i) fully implemented the checklist in subsection (c) (2) (B); or (ii) with respect to access and interconnection generally offered pursuant to a statement under subsection (c) (1) (B), such statement offers all of the items included in the competitive checklist in subsection (c) (2) (B);

(B) the requested authorization will be carried out in accordance with requirements of Section 272; and

(C) the requested authorization is consistent with the

public interest, convenience, and necessity.

The FCC must state the basis for its approval or denial.

**(4) LIMITATION ON COMMISSION.** - The FCC may not limit or extend the terms used in the competitive checklist.

**(5) PUBLICATION.** - The FCC shall publish a brief description of its determination within 10 days.

**(6) ENFORCEMENT OF CONDITIONS.-**

**(A) COMMISSION AUTHORITY.** - After approval, if the FCC determines that a BOC has ceased to meet any of the conditions for approval, the FCC may, after notice and opportunity for a hearing-

- (i) issue an order to correct the deficiency;
- (ii) impose a penalty pursuant to title V; or
- (iii) suspend or revoke such approval.

**(B) RECEIPT AND REVIEW OF COMPLAINTS.** - The FCC shall establish procedures for reviewing complaints against BOCs concerning failure to meet checklist items. The Commission shall act within 90 days unless otherwise agreed upon by the parties.

**(e) LIMITATIONS. -**

**(1) JOINT MARKETING OF LOCAL AND LONG DISTANCE SERVICES. -**  
Until a BOC is authorized to provide interLATA services in an in-region state, or until 36 months after the enactment of the Act, (whichever is earlier), a telecommunications carrier that serves more than 5% of the Nation's presubscribed access lines may not jointly market in such State telephone exchange service obtained from such company pursuant to Section 251(c)(4) with interLATA services offered by that telecommunications carrier.

**(2) INTRALATA TOLL DIALING PARITY. -**

**(A) PROVISION REQUIRED.-** A BOC granted 271 approval shall provide intraLATA toll dialing parity throughout the State coincident with its exercise of that authority.

**(B) LIMITATION.-** Except for single-Lata States and States that have issued an order by December 19, 1995, requiring a Bell operating company to implement intraLATA toll dialing parity, a State may not require a Bell operating company to implement intraLATA toll dialing parity in that State before a Bell operating company has been granted authority under this section to provide interLATA services originating in that State or before 3 years after the date of enactment of the Act, whichever is earlier. Nothing in this subparagraph precludes a State from issuing an

order requiring intraLATA toll dialing parity in that State prior to either such date so long as such order does not take effect until after the earlier of either such dates.

**(f) EXCEPTION FOR PREVIOUSLY AUTHORIZED ACTIVITIES.**- Neither subsection (a) nor section 273 prohibit BOCs or BOC affiliates from engaging in any activity authorized by the U.S. District Court for the District of Columbia or VIII(C) of the AT&T Consent Decree if such order was entered on or before the date of enactment of the Act.

**(g) DEFINITION OF INCIDENTAL INTERLATA SERVICES.** - This section lists incidental interLATA services provided by the BOC including including, but not limited to, audio or video programming and two-way interactive video services or Internet services over dedicated facilities to or from elementary and secondary schools.

**(h) LIMITATIONS.** - The provisions of subsection (g) are intended to be narrowly construed.

**(i) ADDITIONAL DEFINITIONS.** -

**(1) IN-REGION STATE.** - a state in which a BOC or BOC affiliate was authorized to provide wireline telephone exchange service pursuant to the reorganization plan approved under the AT&T Consent Decree

**(2) AUDIO PROGRAMMING SERVICES.**- programming provided by, or generally considered to be comparable to programming provided by, a radio broadcast station.

**(3) VIDEO PROGRAMMING SERVICES; OTHER PROGRAMMING SERVICES.**- have the same meanings as such terms have under Section 602 of the Act.

**(j) CERTAIN SERVICE APPLICATIONS TREATED AS IN-REGION SERVICE APPLICATIONS.**- A BOC application to provide 800 service, private line service or their equivalents that-

(1) terminate in an in-region state of that BOC

(2) allow the called party to determine the interLATA carrier, shall be considered an in-region service subject to the requirements of subsection (b) (1).