

SEC. 271. BELL OPERATING COMPANY ENTRY INTO INTERLATA SERVICES.

`(a) GENERAL LIMITATION- Neither a Bell operating company, nor any affiliate of a Bell operating company, may provide interLATA services except as provided in this section.

`(b) INTERLATA SERVICES TO WHICH THIS SECTION APPLIES-

`(1) IN-REGION SERVICES- A Bell operating company, or any affiliate of that Bell operating company, may provide interLATA services originating in any of its in-region States (as defined in subsection (i)) if the Commission approves the application of such company for such State under subsection (d)(3).

`(2) OUT-OF-REGION SERVICES- A Bell operating company, or any affiliate of that Bell operating company, may provide interLATA services originating outside its in-region States after the date of enactment of the Telecommunications Act of 1996, subject to subsection (j).

`(3) INCIDENTAL INTERLATA SERVICES- A Bell operating company, or any affiliate of a Bell operating company, may provide incidental interLATA services (as defined in subsection (g)) originating in any State after the date of enactment of the Telecommunications Act of 1996.

`(4) TERMINATION- Nothing in this section prohibits a Bell operating company or any of its affiliates from providing termination for interLATA services, subject to subsection (j).

`(c) REQUIREMENTS FOR PROVIDING CERTAIN IN-REGION INTERLATA SERVICES-

`(1) AGREEMENT OR STATEMENT- A Bell operating company meets the requirements of this paragraph if it meets the requirements of subparagraph (A) or subparagraph (B) of this paragraph for each State for which the authorization is sought.

`(A) PRESENCE OF A FACILITIES-BASED COMPETITOR- A Bell operating company meets the requirements of this subparagraph if it has entered into one or more binding agreements that have been approved under section 252 specifying the terms and conditions under which the Bell operating company is providing access and interconnection to its network facilities for the network facilities of one or more unaffiliated competing providers of telephone exchange service (as defined in section 3(47)(A)), but

excluding exchange access) to residential and business subscribers. For the purpose of this subparagraph, such telephone exchange service may be offered by such competing providers either exclusively over their own telephone exchange service facilities or predominantly over their own telephone exchange service facilities in combination with the resale of the telecommunications services of another carrier. For the purpose of this subparagraph, services provided pursuant to subpart K of part 22 of the Commission's regulations (47 C.F.R. 22.901 et seq.) shall not be considered to be telephone exchange services.

`(B) FAILURE TO REQUEST ACCESS- A Bell operating company meets the requirements of this subparagraph if, after 10 months after the date of enactment of the Telecommunications Act of 1996, 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 company generally offers to provide such access and interconnection has been approved or permitted to take effect by the State commission under section 252(f). For purposes of this subparagraph, a Bell operating company shall be considered not to have received any request for access and interconnection if the State commission of such State certifies that the only provider or providers making such a request have (i) failed to negotiate in good faith as required by section 252, or (ii) 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 Bell operating company meets the requirements of this paragraph if, within the State for which the authorization is sought--

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

`(II) such company 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 Bell operating company 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 sections 251(c)(2) and 252(d)(1).

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

`(iii) Nondiscriminatory access to the poles, ducts, conduits, and rights-of-way owned or controlled by the Bell operating company 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 services;

`(II) directory assistance services to allow 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 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)(3).

`(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 sections 251(c)(4) and 252(d)(3).

`(d) ADMINISTRATIVE PROVISIONS-

`(1) APPLICATION TO COMMISSION- On and after the date of enactment of the Telecommunications Act of 1996, a Bell operating company or its affiliate may apply to the Commission for authorization to provide interLATA services originating in any in-region State. The application shall identify each State for which the authorization is sought.

`(2) CONSULTATION-

`(A) CONSULTATION WITH THE ATTORNEY GENERAL- The Commission shall notify the Attorney General promptly of any application under paragraph (1). Before making any determination under this subsection, the Commission shall consult with the Attorney General, and if the Attorney General submits any comments in writing, such comments shall be included in the record of the Commission's decision. In consulting with and submitting comments to the Commission under this paragraph, the Attorney General shall provide to the Commission an evaluation of the application using any standard the Attorney General considers appropriate. The Commission shall give substantial weight to the Attorney General's evaluation, but such evaluation shall not have any preclusive effect on any Commission decision under paragraph (3).

`(B) CONSULTATION WITH STATE COMMISSIONS- Before making any determination under this subsection, the Commission

shall consult with the State commission of any State that is the subject of the application in order to verify the compliance of the Bell operating company with the requirements of subsection (c).

`(3) DETERMINATION- Not later than 90 days after receiving an application under paragraph (1), the Commission shall issue a written determination approving or denying the authorization requested in the application for each State. The Commission shall not approve the authorization requested in an application submitted under paragraph (1) unless it finds that--

`(A) the petitioning Bell operating company has met the requirements of subsection (c)(1) and--

`(i) with respect to access and interconnection provided pursuant to subsection (c)(1)(A), has fully implemented the competitive 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 the requirements of section 272; and

`(C) the requested authorization is consistent with the public interest, convenience, and necessity.

The Commission shall state the basis for its approval or denial of the application.

`(4) LIMITATION ON COMMISSION- The Commission may not, by rule or otherwise, limit or extend the terms used in the competitive checklist set forth in subsection (c)(2)(B).

`(5) PUBLICATION- Not later than 10 days after issuing a determination under paragraph (3), the Commission shall publish in the Federal Register a brief description of the determination.

`(6) ENFORCEMENT OF CONDITIONS-

`(A) COMMISSION AUTHORITY- If at any time after the approval of an application under paragraph (3), the Commission determines that a Bell operating company has ceased to meet any of the conditions required for such approval, the Commission may, after notice and opportunity for a hearing--

`(i) issue an order to such company to correct the deficiency;

`(ii) impose a penalty on such company pursuant to

title V; or

`(iii) suspend or revoke such approval.

`(B) RECEIPT AND REVIEW OF COMPLAINTS- The Commission shall establish procedures for the review of complaints concerning failures by Bell operating companies to meet conditions required for approval under paragraph (3). Unless the parties otherwise agree, the Commission shall act on such complaint within 90 days.

`(e) LIMITATIONS-

`(1) JOINT MARKETING OF LOCAL AND LONG DISTANCE SERVICES-

Until a Bell operating company is authorized pursuant to subsection (d) to provide interLATA services in an in-region State, or until 36 months have passed since the date of enactment of the Telecommunications Act of 1996, whichever is earlier, a telecommunications carrier that serves greater than 5 percent 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 Bell operating company granted authority to provide interLATA services under subsection (d) shall provide intraLATA toll dialing parity throughout that 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 Telecommunications Act of 1996, 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 shall prohibit a Bell operating company or affiliate from engaging, at any time after the date of enactment of the Telecommunications Act of 1996, in any activity to the extent authorized by, and subject to the terms and conditions

contained in, an order entered by the United States District Court for the District of Columbia pursuant to section VII or VIII(C) of the AT&T Consent Decree if such order was entered on or before such date of enactment, to the extent such order is not reversed or vacated on appeal. Nothing in this subsection shall be construed to limit, or to impose terms or conditions on, an activity in which a Bell operating company is otherwise authorized to engage under any other provision of this section.

`(g) DEFINITION OF INCIDENTAL INTERLATA SERVICES- For purposes of this section, the term `incidental interLATA services' means the interLATA provision by a Bell operating company or its affiliate--

`(1)(A) of audio programming, video programming, or other programming services to subscribers to such services of such company or affiliate;

`(B) of the capability for interaction by such subscribers to select or respond to such audio programming, video programming, or other programming services;

`(C) to distributors of audio programming or video programming that such company or affiliate owns or controls, or is licensed by the copyright owner of such programming (or by an assignee of such owner) to distribute; or

`(D) of alarm monitoring services;

`(2) of two-way interactive video services or Internet services over dedicated facilities to or for elementary and secondary schools as defined in section 254(h)(5);

`(3) of commercial mobile services in accordance with section 332(c) of this Act and with the regulations prescribed by the Commission pursuant to paragraph (8) of such section;

`(4) of a service that permits a customer that is located in one LATA to retrieve stored information from, or file information for storage in, information storage facilities of such company that are located in another LATA;

`(5) of signaling information used in connection with the provision of telephone exchange services or exchange access by a local exchange carrier; or

`(6) of network control signaling information to, and receipt of such signaling information from, common carriers offering interLATA services at any location within the area in which such Bell operating company provides telephone exchange services or exchange access.

`(h) LIMITATIONS- The provisions of subsection (g) are intended to be narrowly construed. The interLATA services provided under subparagraph (A), (B), or (C) of subsection (g)(1) are limited to

those interLATA transmissions incidental to the provision by a Bell operating company or its affiliate of video, audio, and other programming services that the company or its affiliate is engaged in providing to the public. The Commission shall ensure that the provision of services authorized under subsection (g) by a Bell operating company or its affiliate will not adversely affect telephone exchange service ratepayers or competition in any telecommunications market.

`(i) ADDITIONAL DEFINITIONS- As used in this section--

`(1) IN-REGION STATE- The term 'in-region State' means a State in which a Bell operating company or any of its affiliates was authorized to provide wireline telephone exchange service pursuant to the reorganization plan approved under the AT&T Consent Decree, as in effect on the day before the date of enactment of the Telecommunications Act of 1996.

`(2) AUDIO PROGRAMMING SERVICES- The term 'audio programming services' means programming provided by, or generally considered to be comparable to programming provided by, a radio broadcast station.

`(3) VIDEO PROGRAMMING SERVICES; OTHER PROGRAMMING SERVICES- The terms 'video programming service' and 'other programming services' have the same meanings as such terms have under section 602 of this Act.

`(j) CERTAIN SERVICE APPLICATIONS TREATED AS IN-REGION SERVICE APPLICATIONS- For purposes of this section, a Bell operating company application to provide 800 service, private line service, or their equivalents that--

`(1) terminate in an in-region State of that Bell operating company, and

`(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).