

**Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554**

In the Matter of

Petition of Verizon for Further Forbearance
from Section 272 Requirements in Connection
with Directory Assistance Services

Docket 97-172

**PETITION FOR FURTHER FORBEARANCE
PURSUANT TO SECTION 10 OF THE ACT**

More than three years ago, the Commission issued orders granting the Bell Atlantic telephone companies¹ and other Bell companies² forbearance from section 272 of the Act in connection with their provision of nonlocal directory assistance (“DA”) services. To the extent that it is necessary,³ the Verizon telephone companies⁴ now seek additional forbearance to allow them to provide international telephone numbers in this same efficient manner.

The Commission granted forbearance in those earlier cases because it was in the public interest to do so. It concluded that the separate affiliate requirement “would pose significant

¹ *Petition of Bell Atlantic for Forbearance from Section 272 Requirements in Connection with National Directory Assistance*, 14 FCC Rcd 21484 (1999) (“*Bell Atlantic Forbearance Order*”) and *Petition of Bell Atlantic for Forbearance from Section 272 Requirements in Connection with National Directory Assistance*, 15 FCC Rcd 6053 (2000).

² *E.g.*, *Petition of U S WEST Communications, Inc., for Forbearance*, 14 FCC Rcd 16252 (1999) (“*U S WEST Forbearance Order*”).

³ The Commission’s previous orders granted forbearance for “nonlocal directory assistance service.” International listings are, of course, “nonlocal,” and those orders, therefore, included the provision of such listings.

⁴ The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc., listed in Attachment A.

adverse competitive consequences for Bell Atlantic, without positive benefits for consumers.”⁵ It further “conclude[d] that the market for nonlocal directory assistance service should become increasingly competitive if Bell Atlantic is allowed to remain an effective competitor in the nonlocal directory assistance services market, which would ultimately benefit consumers because they would be able to obtain a convenient, competitively priced service.”⁶ Allowing Verizon to add international directory listings to its existing services would likewise benefit consumers, while requiring a separate affiliate would likewise pose significant consequences for Verizon without any benefits for consumers. The Commission should, therefore, promptly grant this petition.

The Service.

Verizon proposes simply to add certain international telephone numbers to the database facilities it now uses to provide domestic nonlocal DA services. This addition raises no issues and no competitive or public interest concerns that are any different than those that were before the Commission in the various nonlocal DA proceedings.

Verizon would provide this service in the same way it provides its national directory assistance service, using the same facilities and databases. When a customer dials 411 or other numbers specified for access to a Verizon operator, the central office switch recognizes the call and routes it to an operator services switch.⁷ An operator or an adjunct system then asks the caller for the cities, states and listings desired. This information is sent to a Verizon directory

⁵ *Bell Atlantic Forbearance Order* ¶ 17.

⁶ *Bell Atlantic Forbearance Order* ¶ 17.

⁷ Where Verizon provides DA service on a wholesale basis, to another carrier for access by that carrier’s customers, Verizon’s carrier-customer would deliver the call to the Verizon operator switch or point of interconnection for DA services. Verizon provides wholesale national DA to numerous other carriers, including CLECs, and would make international DA available to such carriers.

assistance operator who launches a database query. All queries are sent over Verizon facilities to various locations where Verizon stores directory assistance information in Verizon-owned storage facilities.

If the caller is asking for local information or nonlocal information in the caller's region, the storage facility housing in-region listings returns the number. An audio response unit adjunct to the operator switch typically plays the information for the customer.

If the requested number is a nonlocal listing outside the caller's region, the query is forwarded, over interLATA facilities, to other information storage facilities. All these facilities now contain nationwide listings and would also contain international listings. Verizon owns these storage facilities. The nonlocal information retrieved from these facilities is delivered to the caller by the same operators or audio response units as for local information.

The Act allows a Bell company to provide international DA services on an interLATA basis without interLATA authority under section 271(d) pursuant to section 271(g)(4),⁸ but section 272 requires that it be done through a separate affiliate. Now that Verizon has obtained section 271(d) relief in all its in-region states, it may provide international DA on an interLATA basis without the restrictions of section 271(g)(4),⁹ but it would still be subject to the separate affiliate requirement.¹⁰ The Commission found forbearance from section 272 was required for domestic DA services and that the public would benefit from that forbearance. Since those forbearance orders three years ago, Verizon and other Bell companies have offered consumers

⁸ See *Bell Atlantic Forbearance Order* ¶ 11.

⁹ Verizon could provide the service without owning the information storage facilities.

¹⁰ Non-BOC LECs would be subject to the separation requirements imposed by the Commission's rules. 47 C.F.R. § 64.1901 et seq.

new services without any suggestion of competitive or regulatory problems. For all the reasons it found separate affiliates unnecessary for domestic nonlocal DA services, it should now forbear for international directory services too.

Forbearance Is Appropriate.

Section 10 of the Act requires the Commission to forbear from applying any regulation or any provision of the Act to telecommunications carriers or telecommunications services if the Commission determines that the three conditions set forth in section 10 are satisfied. In particular, section 10 provides that:

“[T]he Commission shall forbear from applying any regulation or any provision of this Act to a telecommunications carrier or telecommunications service, or class of telecommunications carriers or telecommunications services, in any or some of its or their geographic markets, if the Commission determines that —

“(1) enforcement of such regulation or provision is not necessary to ensure that the charges, practices, classifications or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory;

“(2) enforcement of such regulation or provision is not necessary for the protection of consumers; and

“(3) forbearance from applying such provision or regulation is consistent with the public interest.”¹¹

With regard to the public interest determination required by section 10(a)(3), section 10(b) states that, “[I]f the Commission determines that such forbearance will promote competition among providers of telecommunications services, that determination may be the basis for a Commission finding that forbearance is in the public interest.”¹²

¹¹ 47 U.S.C. § 160(a).

¹² *Id.* § 160(b).

The Commission granted Bell Atlantic and the other Bell companies forbearance from the separate subsidiary requirements of section 272 to provide nonlocal DA services. That grant of forbearance was based on the Commission's finding that the requirements for forbearance in section 10 were satisfied. The Commission's finding is equally applicable to nonlocal DA services involving international telephone numbers.

1. **Enforcement of section 272 is not necessary to ensure that the charges, practices, classifications or regulations by, for, or in connection with that telecommunications carrier or telecommunications service are just and reasonable and are not unjustly or unreasonably discriminatory.**

The Commission found that this test was satisfied for domestic DA in the *U S WEST Forbearance Order*.

“We find that competition is the most effective means of ensuring that the charges, practices, classifications, and regulations with respect to U S WEST's provision of regionwide directory assistance service are just and reasonable, and not unjustly or unreasonably discriminatory.”¹³

And, therefore,

“we conclude that enforcement of section 272, in its entirety, is not necessary to ensure that the charges, practices, classifications, and regulations with respect to U S WEST's provision of nonlocal directory assistance are just and reasonable, and not unjustly or unreasonably discriminatory.”¹⁴

The same is true of Verizon's international DA service.

In considering Bell Atlantic's forbearance petition in 1999, the Commission found that Bell Atlantic would be a new entrant in the business of providing national directory information.¹⁵

The same will be true for international listings. Like domestic DA,¹⁶ AT&T and WorldCom

¹³ *U S WEST Forbearance Order* ¶ 31.

¹⁴ *U S WEST Forbearance Order* ¶ 45.

¹⁵ *Bell Atlantic Forbearance Order* ¶ 14.

¹⁶ *Bell Atlantic Forbearance Order* ¶ 14.

provide this service as part of their DA services,¹⁷ as does INFONXX.¹⁸ And international telephone listings are also available on CD-ROMs and DVDs,¹⁹ and from Internet service providers.²⁰ And just as the Commission was “persuaded by the fact that Bell Atlantic does not exercise monopoly power over the components used to provide the telephone numbers of customers outside its region,”²¹ Verizon does not exercise monopoly power over the components used to provide the telephone numbers of customers outside the United States.

2. Enforcement of section 272 is not necessary for the protection of consumers.

The Commission also found that the test of section 10(a)(2) was satisfied for national DA:

“[W]e do not find that application of the section 272 safeguards is the only manner in which fair competition in the nonlocal directory assistance market may be achieved. Indeed, in our discussion of the first forbearance criterion, we determine that U S WEST must make available to unaffiliated entities all of the in-region directory listing information it uses to provide regionwide directory assistance service at the same rates, terms, and conditions it imputes to itself. As noted above, imposition of nondiscrimination requirements with respect to in-region telephone numbers should promote the development of a fully competitive market for nonlocal directory assistance services by ensuring that no one competitor will have an undue advantage in the nonlocal directory services market. This should stimulate the entry of new providers of nonlocal directory assistance. The introduction of additional competitors in the nonlocal directory services market will, in turn, encourage the providers of these services to compete on the basis of price and quality, which will ultimately benefit consumers. In view of this finding,

¹⁷ www.serviceguide.att.com/ACS/ext/Documents.cfm?DID=7480;
http://consumer.mci.com/mci_service_agreement/res_pdf/JULY_03_GSA_ENG.pdf.

¹⁸ New Release, INFONXX TeleMás Now Offers Mexico Area Code Locator; DA Service Ends Caller Problems in Wake of National Code Changes (March 18, 2003), *available at* <http://www.infonxx.com/releases/mex-area-code-locator.html>.

¹⁹ *E.g.*, <http://www.infobel.com/belgium/shopping/cdrom/>.

²⁰ *E.g.*, <http://www.anywho.com/international.html>; <http://www.infobel.com/world/default.asp>; <http://www.whowhere.lycos.com/wwphone/world.html>.

²¹ *Bell Atlantic Forbearance Order* ¶ 14.

we conclude that enforcement of section 272 is not necessary to protect consumers.”²²

And: “Because competition will ultimately benefit consumers, we conclude that the enforcement of section 272 is not necessary to prevent Bell Atlantic from engaging in conduct that would impede competition in the market for nonlocal directory assistance service, and thereby harm consumers.”²³

These conclusions apply equally to Verizon’s proposed international directory assistance services.

3. Forbearance from applying section 272 is consistent with the public interest.

The Commission made the following findings with respect to the U S WEST national directory assistance service:

“We conclude that allowing U S WEST to provide regionwide directory assistance service on an integrated basis will benefit consumers because they will be able to obtain a convenient, competitively-priced service. We further conclude that forbearance from the structural separation requirements of section 272 with respect to U S WEST’s provision of nonlocal directory assistance service will enhance competition among competing providers of nonlocal directory assistance service.”²⁴

It further found

“that permitting U S WEST to provide nonlocal directory assistance service on an integrated basis will allow U S WEST to be a more effective competitor in the nonlocal directory services market. Conversely, if U S WEST was required to provide nonlocal directory assistance through a separate affiliate, while continuing to provide local directory assistance on an integrated basis, the section 272 safeguards would pose significant adverse competitive consequences for U S WEST, without positive benefits for consumers.”²⁵

²² *U S WEST Forbearance Order* ¶ 47.

²³ *Bell Atlantic Forbearance Order* ¶ 16.

²⁴ *U S WEST Forbearance Order* ¶ 48.

²⁵ *U S WEST Forbearance Order* ¶ 49.

Similarly, as to Bell Atlantic's national DA service: "we conclude that allowing Bell Atlantic to provide nonlocal directory assistance service on an integrated basis will allow Bell Atlantic to be a more effective competitor in the nonlocal directory assistance services market."²⁶

For these reasons, all of which apply equally to Verizon's provision of this service, the Commission forbore from "the enforcement of section 272 as to Bell Atlantic's provision of nonlocal directory assistance service."²⁷

Conclusion

Verizon respectfully requests that the Commission grant this petition.

Respectfully submitted,


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²⁶ *Bell Atlantic Forbearance Order* ¶ 17.

²⁷ *Bell Atlantic Forbearance Order* ¶ 17. Similarly, as to U S WEST, the Commission "conclude[d] that forbearance from section 272 is in the public interest." *U S WEST Forbearance Order* ¶ 56.

THE VERIZON TELEPHONE COMPANIES

The Verizon telephone companies are the local exchange carriers affiliated with Verizon Communications Inc. These are:

Contel of the South, Inc. d/b/a Verizon Mid-States
GTE Midwest Incorporated d/b/a Verizon Midwest
GTE Southwest Incorporated d/b/a Verizon Southwest
The Micronesian Telecommunications Corporation
Verizon California Inc.
Verizon Delaware Inc.
Verizon Florida Inc.
Verizon Hawaii Inc.
Verizon Maryland Inc.
Verizon New England Inc.
Verizon New Jersey Inc.
Verizon New York Inc.
Verizon North Inc.
Verizon Northwest Inc.
Verizon Pennsylvania Inc.
Verizon South Inc.
Verizon Virginia Inc.
Verizon Washington, DC Inc.
Verizon West Coast Inc.
Verizon West Virginia Inc.