

adopted March 18, 2003, and released March 19, 2003. The full text of this order 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/Wireline_Competition/in-region_applications.

Synopsis of the Order

1. *History of the Application.* On December 19, 2002, Verizon filed an application pursuant to section 271 of the Telecommunications Act of 1996, with the Commission to provide in-region, interLATA service in the states of Maryland, and West Virginia, and the District of Columbia (Washington, DC).

2. *The State Commissions' Evaluations.* The Maryland Public Service Commission (Maryland Commission), the District of Columbia Public Service Commission (DC Commission), and the West Virginia Public Service Commission (West Virginia Commission), following an extensive review process, advised the Commission that Verizon has taken the statutorily required steps to open its local markets in each state to competition. Consequently, the state commissions recommended that the Commission approve Verizon's in-region, interLATA entry in their evaluations and comments in this proceeding.

3. *The Department of Justice's Evaluation.* The Department of Justice filed its evaluation on January 27, 2003, recommending approval of the application, subject to the resolution of questions regarding Verizon's checklist compliance for certain pricing and directory assistance issues. Accordingly, the Department of Justice recommends approval of Verizon's application for section 271 authority in Maryland, Washington, DC, and West Virginia.

Primary Issues in Dispute

4. *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 Maryland, Washington, DC, and West Virginia. The record shows that Verizon relies on interconnection agreements with AT&T, Comcast, eLEC, FiberNet, Starpower, and StratusWave in support of this showing.

5. *Checklist Item 2—Unbundled Network Elements.* Based on the record,

the Commission finds that Verizon has provided "nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1)" of the Act in compliance with checklist item 2.

6. *Operating Support Systems (OSS).* Based on the record, the Commission finds that Verizon provides "nondiscriminatory access to network elements in accordance with the requirements of sections 251(c)(3) and 252(d)(1)" of the Act in compliance with checklist item 2. The Commission finds that Verizon provides non-discriminatory access to its OSS—the systems, databases, and personnel necessary to support 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), Verizon provides access to its OSS in a manner that enables competing carriers to perform the functions in substantially the same time and manner as Verizon does or, if no appropriate retail analogue exists within Verizon's systems, in a manner that permits competitors a meaningful opportunity to compete. In addition, regarding specific areas where the Commission identifies issues with Verizon's OSS performance in the application states, these problems are not sufficient to warrant a finding of checklist noncompliance.

7. *UNE Combinations.* Pursuant to section 271(c)(2)(B)(ii) a BOC must demonstrate that it provides nondiscriminatory access to network elements in a manner that allows requesting carriers to combine such elements and that the BOC does not separate already combined elements, except at the specific request of the competing carrier. The Commission concludes, based on the performance data in the record, that Verizon meets its obligation to provide access to UNE combinations in compliance with the Commission's rules.

8. *Pricing of Unbundled Network Elements.* Based on the record, we find that Verizon's UNE rates in Maryland, Washington, DC, and West Virginia are just, reasonable, and nondiscriminatory as required by section 251(c)(3), and are based on cost plus a reasonable profit as required by section 252(d)(1). Thus, Verizon's UNE rates satisfy checklist item 2. The Commission has previously

held that it will not conduct a *de novo* review of a state's pricing determinations and will reject an application only if either "basic TELRIC principles are violated or the state commission makes clear errors in the actual findings on matters so substantial that the end result falls outside the range that a reasonable application of TELRIC principles would produce."

9. The Commission finds that, while Verizon's current recurring UNE rates were not established via state rate proceedings that applied TELRIC principles, the recurring UNE rates in all three jurisdictions are TELRIC-compliant based on a benchmark comparison to Verizon's New York UNE rates. The Commission concludes that Verizon's current loop provisioning policy does not preclude us from finding that Verizon's loop rates in these states are TELRIC-compliant based on a benchmark comparison. In addition, the Commission confirms that it performs its benchmark analysis by aggregating non-loop rate elements. Thus, we conclude that Verizon's UNE rates in Maryland, Washington, DC, and West Virginia satisfy the requirements of checklist item 2.

10. *Checklist Item 12—Dialing Parity.* Based on the evidence in the record, the Commission finds that Verizon provides local dialing parity in accordance with the Commission's rules. No commenter challenges Verizon's provision of dialing parity in Maryland or Washington, DC. However, FiberNet claims that in West Virginia local dialing parity is not achieved in certain locations where an extended area service (EAS) crosses LATA and state boundaries. The Commission concludes that Verizon complies with our dialing parity rules and that our rules implementing 251(b)(3) do not require Verizon to develop interconnections arrangements for facilities-based competitive LECs with third-party carriers.

11. *Checklist Item 1—Interconnection.* Based on the evidence in the record, the Commission concludes that Verizon provides access and interconnection on terms and conditions that are just, reasonable and nondiscriminatory, 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. Verizon's performance generally satisfies the applicable benchmark or