

**OFFICIAL COPY**

**STATE OF NORTH CAROLINA  
UTILITIES COMMISSION  
RALEIGH**

**NEWS RELEASE**

FOR RELEASE: May 23, 2002

<b>For More Information, Contact:</b>	Daniel Long	919-733-0835
	Mary Steel	919-733-0846
	Bridget Paschal	919-715-4006
	Bliss Kite	919-733-0854
	Switzon Wigfall	919-733-2924

**NORTH CAROLINA UTILITIES COMMISSION ENDORSES BELL SOUTH LONG  
DISTANCE BID, INSTITUTES COMPREHENSIVE PERFORMANCE MEASURES**

The North Carolina Utilities Commission (NCUC) today issued a Notice of Decision stating that it endorsed BellSouth Telecommunications, Inc.'s bid to enter the in-region long distance market. The Notice of Decision was a brief statement of the NCUC's central findings and conclusions in this case, and it will be followed by a much more comprehensive advisory opinion by the NCUC which will be submitted to the Federal Communications Commission (FCC), probably in June. The issuance of the Notice of Decision clears the way for BellSouth to assemble its application for submission to the FCC, which will make the final decision.

The Notice of Decision finds that BellSouth has satisfied the 14-point checklist found in Section 271 of the Telecommunications Act of 1996. The checklist is intended to ensure that BellSouth is providing nondiscriminatory network access and service to its competitors. The Notice of Decision also finds that BellSouth's entry into the interLATA long distance market is in the public interest, and that it is in fact facing facilities-based competitors. In addition, the NCUC restricted the reach of BellSouth's marketing efforts to retain or win back customers from other carriers and told BellSouth that it must provide combinations of unbundled network elements (UNEs) to carriers on a more liberal basis in its network, so that these carriers may more easily compete with BellSouth. Along with endorsing lower UNE rates in BellSouth's Statement of Generally Available Terms, the NCUC agreed with the FCC's conclusion in other BellSouth applications in other states that the telco's Operations Support Systems were regional in nature.

On May 22, 2002, the NCUC also issued an important and comprehensive order relating to performance measures and enforcement mechanisms pertaining to BellSouth. The design of these performance measures is intended to ensure that BellSouth is in fact providing and will continue to provide nondiscriminatory service to its competitors. If it does not, the Order requires that BellSouth pay penalties. The performance measures order is a key factor in ensuring that BellSouth continues to meet its obligations under Section 271. The NCUC will closely monitor BellSouth's compliance using these tools.

Bell Operating Companies such as BellSouth are forbidden to provide in-region interLATA long distance service until their applications to do so have been approved by the FCC under Section 271 of the Telecommunications Act. State commissions, such as the NCUC, act as fact finders for and advisors to the FCC in this process. On May 15, 2002, the FCC approved BellSouth's application for Section 271 authority in Georgia and Louisiana.

Chairman Jo Anne Sanford expressed confidence that the Commission's orders will produce positive results for telecommunications customers in North Carolina. "This process has been arduous but the results are worth the efforts exerted by the Commission, customer representatives, BellSouth and its competitors. Our ultimate goal is to benefit consumers by opening markets and stimulating competition. We advance that goal with this decision."