



Contact: Joel Cheskis, Pennsylvania Office
of Consumer Advocate
(717) 783-5048

Consumers protected by FCC decision on Verizon forbearance

SILVER SPRING, MD. – Dec. 5, 2007 – Utility consumer advocates today praised a decision by the Federal Communications Commission (FCC) denying Verizon the ability to be exempted from portions of the Telecommunications Act throughout several metropolitan areas.

The National Association of State Utility Consumer Advocates (NASUCA) opposed Verizon's request, which would have allowed the company to avoid oversight of the prices it charges to competitors for access to critical parts of the telephone network such as copper wires. Affected metropolitan areas included Philadelphia, Pittsburgh, Boston, Providence, New York City and Virginia Beach. NASUCA presented data showing the lack of competition in these areas and the harm that forbearance would create.

“The FCC sided with consumers by enforcing a law set up to provide a level playing field to competitors who wish to offer local telephone service,” said David Springe, President of the National Association of State Utility Consumer Advocates and consumer counsel for the state of Kansas. “Had Verizon's request been granted in full, the door to competition for local telephone service in six metro areas would have been slammed shut.”

Among the issues from which Verizon requested forbearance were the regulated rates charged for access to the company's “last mile” of wires, including copper loops. The loops include elements between customers' homes and businesses and Verizon's local central offices. Under the Telecommunications Act, Verizon and other former Bell companies must charge regulated rates to access this portion of their ratepayer-supported network. In proceedings at the state level, the states have found that the regulated rates provide a reasonable profit for Verizon.

About the National Association of State Utility Consumer Advocates (NASUCA)

NASUCA is a non-profit, national organization of more than 40 state offices designated to represent consumers in state and federal utility proceedings. NASUCA regularly participates in proceedings before the FCC and other federal regulatory agencies.

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