SUPREME COURT OF THE UNITED STATES

Nos. 00–1531 and 00–1711

VERIZON MARYLAND INC., PETITIONER
00–1531 *v.*
PUBLIC SERVICE COMMISSION OF MARYLAND ET AL.

UNITED STATES, PETITIONER
00–1711 *v.*
PUBLIC SERVICE COMMISSION OF MARYLAND ET AL.

ON WRITS OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FOURTH CIRCUIT

[May 20, 2002]

JUSTICE SCALIA delivered the opinion of the Court.

These cases present the question whether federal district courts have jurisdiction over a telecommunication carrier's claim that the order of a state utility commission requiring reciprocal compensation for telephone calls to Internet Service Providers violates federal law.

I

The Telecommunications Act of 1996 (1996 Act or Act), Pub. L. 104–104, 110 Stat. 56, created a new telecommunications regime designed to foster competition in local telephone markets. Toward that end, the Act imposed various obligations on incumbent local-exchange carriers (LECs), including a duty to share their networks with

competitors. See 47 U. S. C. §251(c) (1994 ed., Supp. V). When a new entrant seeks access to a market, the incumbent LEC must "provide . . . interconnection with" the incumbent's existing network, §251(c)(2), and the carriers must then establish "reciprocal compensation arrangements" for transporting and terminating the calls placed by each others' customers, §251(b)(5). As we have previously described, see *AT&T Corp.* v. *Iowa Utilities Bd.,* 525 U. S. 366, 371–373 (1999), an incumbent LEC "may negotiate and enter into a binding agreement" with the new entrant "to fulfill the duties" imposed by §§251(b) and (c), but "without regard to the standards set forth" in those provisions. §§252(a)(1), 251(c)(1). That agreement must be submitted to the state commission for approval, §252(e)(1), which may reject it if it discriminates against a carrier not a party or is not consistent with "the public interest, convenience, and necessity," §252(e)(2)(A).

As required by the Act, the incumbent LEC in Maryland, petitioner Verizon Maryland Inc., formerly known as Bell Atlantic Maryland, Inc., negotiated an interconnection agreement with competitors, including MFS Intelenet of Maryland, later acquired by respondent MCI WorldCom, Inc. The Maryland Public Service Commission (Commission) approved the agreement. Six months later, Verizon informed WorldCom that it would no longer pay reciprocal compensation for telephone calls made by Verizon's customers to the local access numbers of Internet Service Providers (ISPs), claiming that ISP traffic was not "local traffic"[1] subject to the reciprocal compensation

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[1] Section 1.61 of the interconnection agreement provides: "'Reciprocal Compensation' is As Described in the Act, and refers to the payment arrangements that recover costs incurred for the transport and termination of Local Traffic originating on one Party's network and terminating on the other Party's network." In turn, §1.44 defines "'Local Traffic'" as "traffic that is originated by a Customer of one Party on

agreement because ISPs connect customers to distant Web sites. WorldCom disputed Verizon's claim and filed a complaint with the Commission. The Commission found in favor of WorldCom, ordering Verizon "to timely forward all future interconnection payments owed [WorldCom] for telephone calls placed to an ISP" and to pay WorldCom any reciprocal compensation that it had withheld pending resolution of the dispute. Verizon appealed to a Maryland state court, which affirmed the order.

Subsequently, the Federal Communications Commission (FCC) issued a ruling—later vacated by the Court of Appeals for the D. C. Circuit, see *Bell Atlantic Tel. Cos.* v. *FCC*, 206 F. 3d 1 (2000)—which categorized ISP-bound calls as nonlocal for purposes of reciprocal compensation but concluded that, absent a federal compensation mechanism for those calls, state commissions could construe interconnection agreements as requiring reciprocal compensation. Verizon filed a new complaint with the Commission, arguing that the FCC ruling established that Verizon was no longer required to provide reciprocal compensation for ISP traffic. In a 3-to-2 decision, the Commission rejected this contention, concluding that, as a matter of state contract law, WorldCom and Verizon had agreed to treat ISP-bound calls as local traffic subject to reciprocal compensation.

Verizon filed an action in the United States District Court for the District of Maryland, citing 47 U. S. C. §252(e)(6) and 28 U. S. C. §1331 as the basis for jurisdiction, and naming as defendants the Commission, its individual members in their official capacities, WorldCom, and

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that Party's network and terminates to a Customer of the other Party on that other Party's network, within a given local calling area, or expanded area service ('EAS') area, as defined in [Bell Atlantic's] effective Customer tariffs. Local Traffic does not include traffic originated or terminated by a commercial mobile radio service carrier."

other competing LECs. In its complaint, Verizon sought declaratory and injunctive relief from the Commission's order, alleging that the determination that Verizon must pay reciprocal compensation to WorldCom for ISP traffic violated the 1996 Act and the FCC ruling.

The District Court dismissed the action, and a divided panel of the Court of Appeals for the Fourth Circuit affirmed. 240 F. 3d 279 (2001). The Fourth Circuit held that the Commission had not waived its immunity from suit by voluntarily participating in the regulatory scheme set up under the 1996 Act, and that the doctrine of *Ex parte Young,* 209 U. S. 123 (1908), does not permit suit against the individual commissioners in their official capacities. It then held that neither 47 U. S. C. §252(e)(6) nor 28 U. S. C. §1331 provides a basis for jurisdiction over Verizon's claims against the private defendants. Both Verizon and the United States, an intervenor below, petitioned this Court for review of the four questions resolved by the Fourth Circuit. Because we had previously granted certiorari in *Mathias* v. *WorldCom Technologies, Inc.*, 532 U. S. 903 (2001), which raised all but the question whether §1331 provides a basis for jurisdiction, we granted certiorari only on the §1331 question and set the case for oral argument in tandem with *Mathias*. 533 U. S. 928 (2001). After oral argument, for reasons explained in our decision in *Mathias* released today, *post,* p. ___, we granted certiorari on the remaining three questions presented in these cases. 534 U. S. 1072 (2001).

II

WorldCom, Verizon, and the United States contend that 47 U. S. C. §252(e)(6) and 28 U. S. C. §1331 independently grant federal courts subject-matter jurisdiction to determine whether the Commission's order requiring that Verizon pay WorldCom reciprocal compensation for ISP-bound calls violates the 1996 Act. Section 252 sets forth

procedures relating to formation and commission approval of interconnection agreements, and commission approval and continuing review of interconnection terms and conditions (called "[s]tatements of generally available terms," §252(f)) filed by LECs. Section 252(e)(6) provides, in relevant part: "In any case in which a State commission makes a determination under this section, any party aggrieved by such determination may bring an action in an appropriate Federal district court to determine whether the agreement or statement meets the requirements of section 251 of this title and this section." The determination at issue here is neither the approval or disapproval of a negotiated agreement nor the approval or disapproval of a statement of generally available terms. WorldCom, Verizon, and the United States argue, however, that a state commission's authority under §252 implicitly encompasses the authority to interpret and enforce an interconnection agreement that the commission has approved,[2] and that an interpretation or enforcement decision is therefore a "determination under [§252]" subject to federal review. Whether the text of §252(e)(6) can be so construed is a question we need not decide. For we agree with the parties' alternative contention, that even if §252(e)(6) does not *confer* jurisdiction, it at least does not *divest* the district courts of their authority under 28 U. S. C. §1331 to review the Commission's order for compliance with federal law.

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[2] The Fourth Circuit suggested that both Maryland law and the Federal Communications Act of 1934 grant the Commission authority to interpret and enforce interconnection agreements that it approves under §252. 240 F. 3d 279, 304 (CA4 2001) (citing 47 U. S. C. §152(b), and Md. Pub. Util. Cos. Code Ann. §2–113 (1998)). The parties dispute whether it is in fact federal or state law that confers this authority, but no party contends that the Commission lacked jurisdiction to interpret and enforce the agreement.

Verizon alleged in its complaint that the Commission violated the Act and the FCC ruling when it ordered payment of reciprocal compensation for ISP-bound calls. Verizon sought a declaratory judgment that the Commission's order was unlawful, and an injunction prohibiting its enforcement. We have no doubt that federal courts have jurisdiction under §1331 to entertain such a suit. Verizon seeks relief from the Commission's order "on the ground that such regulation is pre-empted by a federal statute which, by virtue of the Supremacy Clause of the Constitution, must prevail," and its claim "thus presents a federal question which the federal courts have jurisdiction under 28 U. S. C. §1331 to resolve." *Shaw* v. *Delta Air Lines, Inc.,* 463 U. S. 85, 96, n. 14 (1983).

The Commission contends that since the Act does not create a private cause of action to challenge the Commission's order, there is no jurisdiction to entertain such a suit. We need express no opinion on the premise of this argument. "It is firmly established in our cases that the absence of a valid (as opposed to arguable) cause of action does not implicate subject-matter jurisdiction, *i.e.,* the court's statutory or constitutional *power* to adjudicate the case." *Steel Co.* v. *Citizens for Better Environment,* 523 U. S. 83, 89 (1998). As we have said, "the district court has jurisdiction if 'the right of the petitioners to recover under their complaint will be sustained if the Constitution and laws of the United States are given one construction and will be defeated if they are given another,' unless the claim 'clearly appears to be immaterial and made solely for the purpose of obtaining jurisdiction or where such a claim is wholly insubstantial and frivolous.'" *Ibid.* (citation omitted). Here, resolution of Verizon's claim turns on whether the Act, or an FCC ruling issued thereunder, precludes the Commission from ordering payment of reciprocal compensation, and there is no suggestion that Verizon's claim is "'immaterial'" or "'wholly insubstantial

and frivolous.'" *Ibid.*

Verizon's claim thus falls within 28 U. S. C. §1331's general grant of jurisdiction, and contrary to the Fourth Circuit's conclusion, nothing in 47 U. S. C. §252(e)(6) purports to strip this jurisdiction. Section 252(e)(6) provides for federal review of an agreement when a state commission "makes a determination under [§252]." If this does not include (as WorldCom, Verizon, and the United States claim it does) the interpretation or enforcement of an interconnection agreement, then §252(e)(6) merely makes *some other* actions by state commissions reviewable in federal court. This is not enough to eliminate jurisdiction under §1331. Although the situation is not precisely parallel (in that here the elimination of federal district-court review would not amount to the elimination of all review), we think what we said in *Abbott Laboratories* v. *Gardner,* 387 U. S. 136, 141 (1967), is nonetheless apt: "The mere fact that some acts are made reviewable should not suffice to support an implication of exclusion as to others." (Internal quotation marks and citation omitted). And here there is nothing more than that mere fact. Section 252 does not establish a distinctive review mechanism for the commission actions that it covers (the mechanism is the same as §1331: district-court review), and it does not distinctively limit the substantive relief available. Cf. *United States* v. *Fausto,* 484 U. S. 439, 448–449 (1988). Indeed, it does not even mention subject-matter jurisdiction, but reads like the conferral of a private right of action ("[A]ny party aggrieved by such determination may bring an action in an appropriate Federal district court," §252(e)(6)). Cf. *Steel Co.*, *supra,* at 90–91 (even a statutory provision that uses the word "jurisdiction" may not relate to "subject-matter jurisdiction"); see also *Davis* v. *Passman,* 442 U. S. 228, 239, n. 18 (1979).

And finally, none of the other provisions of the Act evince any intent to preclude federal review of a commis-

sion determination. If anything, they reinforce the conclusion that §252(e)(6)'s silence on the subject leaves the jurisdictional grant of §1331 untouched. For where otherwise applicable jurisdiction was meant to be excluded, it was excluded expressly. Section 252(e)(4) provides: "No State court shall have jurisdiction to review the action of a State commission in approving or rejecting an agreement under this section." In sum, nothing in the Act displays any intent to withdraw federal jurisdiction under §1331; we will not presume that the statute means what it neither says nor fairly implies.[3]

III

The Commission nonetheless contends that the Eleventh Amendment bars Verizon's claim against it and its individual commissioners. WorldCom, Verizon, and the United States counter that the Commission is subject to suit because it voluntarily participated in the regulatory regime established by the Act. Whether the Commission waived its immunity is another question we need not decide, because—as the same parties also argue—even absent waiver, Verizon may proceed against the individual commissioners in their official capacities, pursuant to the doctrine of *Ex parte Young*, 209 U. S. 123 (1908).

In determining whether the doctrine of *Ex parte Young* avoids an Eleventh Amendment bar to suit, a court need

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[3]The Commission also suggests that the *Rooker-Feldman* doctrine precludes a federal district court from exercising jurisdiction over Verizon's claim. See *District of Columbia Court of Appeals* v. *Feldman,* 460 U. S. 462 (1983); *Rooker* v. *Fidelity Trust Co.,* 263 U. S. 413 (1923). The *Rooker-Feldman* doctrine merely recognizes that 28 U. S. C. §1331 is a grant of original jurisdiction, and does not authorize district courts to exercise appellate jurisdiction over state-court judgments, which Congress has reserved to this Court, see 28 U. S. C. §1257(a). The doctrine has no application to judicial review of executive action, including determinations made by a state administrative agency.

only conduct a "straightforward inquiry into whether [the] complaint alleges an ongoing violation of federal law and seeks relief properly characterized as prospective." *Idaho* v. *Coeur d'Alene Tribe of Idaho,* 521 U. S. 261, 296 (1997) (O'CONNOR, J., joined by SCALIA and THOMAS, JJ., concurring in part and concurring in judgment); see also *id.,* at 298–299 (SOUTER, J., dissenting, joined by STEVENS, GINSBURG, and BREYER, JJ.). Here Verizon sought injunctive and declaratory relief, alleging that the Commission's order requiring payment of reciprocal compensation was pre-empted by the 1996 Act and an FCC ruling. The prayer for injunctive relief—that state officials be restrained from enforcing an order in contravention of controlling federal law—clearly satisfies our "straightforward inquiry." We have approved injunction suits against state regulatory commissioners in like contexts. See, *e.g.*, *Prentis* v. *Atlantic Coast Line Co.,* 211 U. S. 210, 230 (1908) ("[W]hen the rate is fixed a bill against the commission to restrain the members from enforcing it will not be bad . . . as a suit against a State, and will be the proper form of remedy"); *Alabama Pub. Serv. Comm'n* v. *Southern R. Co.,* 341 U. S. 341, 344, n. 4 (1951); *McNeill* v. *Southern R. Co.,* 202 U. S. 543 (1906); *Smyth* v. *Ames,* 169 U. S. 466 (1898); *Reagan* v. *Farmers' Loan & Trust Co.,* 154 U. S. 362 (1894). Indeed, *Ex parte Young* itself was a suit against state officials (including state utility commissioners, though only the state attorney general appealed), to enjoin enforcement of a railroad commission's order requiring a reduction in rates. 209 U. S., at 129. As for Verizon's prayer for declaratory relief: That, to be sure, seeks a declaration of the *past*, as well as the *future*, ineffectiveness of the Commission's action, so that the past financial liability of private parties may be affected. But no past liability of the State, or of any of its commissioners, is at issue. It does not impose *upon the State* "a monetary loss resulting from a past breach of a legal duty on the part of

the defendant state officials." *Edelman* v. *Jordan*, 415 U. S. 651, 668 (1974). Insofar as the exposure of the State is concerned, the prayer for declaratory relief adds nothing to the prayer for injunction.

The Fourth Circuit suggested that Verizon's claim could not be brought under *Ex parte Young*, because the Commission's order was probably *not* inconsistent with federal law after all. 240 F. 3d, at 295–297. The court noted that the FCC ruling relied upon by Verizon does not seem to require compensation for ISP traffic; that the Court of Appeals for the D. C. Circuit has vacated the ruling; and that the Commission interpreted the interconnection agreement under state contract-law principles. It may (or may not) be true that the FCC's since-vacated ruling does not support Verizon's claim; it may (or may not) also be true that state contract law, and not federal law as Verizon contends, applies to disputes regarding the interpretation of Verizon's agreement. But the inquiry into whether suit lies under *Ex parte Young* does not include an analysis of the merits of the claim. See *Coeur d'Alene, supra,* at 281 ("An *allegation* of an ongoing violation of federal law . . . is ordinarily sufficient" (emphasis added)).

Nor does the 1996 Act display any intent to foreclose jurisdiction under *Ex parte Young*—as we concluded the Indian Gaming Regulatory Act did in *Seminole Tribe of Fla.* v. *Florida,* 517 U. S. 44 (1996). There an Indian Tribe sued the State of Florida for violating a duty to negotiate imposed under that Act, 25 U. S. C. §2710(d)(3). Congress had specified the means to enforce that duty in §2710(d)(7), a provision "intended . . . not only to define, but also to limit significantly, the duty imposed by §2710(d)(3)." 517 U. S., at 74. The "intricate procedures set forth in that provision" prescribed that a court could issue an order directing the State to negotiate, that it could require the State to submit to mediation, and that it could order that the Secretary of the Interior be notified.

Id., at 74–75. We concluded that "this quite modest set of sanctions" displayed an intent not to provide the "more complete and more immediate relief" that would otherwise be available under *Ex parte Young*. 517 U. S., at 75. Permitting suit under *Ex parte Young* was thus inconsistent with the "detailed remedial scheme," 517 U. S., at 74—and the limited one—that Congress had prescribed to enforce the State's statutory duty to negotiate. The Commission's argument that §252(e)(6) constitutes a detailed and exclusive remedial scheme like the one in *Seminole Tribe*, implicitly excluding *Ex parte Young* actions, is without merit. That section provides only that when state commissions make certain "determinations," an aggrieved party may bring suit in federal court to establish compliance with the requirements of §§251 and 252. Even with regard to the "determinations" that it covers, it places no restriction on the relief a court can award. And it does not even say whom the suit is to be brought against—the state commission, the individual commissioners, or the carriers benefiting from the state commission's order. The mere fact that Congress has authorized federal courts to review whether the Commission's action complies with §§251 and 252 does not without more "impose upon the State a liability that is significantly more limited than would be the liability imposed upon the state officer under *Ex parte Young*." *Seminole Tribe*, *supra,* at 75–76.

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We conclude that 28 U. S. C. §1331 provides a basis for jurisdiction over Verizon's claim that the Commission's order requiring reciprocal compensation for ISP-bound calls is pre-empted by federal law. We also conclude that the doctrine of *Ex parte Young* permits Verizon's suit to go forward against the state commissioners in their official capacities. We vacate the judgment of the Court of Appeals and remand these cases for further proceedings

consistent with this opinion.

It is so ordered.

JUSTICE O'CONNOR took no part in the consideration or decision of these cases.