

Separate Statement of
Commissioner James H. Quello

RE: Local Transport Rate Structure and Pricing

I support the Report and Order and the Further Notice in this proceeding because the more promptly and definitively we move away from present uneconomic local transport rate structure to a revised permanent structure with equitable cost-reflective rates, the better we will have served the public interest. With regard to the Further Notice, as a veteran of the interexchange competition wars virtually from their inception, I can testify that there is a subtle yet immense difference between regulation that assures fair competitive market conditions and regulation that manages competition in a way that fair competitive market forces would not. In my view the Further Notice will pose serious questions that need to be answered to assure that local transport is structured and priced fairly. For that reason, I support the Further Notice and I will look forward to reviewing the data and comments we received in response to it.