Statement of
Commissioner James H. Quello

Re: Merger of Bell Atlantic and NYNEX

April 22, 1996

The proposed merger of Bell Atlantic and NYNEX is the fulfillment of my recent prediction that the potential competitive business opportunities brought about by the passage of the landmark Telecommunications Act of 1996 would result in some consolidation of the regional Bell companies. As a regulator, I do not view these mergers as inherently good or bad. Each transaction must be judged on its own merits.

As a guiding principle, however, I have always maintained that there is a place for large and small players. Markets and consumer's tastes and needs evolve. Businesses must do likewise if they are to serve the public. I am on record during my twenty-two year tenure at the Federal Communications Commission as saying that as long as there is robust marketplace competition, big is not bad.

This is particularly true with the rapidly changing communications technology and service landscape. I believe that the capital intensive communications marketplace will require large well financed and managed companies to compete nationally and internationally in this converging global market. Economies of scale and synergies in the provision of services can result in innovative product offerings at lower prices. This ultimately redounds to the benefit of the public. The public should have a choice in what entity or entities provide the full range of modern communications services, including local and long distance voice, data, and video services.

A primary FCC goal should be to promote the efficiencies associated with large and competitive combined operations in order to benefit the consumer with better service at reasonable cost. I will keep this goal in mind as this Commission reviews proposed business alliances while implementing the 1996 Telecommunications Act to bring about real competition in the provision of local telephone service.

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