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STATEMENT OF
COMMISSIONER JAMES H. QUELLO
BEFORE THE
SENATE COMMITTEE ON COMMERCE,
SCIENCE AND TRANSPORTATION
June 18, 1996

Dear Chairman Pressler, Senator Hollings and Members of the Committee:

I appreciate this opportunity to appear before you once again as you examine the Commission's ongoing efforts to implement the landmark Telecommunications Act of 1996.

In his written testimony Chairman Hundt has outlined for you the extent of our implementation efforts to date. For purposes of my remarks, I thought it might be helpful to share a few thoughts I have on my own framework for decisionmaking.

First and foremost, I believe our decisions must recognize what the 1996 Act epitomizes: that technology is changing the marketplace and, as it does, regulation must reflect those changes in a principled and consistent manner.

Specifically, the rules we adopt should not be based on principles grounded in what the market has looked like in the past, but rather on a realistic assessment of what the market looks like today and what it is likely to look like tomorrow. This applies whether the issue is one of allocating spectrum, pricing telecommunications services, or approaching the form and content of broadcast television.

But against this need to be forward-looking is the inherent difficulty in forecasting the future. None of us can accurately predict precisely how the market will develop, either in terms of what new services will be offered or how consumers will respond to them. This means that our rules need to be flexible enough to allow telecommunications providers to design and offer services in response to consumer demands without requiring the Commission to constantly revisit, refine and re-do its rules to allow this to happen. In short, it is just as important that the rules we write account for what we **do not** yet know as that they deal with what we now **do** know.

To regulate without repressing and to anticipate the unknowable are the essential challenges you have given us in implementing the 1996 Telecommunications Act. I am confident that our efforts to work intensively with the industries, with our state regulatory counterparts, and with consumers as we progress in implementing the Act will help us to meet these challenges and, by doing so, achieve the Act's purpose to put in place a "pro-competitive, de-regulatory, national policy framework designed to accelerate rapidly private sector deployment of advanced telecommunications and information technologies and services to all Americans.."

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Before I close I would like to say a word about one group of people, most of whom are not here today and yet whose efforts are indispensable in achieving this goal: the talented and dedicated staff of the FCC. Whatever your opinion of the Commissioners' efforts as the ultimate decisionmakers, the Commission staff deserves recognition and credit for their almost ceaseless work to balance competing interests both inside and outside the Commission and craft rules that will meet the aims of your legislation. I have always said that I need the FCC staff much more than the FCC staff needs me; I daresay we **both** need them now more than ever, and we both owe them immeasurably for their efforts.

Thank you.