

**STATEMENT OF
COMMISSIONER JAMES H. QUELLO
BEFORE THE
HOUSE SUBCOMMITTEE ON TELECOMMUNICATIONS AND
FINANCE**

July 18, 1996

Dear Chairman Fields, Congressman Markey and Members of the Subcommittee:

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 my prior testimony before you and also before the Senate Commerce Committee last month, I have tried to articulate the principles that will guide my decisions as the Commission goes forward in this process. Now that we are actively considering a very lengthy and complex set of staff recommendations to implement the crucial local competition provisions of the Act, it may be timely to restate them.

Our job is to turn your legislative vision into reality through the rules we write. In doing this, we must be sure that the rules we write accurately reflect both the letter and the intent of the statute you wrote. We must also be careful to assure that the rules we adopt are based on a realistic assessment of what the market looks like today and what it is likely to look like tomorrow. Above all, we must resist the urge to write rules that are based on either outdated perspectives of how things have been in the past, or on unrealistic hopes for how federal regulation can make them be in the future.

Admittedly, no one knows exactly how the market will develop, either in terms of what new services will be offered or how consumers are likely to respond to them. In the particular context of the local telephone competition issues now before us, we need to be sensitive to the uniqueness of circumstances in each state, and make sure that our rules include the flexibility, to the extent consistent with the statute, to account for differences among the states in terms of the marketplace and regulatory situations that pertain in each.

I am confident that our efforts to work intensively with the industries, with our state regulatory counterparts, and with consumers as we move ahead to implement the Act, will help us meet these challenges.

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Before closing, I would like to take a moment to commend to you, as I have to your counterparts in the Senate, the efforts of the FCC staff, who are now working almost round-the-clock to implement the Act by the statutory deadlines you have set for us. In over twenty years on the Commission, I have never seen such sustained excellence displayed under such grueling circumstances as now. Whatever complexities we Commissioners face as the ultimate decisionmakers, and whatever you think of the quality of the decisions we will make, we all owe the FCC's professional staff our admiration and appreciation for the sacrifices they are making to establish the "pro-competitive, deregulatory, national policy framework" you have ordained.

I also wish to commend my fellow Commissioners for their exceptional efforts. As the only Commissioner not sitting on the Federal/State Joint Board, I appreciate the extra time and input they volunteered and I rely on their detailed knowledge and recommendations in the many matters involving universal fund subsidies.