

STATEMENT OF COMMISSIONER JAMES H. QUELLO

In re: Reconsideration of the Commission's Report and Order in Docket No. 79-318,
Cellular Communications System.

The Commission has, I believe, acted wisely, if belatedly, in this very important matter and the public should soon benefit from this decision. I believe that this action directly responds to our mandate under Section I, Title I of the Communications Act of 1934 as amended to "...make available, so far as possible, to all the people of the United States a rapid, efficient, Nation-wide and world-wide wire and radio communication service with adequate facilities at reasonable charges..." The provision of service is, after all, at the heart of our mandate and I believe that the public has been denied this important new service far too long.

Much of the comment relating to the Report and Order the Commission released last April has centered upon competition and the extent to which competition was accommodated by our action. Our Order does address the competitive aspects of cellular radio service very thoroughly, even exhaustively. It is clear that the Commission has chosen to satisfy the need for competition in this important area through the allocation of two 20 MHz blocks of frequencies even though it can be argued that the allocation of only one 40 MHz block, operated by a single entity, would be more technically efficient. Thus, arguments that we have failed to adequately consider the competitive aspects of cellular radio are clearly without merit.

Through resale of cellular services, a requirement of this Report and Order, all qualified entities who wish to participate in this market are clearly able to do so from the outset. Resellers have a clear opportunity to seek whatever share of this new market their business acumen and marketing ability will permit. Resellers may enter this market with only a tiny fraction of the capital requirement borne by the providers of the basic service.

Providers of the non-wireline basic service will have opportunities to technically innovate and to market their service on a basis comparable to the wireline provider. Thus, the opportunity for true competition is being presented in all potential markets.

Competition, per se, should not be our primary emphasis. As the Court has pointed out in another common carrier matter:

Competition as a factor might have some relevance to the FCC decision, if competition had been shown to be of benefit to the public on the communication routes in question. Yet it is all too embarrassingly apparent

that the Commission has been thinking about competition, not in terms primarily as to its benefit to the public, but specifically with the objective of equalizing competition among competitors. (Original emphasis)
Hawaiian Telephone v. FCC, 498 F.2d 775 (1974)

It is clear that the public interest is served by rapid establishment of reasonably-priced, widely-available, technically superior and compatible mobile telephone service. We have wrestled with the mechanism to provide such service for too long. The record is long and the hour is late.