

Concurring Statement of  
FCC Commissioner James H. Quello

In re: The ENFLA Proceeding (CC Docket No. 78-371)

In my view, extension of the ENFLA agreement clearly serves the public interest, but it must be emphasized that this is strictly an interim solution which does not attempt to address the difficult policy questions surrounding the issue of access to the local exchanges. These policy questions are under active consideration by the Commission in its MTS-WATS Market Structure Inquiry (CC Docket No. 78-72). Further, the nature of the access issue has been significantly affected by the proposed AT&T-Justice Department settlement. Since the Commission is not prepared to resolve the access issues, the Commission must attempt to do its best to reasonably extend the negotiated agreement.

I do not fully support the majority opinion here because I share Commissioner Fogarty's concern that -- under the existing separations process -- the ordinary telephone ratepayer who uses MTS appears to be subsidizing users of OCC services. I believe that the percentage prescribed by the majority is too low. The OCC's are not a cottage industry, and they should be required to compete under equitable standards. Nevertheless, such a subsidy was written into the negotiated ENFLA agreement, and I am unwilling to support Commission imposition of a drastic change in the current rate structure without a better record than is obtainable at this time. Further, it is more consistent with long-term Commission goals that the Commission should err here on the side of unwarranted encouragement of competition rather than toward unnecessary restrictions in favor of a monopoly. I must emphasize, however, that this action should not be read as a signal that the Commission will encourage OCC competition through any type subsidy when a full record for decision has been compiled.

The unfairness which I perceive in this decision is an artifact of the separations process. Action on appropriate access charges for various telecommunications services will substitute reasoned decisionmaking for this necessarily arbitrary Commission choice. A very new telecommunications environment is evolving. This Commission action is clearly not a bridge to that environment, but I believe it constitutes a stepping stone placed in that direction.

Therefore, I concur.

273