

July 27, 1983

SEPARATE STATEMENT OF  
FCC Commissioner James H. Quello

In re: The Matter of MTS and WATS Market Structure,  
CC Docket No. 78-72, Phase I

By its action today the Commission has taken another very important step towards truly competitive telecommunications. As we move further toward cost-based pricing, we'll begin to see more and more of the positive elements of true competition in the form of innovation and efficiency that are vital to competitive markets. As real competition takes hold at an accelerating rate, the American people only stand to benefit. I have no illusions that our decision will be greeted with widespread applause because it includes elements of discomfort for virtually everyone. However, in leaving the relative comfort of the telecommunications monopoly and venturing into the competitive arena, some disruption is inevitable and we can only attempt to minimize that disruption. I believe that our decision will have that effect.

We are hearing anguished cries that universal service is threatened as a result of actions taken by this Commission and by the courts. Certainly, as we all embrace the concept of fully competitive telecommunications services, universal service is threatened. But I am convinced that the threat will be curbed by establishment of the Universal Service Fund and by continued Commission surveillance of the effects of our actions. I am fully committed to maintaining universal service and I know that this Commission shares that commitment. The Commission has sufficient flexibility to ensure that basic telephone service will continue to be available at affordable rates.