

April 11, 1984

Statement of FCC Commissioner James H. Quello
Concurring in the Result

In re: Private Line Rate Structure and Volume Discount Practices,
CC Docket 79-246.

I am concurring in this matter only because the majority seems to perceive significant administrative utility and because there have been sufficient expressions of concern to alert the Common Carrier Bureau to the dangers of a doctrinaire application of the guidelines. I remain unconvinced that the guidelines provide much useful guidance to the carriers. On the other hand, the guidelines lend themselves to subjective application leaving the carriers to guess at which of two or more conflicting goals is paramount in any given tariff review. I am in full accord with the advice given the Commission by its Office of Plans and Policy which warned that a strict interpretation of all of the guidelines would permit a finding that any conceivable tariff is unlawful.

I am not suggesting that, at this point, the Commission no longer has a tariff review responsibility. We must continue to scrutinize the tariffs filed by the dominant carrier and the operating companies to ensure that they do not abuse their market power. The other side of that coin requires that the Commission not make unreasonable or impossible demands for a precision which is both unreasonable and unnecessary. To the extent the guidelines are interpreted so as to unnecessarily restrict the carriers' ability to experiment with new rates or offerings, they can only harm the public interest.

I support the majority's finding (at para. 40) that requiring all private line volume discounts to be justified by a fully distributed cost (FDC) study does not promote the goals of the Communications Act. Marginal cost is the only rational basis for pricing in a competitive world.

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