Statement of

Commissioner James H. Quello

April 12, 1989

In re: AT&T Communications -- Revisions to Tariff F.C.C. No. 12

It is my understanding that the Commission is unanimous in the view that AT&T's integrated service offerings under the general heading Tariff No. 12 are unlike any other AT&T offerings with respect to Section 202(a) of the Communications Act. It is also my understanding that we are unanimous in the view that the Tariff 12 offerings currently on file must be rejected as unlawful.

Where there are differences among us, they appear to focus upon events which have not yet transpired. Would it be desirable to be in a position to make a definitive finding on the current state of competition in the interexchange industry? Absolutely! Unfortunately, in this limited tariff review proceeding we have no adequate record to make such a finding. Should we develop such a record? Without a doubt. I have long urged my colleagues to launch an appropriate proceeding to examine the state of competition in the interexchange industry, as a whole, as well as the competitive situation in various sub-markets. Today, we have indicated that such a review will proceed forthwith.

The relevant issues decided today were appropriate in the

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relatively narrow context of reviewing a tariff filing. While from a policy perspective we could benefit from a careful review of the markets, there is no legal necessity to rely upon the state of competition in deciding these issues. I am convinced that they were decided correctly and that sufficient guidance was provided to permit the carrier to refile should it so choose. That, it seems to me, is the extent of our responsibility in the present context.