

**Separate Statement**

of

**Commissioner James H. Quello**

Re: MCI Communications Corporation and British Telecommunications Joint Petition for Declaratory Ruling Concerning Sections 310(b)(4) and 310(d) of the Communications Act

The joint petition by MCI Communications Corporation (MCI) and British Telecommunications (BT) for declaratory ruling is the latest in a series of proposed alliances between domestic and foreign communications providers to come before this Commission. Such alliances are increasing in frequency and scale as providers jockey for position in the global marketplace. The competitive positions of the parties in their respective domestic markets and the amount of financial investment at stake raised concerns regarding the potential for anti-competitive behavior.

This warranted close scrutiny of control and foreign ownership under the Section 310 of the Communications Act. I am satisfied that the MCI/BT liaison, as a whole, is in the public interest. The reporting requirements we herein impose, existing Commission regulation, and commitments made by MCI allay concerns about leveraging market power in a discriminatory fashion.

Principally, I support this Declaratory Ruling and Order because of the practical effects of the proposed alliance. The infusion of 4.3 billion dollars by British Telecom into MCI will benefit American consumers directly. MCI will have the financial resources necessary to expand and upgrade its network. This will "jump start" the information superhighway by spurring competitors to upgrade their networks.

A critical factor in my decision to issue the declaratory ruling is the relative openness of the communications market in the U.K. I will continue to scrutinize carefully subsequent proposed alliances for equivalent market situations. The marketplace in the United States is becoming increasingly and fiercely competitive. Open entry is the standard toward which we should strive, both domestically and internationally. Foreign entities should not be allowed to compete in our market if our domestic providers are precluded from theirs. I intend to continue to apply this basic principle in assessing the on-going reformulation of the global communications marketplace.

Other countries should demonstrate their commitment to fostering competition by implementing a conducive regulatory regime. Their providers will receive the regulatory treatment accorded ours.

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