

Statement of Commissioner James H. Quello

Re: Merger of Southwest Bell and Pacific Telesis

April 2, 1996

The merger of Southwest Bell and Pacific Telesis probably is a harbinger of more regional Bell companies' consolidation.

The capital-intensive communications industry will require large companies with access to capital to stay competitive nationally and, more important, internationally.

In this case, the Commission must carefully consider any possible market domination problems and assure that the public interest will be served when we review the license transfer applications.

I have been on record as saying as long as there is robust marketplace competition, big is not bad. In fact, the efficiencies of economy of scale should benefit both the consumers and shareholders.

A primary FCC goal should be to assure that the efficiencies associated with large and competitive combined operations benefit the consumer with better service at a more reasonable cost. Consistent with this goal, I will also be looking to assure that the Commission takes the regulatory steps necessary in implementing the 1996 Telecommunications Act to bring about real competition in the provision of local telephone service.

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