CONCURRING STATEMENT OF
COMMISSIONER JONATHAN S. ADELSTEIN

Re: Presubscribed Interexchange Carrier Charges, CC Docket 02-53 (Feb. 10, 2005).

With this Order, the Commission revisits the charge that consumers must pay to switch their long distance provider. The current charge was established over twenty years ago, so consumer groups and long distance carriers who bear these charges have fairly asked us to find out whether the costs incurred still justify the current rate. When we refreshed the record in this proceeding last spring, my goal was to pass on the savings of twenty years of technological innovation to consumers. Despite some reservations, I am hopeful that this Order will accomplish that goal.

Unlike our former rules which applied one safe harbor rate, this Order establishes two rates for changes to a consumer's long distance carrier (also known as the presubscribed interexchange carrier or "PIC"): one rate for electronic transactions, and another for manual transactions. That first rate, for electronic transactions, is reduced in this Order – as you might expect from twenty years of technological innovation. Unfortunately, the other rate, for manual changes, goes up. The theory of this approach is that consumers and long distance carriers will have incentives to choose the lower cost option.

I do have some concern that the bulk of consumers, today, use the more expensive manual process – and that the rates may go up for these consumers in the short run. Without perfect information about how this new incentive-based system will work, it is imperative that the Commission test its theory that rates will eventually go down for all consumers by re-evaluating these new rules in a reasonable period of time. We can't wait another 20 years to look at this again.

For these reasons, I concur in this item.