**STATEMENT OF**
**COMMISSIONER MICHAEL J. COPPS,**
**APPROVING IN PART, DISSENTING IN PART**

Re: *Presubscribed Interexchange Carrier Charges*, Report and Order (CC Docket No. 02-53)

The Commission's $5 safe harbor for PIC change charges has been on our books for two decades. The $5 charge is a relic from the early days of divestiture. So I welcome the opportunity this proceeding affords to bring the PIC change charge into the modern era of telecommunications. This is especially important because these charges can end up on consumer bills whenever end users switch long distance providers.

But I think today's decision may miss the mark. While the Order lowers the mechanized threshold to $1.25, it raises the manual threshold to $5.50. To figure out if this is good or bad for consumers, it is important to determine how many changes are processed mechanically and how many are processed manually. Yet we don't analyze this thoroughly in today's decision. There is record evidence seeming to show that while as few as 21% of PIC changes are mechanized, as many as 79% are manual.[1] This means that while the benefit of a lower PIC change charge is enjoyed by a few, the burden of a higher charge could be imposed on the many. And no amount of discussion about net benefits or changed incentives can mask the fact that this Order could subject the majority of end-users to increased charges. As a result, I support today's item and our effort to reduce charges for mechanized changes, but respectfully dissent from its conclusions with respect to manual charges.

---

[1] *See* Letter from Mary L. Henze, Assistant Vice President, BellSouth D.C., Inc., Attachment at 3 (filed February 1, 2005); *see also* Letter from Richard T. Ellis, Executive Director, Verizon (filed February 8, 2005); Letter from Toni Acton, Associate Director, SBC Services Inc., Attachment (filed February 7, 2005).