

**STATEMENT OF
COMMISSIONER MICHAEL J. COPPS**

Re: *Multi-Association Group (MAG) Plan for Regulation of Interstate Services of Non-Price Cap Incumbent Local Exchange Carriers and Interexchange Carriers, Report and Order and Second Further Notice of Proposed Rulemaking*

I support today's decision to update and refine aspects of the MAG access reform plan for rate-of-return carriers. The measured step we take in adjusting the all-or-nothing rule is the right one. On the one hand, the all-or-nothing rule reflects a legitimate concern with improper cost shifting between rate-of-return and price cap companies. On the other, the rule may deter small and rural carriers interested in acquiring lines from price cap carriers and then investing in and improving their facilities. Our approach here—permitting rate-of-return carriers to convert acquired price cap lines back to rate-of-return regulation—strikes the appropriate balance.

When the MAG plan was adopted, I expressed concern about the abridged process leading to our consideration. Although we are well down the road already, I still have concerns about the impact of this plan on rural consumers. We have a duty to ensure that all Americans have access to reasonably comparable services at reasonably comparable rates. I urge the Commission to monitor the impact of this plan to ensure that it provides the stability necessary for investment in rural America.