

**STATEMENT OF
COMMISSIONER DEBORAH TAYLOR TATE**

Re: Petition of AT&T Inc. For Forbearance Under 47 U.S.C. § 160 From Enforcement of Certain of the Commission's Cost Assignment Rules, WC Docket No. 07-21; Petition of BellSouth Telecommunications, Inc. For Forbearance Under 47 U.S.C. § 160 From Enforcement of Certain of the Commission's Cost Assignment Rules, WC Docket No. 05-342, Memorandum Opinion and Order.

An integral part of the pro-competitive, de-regulatory national policy framework established by Congress in the 1996 Act is the section 10 forbearance provision. The deregulation of record-keeping seems an inevitable consequence of today's increasingly competitive telecommunications marketplace. Since the adoption of price cap regulation in 1991, many carriers, including AT&T, have moved from rate-of-return rate regulation to price cap regulation, and the Commission has modified its regulation of price cap carriers over time to reflect changing circumstances. Because AT&T's rates are now regulated under price caps, there is no current federal need for the specific cost assignment rules as they apply to AT&T. Even without these outdated rules, the Commission has clear statutory authority to require AT&T to produce any accounting data that the Commission needs for regulatory purposes. Indeed, we expressly condition the forbearance granted in this Order on the provision by AT&T of accounting data on request by the Commission for use in rulemakings or adjudications, or for other regulatory purposes, such as reform of universal service, intercarrier compensation, or special access. Significantly, AT&T remains subject to a number of statutory safeguards - section 251 obligations, section 271 obligations, and section 201 and 202 obligations - and the other conditions adopted in this Order, subject to the compliance plan. I appreciate the broad participation of States in this proceeding and have carefully considered their concerns. Significantly, we do not in this order preempt any State's authority to obtain any information from AT&T for their own regulatory purposes, and AT&T has committed to provide such information.