

**STATEMENT OF  
COMMISSIONER MIGNON L. CLYBURN  
APPROVING IN PART AND CONCURRING IN PART**

Re: *Comprehensive Review of the Part 32 Uniform System of Accounts, WC Docket No. 14-130;  
Jurisdictional Separations and Referral to the Federal-State Joint Board, CC Docket No. 80-286.*

Until today, Section 220 of the Communications Act required all regulated telephone companies to keep their accounting books in a uniform manner. This in and of itself is not an unusual condition, for there are many other industries, both regulated and unregulated that use this system of uniformity, to include hotels, restaurants, marinas and boatyards. Even the “destination marketing” industry (yes, that is a real term), has a uniform system of accounts that diverges in certain respects from generally accepted accounting principles, or GAAP. So it is worth mentioning, that price cap telephone companies asked to be exempted from an accounting system that many other industries readily employ to ensure uniformity.

But we have met at this juncture before. When first faced with whether to forbear from requiring this data in 2013, I agreed that forbearance was unwarranted, and it is also worth mentioning that the Commission’s view was upheld by the court. The mere existence of data can act as an insurance policy against bad behavior. Today, we are cancelling that policy.

I am concerned that we are acting too soon. While the majority cites our reforms of intercarrier compensation, as justification for no longer needing uniform bookkeeping, we are still years away from bill-and-keep for terminating access charges. And might I note, that the Commission has yet to reform originating access charges.

I also fear that our action will be cited to our state counterparts as the main reason why they will no longer need a uniform system of accounts in their state regulatory structure. Just as we have seen state legislatures deregulate in the face of promises, that federal rules will protect consumers, federal deregulation has also been used to leverage state deregulation. This is especially problematic here, where the lack of a federal need, does not equate to a lack of state need for such regulation. In fact, quite the opposite is true.

Let me be clear, I believe that it is high time we reform Part 32 of our rules: the section dealing with uniform accounting. Streamlining the number of accounts, allowing carriers to reprice assets at market value after a transaction, and incorporating the concept of materiality into accounting practices for example, are good ideas that I am glad we are implementing.

And since accounting for costs related to pole attachments are still critically relevant, regardless of accounting method, I am pleased that we act to make sure, that data regarding pole costs remain transparent and easily accessible for several years. I only wish we could have gone further to protect attachers from rate shock, as this may happen as pole owners switch to GAAP accounting.

Yes, today’s action will provide bookkeeping flexibility to price cap carriers. However, the result of these changes will be less uniformity and certainty going forward, which in turn, may mean comparing apples to oranges when we look at carrier costs. And because I am not wholly convinced that we are completely free of our need for this data in the future, I respectfully concur in part.

So to those carriers who advocate for decreased regulatory burdens, let me assure you: I am with you. However, the next time this Commission or a state commission asks for cost data, to support a rulemaking, investigate a complaint, or bring an enforcement action, I hope we do not hear protestations that the request is too burdensome because the data is not kept in the format that the FCC or state commission needs.

To the staff of the Wireline Competition Bureau, I again thank you for all your hard work on this item, as well as your efforts over the years in implementing the Uniform System of Accounts.