

**STATEMENT OF
COMMISSIONER MICHAEL O'RIELLY**

Re: *Modernization of Payphone Compensation Rules*, WC Docket No. 17-141; *Implementation of the Pay Telephone Reclassification and Compensation Provisions of the Telecommunications Act of 1996*, CC Docket No. 96-128; *2016 Biennial Review of Telecommunications Regulations*, WC Docket No. 16-132.

Payphone audit obligations and the associated reporting requirements no longer make any sense. In fact, payphones themselves have basically evaporated before our eyes as consumers have switched to mobile services, meaning our rules have outlived their usefulness. The record of the proceeding confirms that the cost of an audit significantly exceeds the amount paid for payphone compensation.

To be clear, I would have gone further than this item does. Specifically, some commenters proposed that the sworn statements regarding payphone compensation be submitted annually or eliminated altogether rather than be done quarterly. We should have addressed this today, but I am pleased that the Chairman is open to considering further deregulation in this area in the future.

Fortunately, we will soon have occasion to do so. The outdated payphone audit requirements came to the Commission's attention, in part, through comments submitted in response to the Commission's 2016 Biennial Review Public Notice. With the next Biennial Review set to commence later this year, we can build on the incredible progress that has already been made under the Chairman's leadership to streamline regulatory burdens and eliminate unnecessary rules. I trust that the Commission and commenters will take full advantage of the opportunity to identify and discard additional regulations that no longer serve their intended purposes.