

**SEPARATE STATEMENT OF
COMMISSIONER KEVIN J. MARTIN**

Re: 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2, Report and Order, CC Docket No. 00-199

This item is a next step in reducing regulatory burdens relating to our accounting and reporting requirements. The Commission's accounting and reporting rules impose real costs on incumbent local exchange carriers. As such, the Commission needs to ensure that each of these rules is truly necessary and that the benefits of retaining a rule outweigh its costs. The Commission has endeavored to do so here and has eliminated a large number of unnecessary rules.

In addition, the Commission has begun a further proceeding to address additional streamlining of these rules. The Commission concludes that many of its rules—for example the detailed requirements for continuing property records—serve no, or only a limited, federal regulatory purpose and are burdensome. We decided not to eliminate such requirements immediately—and, indeed, agreed to add several new requirements—out of deference to the State commissions. Many of these commissions currently rely on our rules to ensure that information is available to them. They assert it would cause them hardship were we to cease this function immediately.

While I believe we should—and we have—worked hard to accommodate our State colleagues' concerns, I am reluctant to continue in perpetuity federal rules that serve only State needs. Rather, as we make clear in the further notice, the Commission must, at some point in the future, eliminate requirements that no longer serve specific federal needs. I also am hopeful that the Commission will soon be able to eliminate a range of other requirements that serve only limited federal purposes and are unduly burdensome, especially in light of alternative means to gather information.

I thus look forward to engaging in a dialogue with the States on how we can develop a transition in which States can undertake greater responsibility for collecting the information they need. In conducting this dialogue and developing such a glide path, I urge all parties to consider whether we truly need much of the information that we collect. Moreover, where this information is needed, we should examine alternative, less burdensome means of collecting it. It is imperative that we move away from our narrow focus on incumbent local exchange carriers as the sole source of this information. As competition continues to develop and formerly distinct sectors of the communications industry continue to converge, remaining accounting and reporting requirements generally should fall on all classes of competitors equally.