

**STATEMENT OF  
COMMISSIONER MICHAEL O'RIELLY**

*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*

This order takes an important first step to reduce unnecessary regulation. For years, I have questioned the utility of requiring price cap carriers to keep two sets of accounts, at significant expense, as marketplace and regulatory changes have substantially diminished the need for specialized accounting rules. While some wanted to simply consolidate and simplify, I pushed to find out why we couldn't scrap them altogether without harming our mission. When I met with staff in 2014, it quickly became apparent that the data required under our existing accounting system would only be used in extremely few instances, if ever. And, except for pole attachments, most of these potential uses were highly speculative. Indeed, it was apparently so rare that anyone would review or rely on this data that we had to scour the Commission to find staff that understood how to make sense of it, much less how to go about reforming it. In short, these requirements are like an old sweater that you keep in the back of the closet, haven't worn in years, and aren't sure still fits, but continue to store just in case it comes back into style. It's time to remove these accounting burdens, which no longer make sense in today's world. I hope to work with my colleagues and interested parties on other ideas to remove similarly situated outdated burdens.

For this reason, I also support an effort to review and eliminate unnecessary Part 36 jurisdictional separations requirements. For too long, the Commission has kicked this regulatory can down the road, hoping that our other reforms will ultimately remove the need for these rules as well. But with each passing year, there are fewer people that understand these arcane rules and the substantive usefulness of the rules decreases precipitously. Therefore, we've reached a critical deregulatory opportunity. It only seems appropriate to overhaul our outdated separations regulations in a sensible way. While the referral to the Separations Joint Board in this item is a narrow one, as Chair of the Joint Board, I am eager to take a broader view and I look forward to working with my federal and state colleagues on more comprehensive reform.